



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

January 2023

This report summarizes the City's financial performance for the month ended January 31, 2023. 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 \$284.0 million to reflect various budget amendments approved by the City Council through January 2023.

General Fund revenues are currently tracking to end the year above the budgeted level. Through December, departmental expenditures are tracking 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. Given this level of uncertainty, the December 2022 UCLA Forecast presented a two-scenario economic forecast. "One scenario is no recession, where economic growth is "just right", inflation ebbs, labor market constraints loosen, and the Federal Reserve takes a less aggressive approach to monetary policy tightening. The second scenario is a recession, where inflation would have continued to run hot if not for aggressive Federal Reserve action. In this scenario, the Federal Reserve forces a recession and accepts an economic contraction and higher unemployment to combat inflation. Importantly, the difference in the two scenarios is the exogenous decision of the Federal Reserve is setting monetary policy."¹ This uncertainty is also reflected in the February 2023 National Association for Business Economics (NABE) Outlook Survey, which found significant divergence regarding the outlook for the U.S. economy. "Estimates of inflation-adjusted gross domestic product or real GDP, inflation, labor market indicators, and interest rates are all widely diffused, likely reflecting a variety of options on the fate of the economy – ranging from recession to soft landing to robust growth."² In its February 2023 release, The Conference Board forecasts a recession starting in early 2023, with economic weakness intensifying and spreading more widely throughout the US economy over the coming months. "This outlook is associated with persistent inflation and the Federal Reserve hawkishness. We forecast that real GDP growth will slow to 0.3 percent in 2023, and then rebound to 1.6 percent in 2024."³ The Conference Board Consumer Confidence Index decreased in February for the second consecutive month. "The decrease reflected large drops in confidence for households aged 35 to 54 and for households earning \$35,000 or more," said Ataman Ozyildirim, Senior Director, Economics at The Conference Board."⁴

¹ UCLA Anderson Forecast, December 2022, Goldilocks or Bust: Will the Economy be "Just Right" or Will We have a Recession?

² [February 2023 Outlook Survey Summary \(nabe.com\)](https://www.nabe.com/February-2023-Outlook-Survey-Summary)

³ [Economic Forecast for the US Economy \(conference-board.org\)](https://www.conference-board.org/economic-forecast-for-the-us-economy)

⁴ [US Consumer Confidence \(conference-board.org\)](https://www.conference-board.org/us-consumer-confidence)

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On a national level, the unemployment rate remained fairly flat in January 2023 at 3.4%, compared to 3.5% in December 2022. This rate was well below the record setting high of 14.7% in April 2020, and slightly below the pre-pandemic unemployment rate of 3.5%. In January, the number of unemployed persons stayed at 5.7 million, which is consistent with the pre-pandemic level of 5.7 million.⁵

