

This report summarizes the City’s financial performance for the month ending March 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.

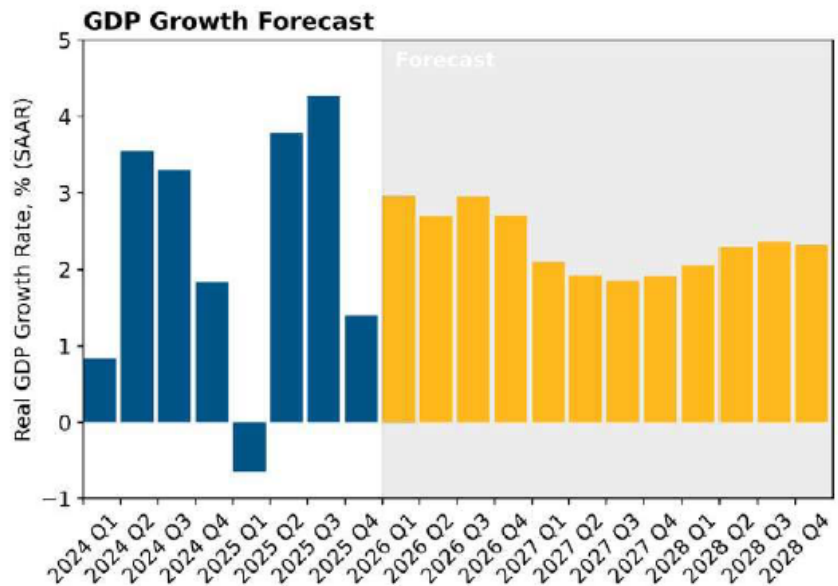
Economic Outlook

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.”¹

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)**



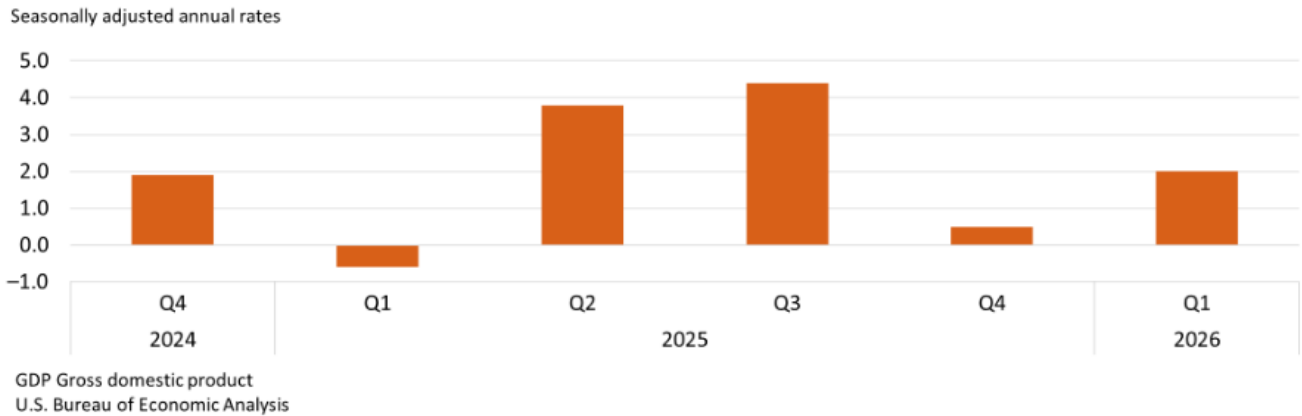
Sources: Bureau of Economic Analysis, UCLA Anderson Forecast

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

The war in Iran has resulted in greater economic uncertainty, with economists pointing to the negative impacts on gas prices, inflation, consumer spending, GDP growth, and employment as well lower economic growth projections. The war has also led to significant financial market volatility.

In the advance estimate for the first quarter of 2026, the Gross Domestic Product (GDP) increased at an annual rate of 2.0%, following a GDP increase of 0.5% in the fourth quarter 2025. The increase in real GDP reflected increases in investment, exports, consumer spending, and government spending. Imports, which are a subtraction in the calculation of GDP, also increased.²

Real GDP, Percent Change From Preceding Quarter



On a national level, the unemployment rate decreased slightly from 4.4% in February to 4.3% in March 2026. In March, the number of unemployed persons totaled 7.2 million, a decrease from 7.6 million in February 2026.³