Chart 1. Unemployment rate, seasonally adjusted, January 2021 – January 2023

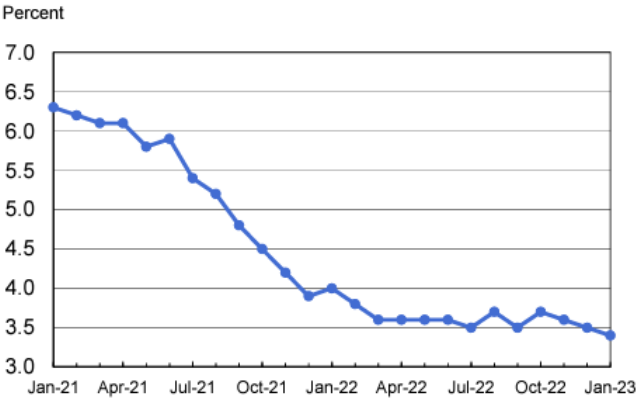
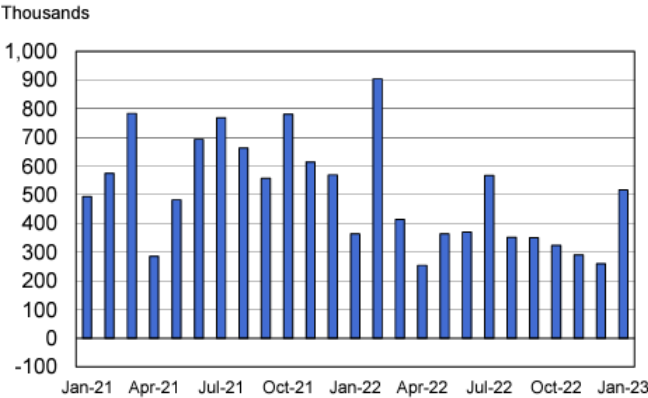
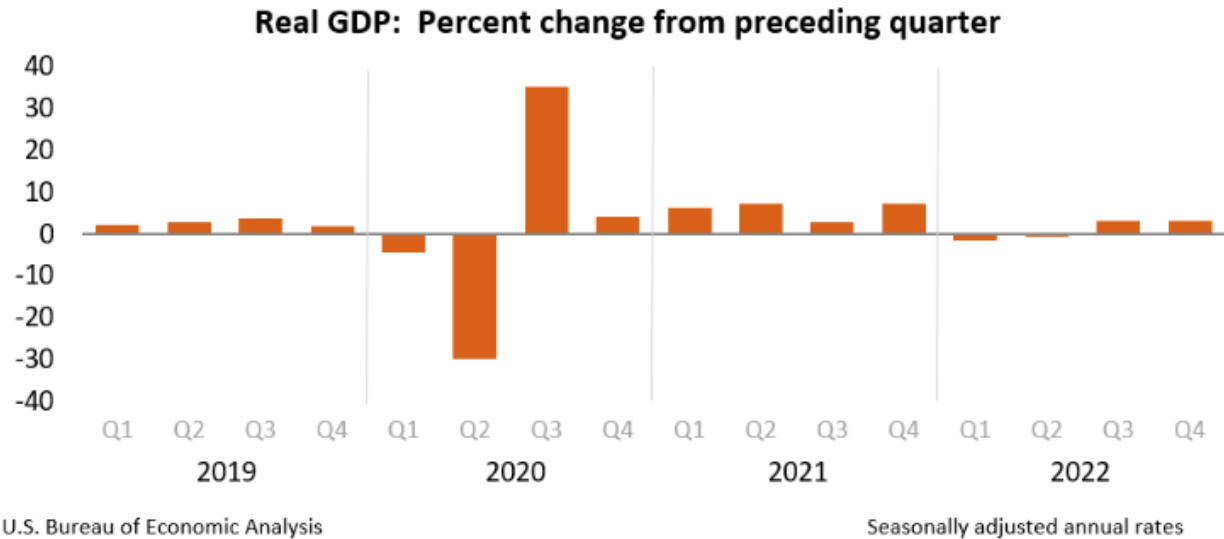


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, January 2021 – January 2023



In the fourth quarter 2022 second estimate, the Gross Domestic Product (GDP) increased by 2.7%, following a GDP increase of 3.2% in the third quarter. The GDP decelerated in the fourth quarter compared to the third due to downturns in exports, State and local government spending as well as a slowing in consumer spending.⁶