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

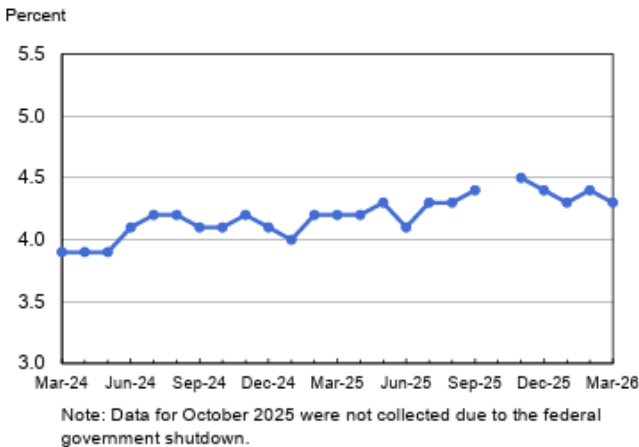
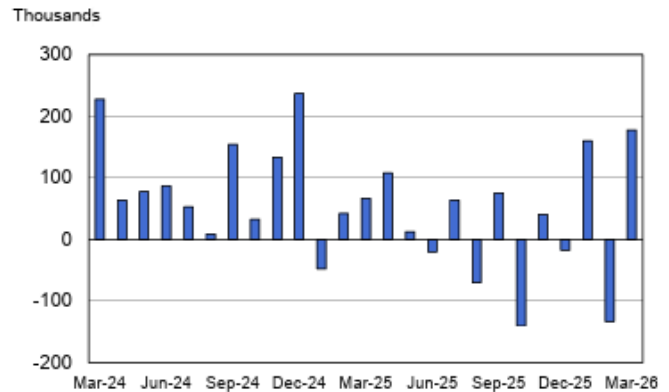


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, March 2024 – March 2026



² <https://www.bea.gov/news/2026/gdp-advance-estimate-1st-quarter-2026>

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

At the state level, the California unemployment rate was 5.3% in March 2026, down from 5.4% in February 2026. This rate is also down from the 5.4% rate in March 2025. Over the past year, California employers have gained 144,700 nonfarm jobs (0.8% increase).⁴

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 3.9% in March 2026, down slightly from a revised 4.2% in February 2026, and below the March 2025 level of 4.2%. Between March 2025 and March 2026, employment in this region increased by 18,200 jobs, or 1.6%. The largest increases were in private education and health services (up 11,900 jobs) and construction (up 3,900 jobs).⁵

General Fund

The General Fund is the major operating fund for the City and includes multiple programs, services, and activities for the residents and businesses of the City. The adopted budget for operating revenues and expenditures for fiscal year 2025/26 was \$353.0 million. The amended budget for revenues and expenditures was adjusted to \$384.9 million to reflect carryover encumbrances from fiscal year 2024/25 and various budget amendments approved by the City Council through March 2026.

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

⁴ https://edd.ca.gov/en/about_edd/news_releases_and_announcements/unemployment-March-2026/

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

Financial Status Report as of March 31, 2026

General Fund Revenues

As of March 31, 2026, \$236.7 million, or 70% of General Fund revenue (excluding transfers) was received. Collections are tracking below par through March 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 03/31/2026	Percentage Received	Actual Through 03/31/2025	Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 65,850,000	\$ 65,850,000	\$ 45,864,024	69.65%	\$ 44,300,293	\$ 1,563,731	3.53%
Property Tax	101,181,000	101,181,000	59,769,969	59.07%	56,615,656	3,154,313	5.57%
Transient Occupancy Tax	27,500,000	27,500,000	19,360,199	70.40%	14,155,508	5,204,691	36.77%
Other Taxes	7,200,000	7,200,000	3,507,176	48.71%	3,512,800	(5,624)	-0.16%
Total Taxes	201,731,000	201,731,000	128,501,368	63.70%	118,584,257	9,917,111	8.36%
LICENSES & PERMITS							
Business Licenses	6,200,000	6,200,000	4,706,436	75.91%	4,699,938	6,498	0.14%
Building Permits	-	-	1,139,098	N/A	992,807	146,291	14.74%
Fire Operation Permits	1,998,000	1,998,000	1,613,128	80.74%	1,645,200	(32,072)	-1.95%
Miscellaneous Permits	26,000	26,000	254	0.98%	74,227	(73,973)	-99.66%
Total Licenses & Permits	8,224,000	8,224,000	7,458,916	90.70%	7,412,172	46,744	0.63%
FINES & PENALTIES	1,557,000	1,557,000	2,466,546	158.42%	1,682,721	783,825	46.58%
INTERGOVERNMENTAL	580,000	1,256,079	804,012	64.01%	2,058,805	(1,254,793)	-60.95%
CHARGES FOR SERVICES	35,626,474	35,843,074	28,676,980	80.01%	26,120,137	2,556,843	9.79%
SILICON VALLEY POWER TRANSFER	37,275,000	37,275,000	27,956,253	75.00%	26,598,824	1,357,429	5.10%
USE OF MONEY & PROPERTY							
Interest	6,247,000	6,247,000	7,294,771	116.77%	3,345,552	3,949,219	118.04%
Rent	13,107,611	13,536,011	11,045,510	81.60%	9,186,726	1,858,784	20.23%
Total Use of Money & Property	19,354,611	19,783,011	18,340,281	92.71%	12,532,278	5,808,003	46.34%
MISCELLANEOUS REVENUES	380,000	1,220,816	1,098,702	90.00%	303,120	795,582	262.46%
LAND PROCEED	-	-	-	N/A	500	(500)	-100.00%
OTHER FINANCING SOURCES							
Operating Transfer In - Storm Drain	1,454,000	1,454,000	1,454,000	100.00%	1,454,000	-	0.00%
Operating Transfer In - Reserves	9,556,671	16,973,212	16,973,212	100.00%	13,950,549	3,022,663	21.67%
Operating Transfer In - Fund Balances ⁽¹⁾	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%
Total Other Financing Sources	17,232,794	46,873,815	46,873,815	100.00%	23,768,452	23,105,363	97.21%
STADIUM OPERATION							
Charges for Services	24,423,380	24,497,380	20,105,443	82.07%	17,307,769	2,797,674	16.16%
Rent and Licensing	6,640,308	6,640,308	1,318,972	19.86%	7,612,194	(6,293,222)	-82.67%
Total Stadium Operation	31,063,688	31,137,688	21,424,415	68.81%	24,919,963	(3,495,548)	-14.03%
TOTAL GENERAL FUND	\$ 353,024,567	\$ 384,901,483	\$ 283,601,289	73.68%	\$ 243,981,230	\$ 39,620,059	16.24%

(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 March 31, 2026, \$45.9 million has been recorded, which is 3.5% higher than prior year collection levels. Given the timing of payments, the sales tax receipts through March account for actual activity in the first two quarters (July 2025 through January 2026) and one advance payment for the third quarter. In addition, \$0.5 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, partially offset by growth in the remaining categories. In the second quarter of FY 2025/26 (October – December activity), receipts totaled \$21.9 million and were up 8.6% from the same period last year. This increase was primarily the result of a 30.2% increase in the County pool; these collections represented approximately 23% of the City's sales tax receipts. The City business categories that experienced growth in the second quarter included Construction (up 42.0%), Transportation (up 2.9%), and General Retail (up 1.8%). This growth was partially offset by declines in food products (down 3.4%), and business to business (down 12.3%).

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 are projected to exceed the budget by over \$10 million based on the current data available and projections from the City's sales tax consultant.

Property Tax: Through March, Property tax receipts totaled \$59.8 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 March 31, 2026, \$19.4 million has been collected, which reflects a 36.8% increase when compared to the collection level in the prior year. Beginning July 2025, all hotels submit TOT payments monthly rather than a combination of monthly and quarterly payments, which will impact the collection pattern during this fiscal year. Based on the higher prior year collection level, current year receipts, and the impact from the Super Bowl and FIFA World Cup events, TOT revenue is projected to 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 \$3.5 million through March, including franchise tax (\$2.4 million) and documentary transfer tax (\$1.1 million). Receipts are consistent with last fiscal year's collection levels of \$3.5 million. Growth of 2.6% is needed to meet the budgeted estimate.

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 \$7.5 million, or 90.7% of the \$8.2 million budget. This collection level is consistent with prior year receipts of \$7.4 million. Business licenses receipts represent the majority of the collections to date at \$4.7 million. Collections in this category are tracking on par with the prior year level but are projected to end the year slightly below the \$6.2 million budget.

Fines & Penalties: Includes collection charges (late fees), vehicle, parking, court fines, and miscellaneous penalty fines. The revenue collected in this category through March was \$2.5 million, which is above the budget of \$1.6 million and the prior year level collections of \$1.7 million. The majority of the receipts are comprised of collection charges. The variance from the prior year is primarily due to higher collection charges, partially offset by a decrease in municipal fines collected.

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 March 31, 2026, \$0.8 million has been collected in this category, which is 64% of the budget. This collection level is 61% lower than prior year levels; collections were higher last year due to wildland reimbursements. Motor vehicle fees total \$0.2 million, slightly exceeding the budget, and the State reimbursement for homeowners property tax relief totals \$0.1 million and is expected to reach the \$0.2 million budget by year-end. The miscellaneous other agency revenues total \$0.5 million, which primarily reflects the SB 90 reimbursements from the State for state-mandated programs delivered by the Police Department and wildland reimbursements for the Fire Department. Budget actions to appropriate these funds to the Police and Fire Departments were approved as part of the July/August Monthly Financial Report and February Monthly Financial Report, respectively.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through March, collections totaled approximately \$28.7 million or 80% of the budget. This reflects a 9.8% increase compared to last year's collections, primarily due to higher receipts in engineering fees, interdepartmental charges, planning and zoning fees, and EMS transport 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 \$18.3 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 100% 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 \$3.0 million based on current collection trends.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, and one-time miscellaneous revenues. Through March, collections of \$1.1 million are tracking at 90% the budget and are 262% above the prior year collections of \$0.3 million. This increase is primarily due to a settlement agreement for damages incurred at Lick Mill Pump Station; the City was reimbursed \$0.5 million for these damages. A budget action recognizing the reimbursement was approved by the City Council on January 13, 2026.