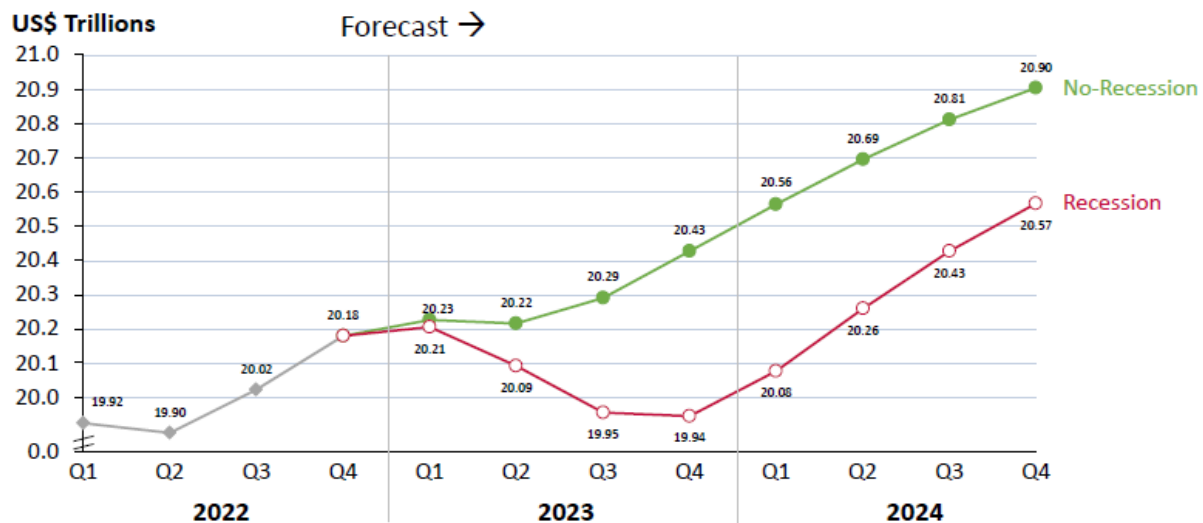


⁵ <https://www.bls.gov/news.release/pdf/empst.pdf>
⁶ https://www.bea.gov/sites/default/files/2023-02/tech4q22_2nd.pdf

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The December 2022 UCLA Anderson Forecast projects strong GDP performance in the 4th quarter 2022 driven by consumption and business investment. After that point, the Forecast has differing projections based on the recession or no-recession scenarios as illustrated below. The real GDP gap between these scenarios totals \$490 billion by the end of 2023 and \$330 billion by 2024.

Real GDP Levels, US\$ Trillions, Chained 2012 Prices, Seasonally Adjusted Annual Rates



Source: UCLA Anderson Forecast and U.S. Bureau of Economic Analysis

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 remained flat at 4.1% between November and December 2022. This rate is lower compared to the 5.8% rate in December 2021. California has now regained all of the 2.76 million nonfarm jobs lost due to COVID-19 in March and April 2020 and has outpaced the country's job growth as a whole by 0.6%.⁷

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) slightly decreased to 2.1% in December 2022, from a revised 2.4% in November 2022, and is below the December 2021 level of 2.9% and the February 2020 pre-pandemic level of 2.6%. Between December 2021 and December 2022, employment in this region increased by 47,100 jobs, or 4.1%.⁸ The largest increases were in professional and business services (up 12,200 jobs), private educational and health services (up 9,800 jobs), and leisure and hospitality (up by 8,600 jobs).

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

⁷ https://edd.ca.gov/en/about_edd/news_releases_and_announcements/unemployment-december-2022/

⁸ [https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos\\$pd.pdf](https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos$pd.pdf)

Financial Status Report as of January 31, 2023

General Fund Revenues

As of January 31, 2023, \$131.4 million, or 55% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$45.0 million have occurred as budgeted. Revenue collections are tracking to end the year above budget and are higher when compared to collections last 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 01/31/2023	Percentage Received	Actual Through 01/31/2022	\$ Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 60,173,000	\$ 60,173,000	\$ 26,001,542	43.21%	\$ 22,666,505	\$ 3,335,037	14.71%
Property Tax	75,261,000	75,261,000	43,319,987	57.56%	37,721,113	5,598,874	14.84%
Transient Occupancy Tax	12,600,000	12,600,000	9,115,846	72.35%	3,347,211	5,768,635	172.34%
Other Taxes	6,260,000	6,260,000	2,472,870	39.50%	2,682,067	(209,197)	-7.80%
Total Taxes	154,294,000	154,294,000	80,910,245	52.44%	66,416,896	14,493,349	21.82%
LICENSES & PERMITS							
Business Licenses	900,000	900,000	495,579	55.06%	486,320	9,259	1.90%
Fire Operation Permits	2,100,000	2,358,000	1,129,278	47.89%	1,139,577	(10,299)	-0.90%
Miscellaneous Permits	72,000	72,000	33,136	46.02%	37,516	(4,380)	-11.68%
Total Licenses & Permits	3,072,000	3,330,000	1,657,993	49.79%	1,663,413	(5,420)	-0.33%
FINES & PENALTIES	1,465,000	1,615,000	161,916	10.03%	205,366	(43,450)	-21.16%
INTERGOVERNMENTAL	310,000	310,000	375,070	120.99%	599,956	(224,886)	-37.48%
CHARGES FOR SERVICES	31,258,098	31,258,098	19,132,687	61.21%	16,631,094	2,501,593	15.04%
SILICON VALLEY POWER TRANSFER	26,170,000	26,170,000	16,708,934	63.85%	15,034,470	1,674,464	11.14%
USE OF MONEY & PROPERTY							
Interest	2,532,000	2,532,000	916,344	36.19%	865,946	50,398	5.82%
Rent	10,584,266	10,584,266	6,095,663	57.59%	5,385,709	709,954	13.18%
Total Use of Money & Property	13,116,266	13,116,266	7,012,007	53.46%	6,251,655	760,352	12.16%
MISCELLANEOUS REVENUES	150,000	189,099	1,939,692	1025.75%	399,612	1,540,080	385.39%
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	25,812,244	36,719,079	36,719,079	100.00%	32,758,819	3,960,260	12.09%
Operating Transfer In - Fund Balances ⁽²⁾	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	2,370,374	2,370,374	100.00%	5,427,399	(3,057,025)	-56.33%
Total Other Financing Sources	33,878,344	45,028,179	45,028,179	100.00%	44,457,876	570,302	1.28%
STADIUM OPERATION							
Charges for Services	7,889,147	7,889,147	2,822,623	35.78%	1,655,345	1,167,278	70.52%
Rent and Licensing	752,500	752,500	678,661	90.19%	286,278	392,383	137.06%
Total Stadium Operation	8,641,647	8,641,647	3,501,284	40.52%	1,941,623	1,559,661	80.33%
TOTAL GENERAL FUND	\$ 272,355,355	\$ 283,952,289	\$ 176,428,007	62.13%	\$ 153,601,961	\$ 22,826,046	14.86%