Stadium Operation: Through March 31, 2026, \$21.4 million has been collected through charges for services and rent. Of this amount, \$3.3 million and \$5.6 million represents public safety cost reimbursements for non-NFL events and NFL games, respectively. The City received \$4.8 million in revenue from the Stadium Authority's year-end excess revenue distribution to the General Fund. The City also received the ground lease payment of \$1.3 million and general and administrative cost reimbursements of \$1.7 million, both from the Stadium Authority. Reimbursements of \$3.8 million have been received from the Bay Area Host Committee. Remaining collections of \$0.8 million reflected parking permits.

General Fund Expenditures

As of March 31, 2026, \$286.1 million or 74.3% of the General Fund operating budget had been expended, which is higher than prior year expenditure levels. Excluding transfers, expenditures totaled \$232.0 million, or 70.1% of the budget, which is below par of 75%. Transfers of \$54.1 million have occurred as budgeted. Overall, expenditures in the General Fund are within budgeted levels through March 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 03/31/2026	Percentage Used	Actual Through 03/31/2025	Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 20,501,477	\$ 20,160,144	\$ 11,943,862	59.24%	\$ 10,742,184	\$ 1,201,678	11.19%
City Council	1,268,362	1,273,274	852,154	66.93%	807,172	44,982	5.57%
City Clerk	1,761,474	1,763,949	1,261,539	71.52%	1,818,320	(56,781)	-30.62%
City Manager	5,859,758	6,942,349	4,608,262	66.38%	3,216,120	1,392,142	43.29%
City Attorney	4,619,355	4,760,193	3,249,089	68.26%	2,162,030	1,087,059	50.28%
City Auditor	1,075,554	1,167,005	588,275	50.41%	573,745	14,530	2.53%
Human Resources	5,470,869	5,758,815	3,141,719	54.55%	3,062,674	79,045	2.58%
Finance	20,897,522	21,598,708	14,764,142	68.36%	14,874,946	(110,804)	-0.74%
Total General Government	61,454,371	63,424,437	40,409,042	63.71%	37,257,191	3,151,851	8.46%
PUBLIC WORKS	30,216,576	31,460,071	21,083,115	67.02%	18,852,161	2,230,954	11.83%
COMMUNITY DEVELOPMENT	6,039,535	6,237,266	4,107,460	65.85%	3,601,833	505,627	14.04%
PARKS AND RECREATION	24,548,978	25,373,495	17,278,052	68.09%	15,920,729	1,357,323	8.53%
PUBLIC SAFETY							
Fire	70,335,667	71,148,082	52,697,400	74.07%	51,704,729	992,671	1.92%
Police	99,261,544	100,299,895	74,940,827	74.72%	67,667,963	7,272,864	10.75%
Total Public Safety	169,597,211	171,447,977	127,638,227	74.45%	119,372,692	8,265,535	6.92%
LIBRARY	12,178,570	12,300,254	8,803,109	71.57%	8,807,213	(4,104)	-0.05%
DEPARTMENTAL TOTAL	304,035,241	310,243,500	219,319,005	70.69%	203,811,819	15,507,186	7.61%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	1,062,675	1,635,973	1,635,973	100.00%	1,742,520	(106,547)	-6.11%
Operating Transfer Out - Debt Services	1,406,979	1,406,979	1,406,979	100.00%	1,405,940	1,039	0.07%
Operating Transfer Out - Maintenance Dtrct	1,079,493	1,079,493	1,079,493	100.00%	977,546	101,947	10.43%
Operating Transfer Out - Cemetery	1,078,109	1,078,109	1,078,109	100.00%	823,000	255,109	31.00%
Operating Transfer Out - CIP	6,352,233	30,793,808	30,793,808	100.00%	14,436,988	16,356,820	113.30%
Operating Transfer Out - Reserves	17,649,996	18,100,112	18,100,112	100.00%	7,324,722	10,775,390	147.11%
Total Other Financing Uses	28,629,485	54,094,474	54,094,474	100.00%	26,710,716	27,383,758	102.52%
STADIUM OPERATION	20,359,841	20,563,508	12,660,838	61.57%	7,179,165	5,481,673	76.36%
TOTAL GENERAL FUND	\$ 353,024,567	\$ 384,901,483	\$ 286,074,317	74.32%	\$ 237,701,700	\$ 48,372,616	20.35%

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 March, expenditures totaled \$11.9 million, or 59.2% of the budget, which is below par of 75%. Current year spend is tracking higher than prior year levels, primarily in the salaries and benefits and contractual services categories. Spend is also higher in the advertising and community promotion category as a result of the “Where the Mission Meets the Moment” community events. These costs are partially offset by sponsorship revenue received by the City and appropriated to Non-Departmental as approved by the City Council as part of the Monthly Financial Reports for December 2025 and January 2026.

City Attorney: Actual expenditures through March totaled approximately \$3.2 million, which is 68.3% of the budget, which is below par. Spending is higher than the total expenditures through the same time last fiscal year by 50.3% due to higher salaries and benefits costs and outside legal counsel costs.

City Clerk: Through March, actual expenditures were tracking slightly below budget at approximately \$1.3 million or 71.5% of the budget. This spend is 30.6% lower than prior year levels due to one-time election costs incurred in February 2025.

City Council: Through March, expenditures of \$0.9 million were at 66.9% of budget, which is below par. Compared to the same period through last fiscal year, this reflects a 5.6% increase in expenditures, resulting from higher salary and benefits, operating supplies, and conference, training and travel spend.

City Manager: The actual expenditures through March totaled \$4.6 million, or 66.4% of the budget, which is below par for this time of the year. Expenditures are approximately 43.3% higher compared with the spending level during the same period last fiscal year. This is due to higher spend in the salaries and benefits, operating supplies, and contractual services categories.

Community Development Department: This department consists of three divisions: Planning, Building, and Housing and Community Services. The Building Division of this department is reflected in the Building Development Services Fund, which falls under the special revenue section of this report. Through March, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$4.1 million, or 65.9% of the budget, which is below par of 75%. This expenditure level is 14% above the prior year as a result of higher salaries and benefits and contractual services spend.

Finance Department: Through March, the Department’s expenditures totaled \$14.8 million, or 68.4% of the budget, which is below par. This expenditure level is consistent when compared to the same period last year.

Fire Department: Through March, actual expenditures totaled \$52.7 million, or 74.1% of the budget, which is at par. These expenditures are 2% above the spending level through the same period last fiscal year. Overtime expenditures are tracking at 161.2% of the budget, which is well above par.

Excluding reimbursable mutual aid-related overtime, the departmental overtime remains at approximately 155% 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 March, absences are up 14% (from 60,378 to 68,563 hours) when compared with the prior fiscal year and remain above historical levels. Absences are trending high in the areas of compensation time used, Family and Medical Leave Act (FMLA) 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 March, the compensatory time payouts total \$1,624,047 which is above historical levels and 28% above the payouts of \$1,341,144 experienced through March 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 March, actual expenditures totaled approximately \$8.8 million, or 71.6% of the budget, which is slightly below par, but consistent with the prior year expenditure level.

Parks and Recreation Department: Through March, actual expenditures totaled \$17.3 million, or 68.1% of the budget, which is below par, but 8.5% higher than prior year actuals of \$15.9 million. This increase reflects higher spend in the salaries and benefits categories as well as operating supplies.

Police Department: Expenditures through March are tracking at \$74.9 million, or 74.7% of the budget; this is approximately 10.8% higher than prior year spending levels. The increase is mainly due to higher spend in the salaries and benefits, particularly in the overtime category. There is also higher spend in the operating supplies, contractual services, and capital outlay categories. 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 \$12.7 million through March are tracking at 61.6% of the budget; this expenditure level is 76.4% above the prior fiscal year due planning and deployment activities related to the Super Bowl LX and FIFA World Cup 2026. Events at the Stadium through March include two soccer matches, four concerts, two preseason and eight regular season NFL games; these costs are fully reimbursed by the Stadium Manager and the Stadium Authority. February events also include Super Bowl LX and the community event: Celebrate Santa Clara. The Bay Area Host Committee also provides reimbursement for expenses incurred related to Super Bowl LX and FIFA World Cup 2026 planning costs.