(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 January 31, 2023, approximately \$26.0 million has been collected. This reflects an increase of \$3.3 million when compared to collections through the same period last fiscal year. In this fiscal year, sales tax receipts increased 15.7% in the July – September 2022 quarter and 2.4% in the October – December 2022 quarter when compared to the same quarters last fiscal year. Growth of 3% is needed in the remaining two quarters of Fiscal Year 2022/23 to meet the budgeted estimate of \$59.4 million. 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.

Property Tax: Through January, 57.6% 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 \$81.6 million, well above the Adopted Budget estimate of \$75.3 million. This reflects an increase of 9.4% from the prior year.

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 January 31, 2023, approximately \$9.1 million has been received, which is significantly higher than receipts through the same period last fiscal year of \$3.3 million. As businesses continue to recover from the COVID-19 impacts, it is anticipated that TOT will increase compared to last fiscal year. Based on current collection trends, TOT receipts are expected to end the year at approximately \$19 - \$20 million, exceeding the budgeted estimate of \$12.6 million.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$2.5 million through January, which higher than prior year collection levels. Receipts through December reflect higher collections in the franchise tax category that is partially offset by lower receipts in the documentary transfer tax category. Based on current collection trends, Other Taxes collections are projected to slightly exceed the budgeted estimate of \$6.3 million.

Licenses & Permits: Includes business licenses, fire operation permits, and miscellaneous permits and fees. Effective FY 2021/22, building, electric, plumbing, and mechanical permits are budgeted in the Building Development Services Fund, which is reflected in the Special Revenue section of this report. Licenses and permits revenue collections are tracking below par with receipts totaling \$1.7 million, or 50% of the budget of \$3.3 million, through January. This collection level is slightly above the prior fiscal year level.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue of approximately \$0.2 million collected through January is tracking to end the year well below the budgeted estimate of \$1.6 million largely due to the waiving of late fees implemented in response to COVID-19.

Intergovernmental: Includes motor vehicle fees, state homeowner tax relief, fire mutual aid, state mandated reimbursement and redistribution of land sale proceeds and ground leases from the

Successor Agency. Through January 31, 2023, \$0.4 million has been received, which is lower than the prior year collection level but above the budgeted estimate. Fire mutual aid revenues are recommended to be recognized and appropriated to the Fire Department to support their operations.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through January 31, 2023, collections are tracking within the budgeted estimate at \$19.1 million, or 61.2% of the budget. This reflects an 15% increase compared to last year's collections through the same period of \$16.6 million. This increase is a result of higher collections for planning and zoning fees, technology fee, engineering fees, and Fire EMS fees.

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, 2023, \$16.7 million has been received. 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.