Special Revenue Funds

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

**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 3/31/2026	Percentage Received	Actual Through 3/31/2025	\$ Change From Prior Year	Percent Change
Building Development Services Fee Fund	\$ 16,736,000	\$ 16,736,000	\$ 14,946,735	89.31%	\$ 12,926,420	\$ 2,020,315	15.63%
City Affordable Housing Fund	1,253,326	502,171	483,446	96.27%	984,218	(500,772)	-50.88%
Fire CUPA Fund	2,019,000	2,138,200	1,919,764	89.78%	156,645	1,763,119	1125.55%
Fire Development Services Fee Fund	3,429,000	3,429,000	3,214,502	93.74%	3,056,681	157,821	5.16%
Housing and Urban Development	5,427,794	5,561,800	994,181	17.88%	1,925,751	(931,570)	-48.37%
Housing Authority Fund	281,088	281,088	380,962	135.53%	39,856	341,106	855.85%
Housing Successor Fund	1,302,573	1,302,573	361,650	27.76%	897,656	(536,006)	-59.71%
TOTAL	\$ 30,448,781	\$ 29,950,832	\$ 22,301,240	74.46%	\$ 19,987,227	\$ 2,314,013	11.58%

Fund Description	EXPENDITURES - FISCAL YEAR 2025/26				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 3/31/2026	Percentage Used	Actual Through 3/31/2025	\$ Change From Prior Year	Percent Change
Building Development Services Fee Fund	\$ 17,307,319	\$ 18,707,334	\$ 12,410,499	66.34%	\$ 11,925,428	\$ 485,071	4.07%
City Affordable Housing Fund	6,984,995	7,292,572	867,325	11.89%	646,587	220,738	34.14%
Fire CUPA Fund	1,779,867	1,814,872	1,163,319	64.10%	56,945	1,106,374	1942.88%
Fire Development Services Fee Fund	3,904,315	3,926,714	2,646,002	67.38%	2,653,764	(7,762)	-0.29%
Housing and Urban Development	5,427,794	5,720,995	1,962,570	34.30%	1,963,097	(527)	-0.03%
Housing Authority Fund	459,878	501,371	125,040	24.94%	121,772	3,268	2.68%
Housing Successor Fund	1,127,973	1,347,976	610,056	45.26%	474,181	135,875	28.65%
TOTAL	\$ 36,992,141	\$ 39,311,834	\$ 19,784,811	50.33%	\$ 17,841,774	\$ 1,943,037	10.89%

Through the end of March, revenues totaled \$22.3 million, or 74.5% of the estimate, which is at par of 75%, while expenditures totaled approximately \$19.8 million, or 50.3%. Revenues in both the Building and Fire Development Services Funds and the Fire CUPA Fund are tracking above par, while expenditures in these funds are tracking below par. In the Fire CUPA Fund, expenditures are tracking well above prior year levels as it was newly established in FY 2024/25. The Housing Authority Fund revenue is tracking above budget and 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.

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 March 2026. As of March 31, 2026, the internal service fund expenditures totaled \$33.7 million, or 49.8% of the amended budget. The expenditure fluctuations in the Vehicle Replacement Fund are due to the timing of vehicle purchases throughout the year. The significant decrease in spend in the Communication Acquisitions Fund is a result of the replacement of public safety radios that occurred last fiscal year. In the Information Technology Services Fund, higher spend is attributable to the contractual services and capital outlay categories. Expenditures are significantly lower in the Special Liability Insurance Fund when compared to last fiscal year due to high insurance claims expenses that were incurred in FY 2024/25.

**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 3/31/2026	Percentage Used	Actual Through 3/31/2025	\$ Change From Prior Year	Percent Change
Communication Acquisitions Fund	\$ 1,064,336	\$ 1,642,638	\$ 476,389	29.00%	\$ 5,920,301	\$ (5,443,912)	-91.95%
Fleet Maintenance and Operations Fund	6,757,227	7,417,317	4,824,379	65.04%	4,382,110	442,269	10.09%
Information Technology Services Fund	18,755,875	23,478,149	11,933,050	50.83%	9,216,452	2,716,598	29.48%
Public Works Capital Projects Management Fund	4,991,087	5,863,020	3,575,995	60.99%	3,029,894	546,101	18.02%
Special Liability Fund	9,152,000	9,209,062	5,360,010	58.20%	8,997,197	(3,637,187)	-40.43%
Unemployment Insurance Fund	100,000	100,000	117,288	117.29%	74,713	42,575	56.98%
Vehicle Replacement Fund	3,994,000	11,014,019	1,939,957	17.61%	5,451,470	(3,511,513)	-64.41%
Workers' Compensation Fund	6,858,000	8,858,000	5,450,735	61.53%	4,678,146	772,589	16.51%
TOTAL	\$ 51,672,525	\$ 67,582,205	\$ 33,677,803	49.83%	\$ 41,750,283	\$ (8,072,480)	-19.34%

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 March 2026. As of March 31, 2026, the capital fund revenue totaled approximately \$24.0 million. In the Parks and Recreation Capital Fund, \$13.3 million represents MFA collections, \$1.2 million represents Quimby Act fees received, with interest earnings accounting for the remaining collections. The revenue collected in the Related Santa Clara Fund represents developer contributions. The revenue shown in the Storm Drain Capital Fund is customer service charges. In the Tasman East Specific Infrastructure Fund, \$2.0 million reflects impact fee collections, with interest earnings accounting for the remaining collections. The collections in the Streets and Highways Capital Fund are comprised of interest earnings, grant funding, fees, and VTA Measure B proceeds.

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

REVENUE - FISCAL YEAR 2025/26						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 3/31/2026	Percentage Received	
City Affordable Housing Capital Fund	\$ 211,155	\$ -	\$ 211,155	\$ 211,155	100.00%	
Parks & Recreation	23,494,971	-	23,494,971	16,391,174	69.76%	
Public Buildings	110,027	-	110,027	110,028	100.00%	
Related Santa Clara Developer	932,667	290,000	1,222,667	235,000	19.22%	
Storm Drain	1,497,712	2,984,107	4,481,819	1,166,802	26.03%	
Streets & Highways	15,802,148	19,942,011	35,744,159	3,683,734	10.31%	
Tasman East Specific Infrastructure Improvement Fund	217,682	3,517,250	3,734,932	2,166,789	58.01%	
TOTAL	\$ 42,266,362	\$ 26,733,368	\$ 68,999,730	\$ 23,964,682	34.73%	

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 March 2026. As of March 31, 2026, capital fund expenditures totaled \$34.0 million, or 10.1% of the amended budget. The table includes the Measure I General Obligation (GO) Bond funded projects. The current year budget reflects the first tranche of the GO bond proceeds, with approximately 2.6% spent. It is anticipated that the majority of these project appropriations will need to be carried over into FY 2026/27.

As part of the adoption of the FY 2025/26 and FY 2026/27 biennial operating budget, capital funds were carried over for projects that were not anticipated to be completed by June 30, 2025. Necessary

additional adjustments to the capital carryover amounts were included as part of the Budgetary Year-End Report for FY 2024/25, which was approved by the City Council in December 2025.

CITY OF SANTA CLARA GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENDITURES

EXPENDITURES - FISCAL YEAR 2025/26						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 3/31/2026	Percentage Used	
City Affordable Housing Capital Fund	\$ 4,944,484	\$ -	\$ 4,944,484	\$ -	0.00%	
Fire	500,866	1,854,028	2,354,894	688,036	29.22%	
General Govt - Other	4,437,516	12,674,976	17,112,492	883,680	5.16%	
Library	24,642	653,161	677,803	16,353	2.41%	
Measure I General Obligation Bond Fund	96,634,500	-	96,634,500	2,514,867	2.60%	
Parks & Recreation	11,437,074	40,887,990	52,325,064	1,450,617	2.77%	
Public Buildings	43,762,209	8,977,180	52,739,389	4,175,872	7.92%	
Related Santa Clara Developer	723,037	343,370	1,066,407	333,791	31.30%	
Storm Drain	911,490	8,707,187	9,618,677	893,310	9.29%	
Streets & Highways	20,213,576	76,260,521	96,474,097	21,638,080	22.43%	
Tasman East Specific Infrastructure Improvement Fund	1,434,465	2,828,615	4,263,080	1,442,703	33.84%	
TOTAL	\$ 185,023,859	\$ 153,187,028	\$ 338,210,887	\$ 34,037,309	10.06%	

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of March 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 3/31/2026	Percentage Received	Actual Through 3/31/2025	\$ Change From Prior Year	Percent Change
Cemetery Fund	\$ 600,000	\$ 600,000	\$ 467,505	77.92%	\$ 455,330	\$ 12,175	2.67%
Electric Utility Fund	1,128,195,241	1,128,195,241	633,382,073	56.14%	701,169,865	(67,787,792)	-9.67%
Sewer Utility Fund	52,407,375	52,425,510	42,057,854	80.22%	42,317,429	(259,575)	-0.61%
Solid Waste Utility Fund	42,287,613	42,287,613	30,436,656	71.98%	28,666,956	1,769,700	6.17%
Water Recycling Fund	9,651,409	9,651,409	6,419,222	66.51%	8,210,962	(1,791,740)	-21.82%
Water Utility Fund	76,402,644	76,415,821	50,508,475	66.10%	46,743,592	3,764,883	8.05%
TOTAL REVENUE	\$ 1,309,544,282	\$ 1,309,575,594	\$ 763,271,785	58.28%	\$ 827,564,134	\$ (64,292,349)	-7.77%

Fund Description	EXPENDITURES - FISCAL YEAR 2025/26				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 3/31/2026	Percentage Used	Actual Through 3/31/2025	\$ Change From Prior Year	Percent Change
Cemetery Fund	\$ 1,757,102	\$ 1,774,177	\$ 808,860	45.59%	\$ 829,115	\$ (20,255)	-2.44%
Electric Utility Fund	712,617,141	723,337,626	488,675,238	67.56%	421,068,770	67,606,468	16.06%
Sewer Utility Fund	43,738,253	44,110,349	33,984,324	77.04%	29,910,361	4,073,963	13.62%
Solid Waste Utility Fund	42,061,065	46,374,375	28,628,040	61.73%	27,748,121	879,919	3.17%
Water Recycling Fund	10,890,055	14,745,574	8,325,843	56.46%	8,005,512	320,331	4.00%
Water Utility Fund	66,793,248	68,017,282	44,291,352	65.12%	42,570,513	1,720,839	4.04%
TOTAL - Operating Appropriations	\$ 877,856,864	\$ 898,359,383	\$ 604,713,657	67.31%	\$ 530,132,392	\$ 74,581,265	14.07%

Revenues in the electric (which also includes the Electric Debt Service Fund), water, sewer (which also includes the Sewer Debt Service Fund) and water recycling funds are primarily from customer service charges. The activity levels for these customer service charges also impact the resource and production costs on the expenditure side for these funds. In the Electric Utility Fund, the significant decrease in revenue from the prior year is attributable to bond proceeds received last fiscal year. Expenditures in this fund are expected to end the year above budget due to higher power purchase and production costs, which are driven by a higher load. It is anticipated that higher revenues will offset these higher costs. While not included in this report, budget actions for the Electric Utility Fund are expected to be brought forward before the end of FY 2025/26. Revenue in the Water Recycling Fund is lower than prior year levels due to a reimbursement received last fiscal year. Expenditures in the Sewer Utility Fund are tracking higher than prior year levels due to higher operations and maintenance

payments made for the Regional Wastewater Facility (RWF). Staff will continue to monitor this fund and bring forward budget actions if necessary.

A summary of revenue and expenses in the Enterprise Capital Improvement Funds is detailed in the tables below. Actual revenue through March 31, 2026, totaled \$26.1 million, consisting primarily of developer contributions in the Electric Utility Fund and sewer fees in the Sewer Utility Fund. In the Sewer Utility Fund, a reimbursement related to the RWF from the City of San Jose is also reflected. Enterprise capital fund expenses totaled \$89.3 million, or 10.0% 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 3/31/2026	Percentage Received
Electric Utility Fund	\$ 40,097,043	\$ 13,091,676	\$ 53,188,719	\$ 19,661,683	36.97%
Sewer Utility Fund	-	-	-	6,339,203	N/A
Solid Waste Utility Fund	260,653	243,847	504,500	6,606	1.31%
Street Lighting ⁽¹⁾	-	-	-	11,695	N/A
Water Utility Fund	-	-	-	39,760	N/A
TOTAL - Revenue	\$ 40,357,696	\$ 13,335,523	\$ 53,693,219	\$ 26,058,947	48.53%

**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 3/31/2026	Percentage Used
Cemetery Fund	\$ 10	\$ 270,479	\$ 270,489	\$ -	0.00%
Convention Center Capital Fund	1,590,412	2,556,629	4,147,041	24,375	0.59%
Electric Utility Fund	385,819,281	378,643,486	764,462,767	69,973,344	9.15%
Sewer Utility Fund	47,606,403	37,208,230	84,814,633	6,369,967	7.51%
Solid Waste Utility Fund	821,876	141,354	963,230	625,801	64.97%
Street Lighting ⁽¹⁾	5,837,301	12,872,569	18,709,870	8,135,220	43.48%
Water Recycling Fund	50,000	-	50,000	2,312	4.62%
Water Utility Fund	15,033,219	6,891,151	21,924,370	4,140,774	18.89%
TOTAL - CIP Appropriations	\$ 456,758,502	\$ 438,583,898	\$ 895,342,400	\$ 89,271,793	9.97%

(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
March 31, 2026**

DETAIL OF SELECTED FUND RESERVE BALANCES:

	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 81,450,116		
Capital Projects Reserve	21,383,432		
Land Sale Reserve	18,561,159		
Technology Fee Reserve	2,827,685		
Electric Rate Stabilization Fund Reserve		\$ 78,000,000	
Electric Operations and Maintenance Reserve		377,000,000	
Replacement & Improvement			\$ 303,090
TOTALS	\$ 124,222,392	\$ 455,000,000	\$ 303,090

Donations to the City of Santa Clara

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

Department	Fiscal Year 2025/26		Designated Use
	Mar-26	Year To Date	
City Manager's Office	-	150	Help Your Neighbor
Parks & Recreation	-	24,170	Case Management
Parks & Recreation	629	3,328	Roberta Jones Jr. Theatre
Parks & Recreation	-	19,775	Wade Brummal
TOTALS	\$ 629	\$ 47,423	