Use of Money & Property: Includes realized investment income and rental income. Interest income and rent revenue collections totaled \$7.0 million, or 53.5% of the budget. These collections are higher than collections through last fiscal year of \$6.3 million. Collections are expected to meet or exceed the budgeted estimate of \$13.1 million.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through January 31, 2023, collections of \$1.9 million are higher than collections through the same period last fiscal year of \$0.3 million. This increase is primarily attributable to the settlement between the City, the Santa Clara Stadium Authority, and the Forty-Niners SC Stadium Company LLC and Forty Niners Stadium Management Company LLC (collectively, the Forty-Niners).

Stadium Operation: As of January 31, 2023, charges for services collected through the Stadium totaled \$3.51 million, which is below par for this time of year. This is still significantly higher than collections through the same period last year resulting from the reopening of Stadium for events. A budget amendment is recommended in this report to increase both the charges for services estimate and appropriations for Stadium as a result of higher expenses related to the additional playoff games held at Levi's Stadium.

Financial Status Report as of January 31, 2023

General Fund Expenditures

As of January 31, 2023, \$158.1 million or 55.7% of the General Fund operating budget had been expended. This is significantly lower than last fiscal year due to lower budgeted 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 January. Departmental expenditures totaled \$146.3 million, or 53.7% of the budget, which is below the par level of 58% 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 01/31/2023	Percentage Used	Actual Through 01/31/2022	Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 7,514,334	\$ 9,689,394	\$ 2,858,828	29.50%	\$ 2,567,224	\$ 291,603	11.36%
City Council	861,105	862,396	378,064	43.84%	486,641	(108,577)	-22.31%
City Clerk	2,076,112	2,093,661	1,344,946	64.24%	799,301	545,645	68.27%
City Manager	6,085,321	6,292,428	2,565,989	40.78%	2,846,907	(280,918)	-9.87%
City Attorney	3,202,735	3,690,974	1,834,500	49.70%	1,419,126	415,374	29.27%
Human Resources	4,508,710	4,828,451	2,104,335	43.58%	2,089,060	15,275	0.73%
Finance	19,045,131	20,272,300	9,753,119	48.11%	8,960,984	792,135	8.84%
Total General Government	43,293,448	47,729,604	20,839,781	43.66%	19,169,243	1,670,537	8.71%
PUBLIC WORKS	24,021,840	25,092,840	12,624,862	50.31%	12,723,439	(98,577)	-0.77%
COMMUNITY DEVELOPMENT	5,398,007	5,665,420	2,597,951	45.86%	2,684,587	(86,636)	-3.23%
PARKS AND RECREATION	21,695,302	22,287,115	11,536,921	51.76%	10,355,185	1,181,736	11.41%
PUBLIC SAFETY							
Fire	62,298,852	65,944,826	39,300,348	59.60%	35,277,582	4,022,766	11.40%
Police	84,615,023	85,779,549	47,064,935	54.87%	42,754,936	4,309,999	10.08%
Total Public Safety	146,913,875	151,724,375	86,365,283	56.92%	78,032,518	8,332,765	10.68%
LIBRARY	11,889,451	12,277,870	6,013,159	48.98%	4,967,166	1,045,993	21.06%
DEPARTMENTAL TOTAL	253,211,923	264,777,224	139,977,956	52.87%	127,932,138	12,045,818	9.42%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	38,809	38,809	38,809	100.00%	23,851,216	(23,812,407)	-99.84%
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	8,641,613	8,641,613	100.00%	11,773,925	(3,132,312)	-26.60%
Operating Transfer Out - Reserves	-	-	-	N/A	3,309,009	(3,309,009)	-100.00%
Total Other Financing Uses	11,779,285	11,795,397	11,795,397	100.00%	43,056,938	(31,261,541)	-72.61%
STADIUM OPERATION	7,364,147	7,379,668	6,285,522	85.17%	4,611,946	1,673,576	36.29%
TOTAL GENERAL FUND	\$ 272,355,355	\$ 283,952,289	\$ 158,058,875	55.66%	\$ 175,601,022	\$ (17,542,147)	-9.99%

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, 2023, expenditures totaled \$2.9 million, or 29.5% of the budget. These expenditures are tracking below budget but are higher than the prior year levels, primarily as a result of higher expenditures in the contractual services as well as salaries and benefits categories.

City Attorney: Through January, actual expenditures totaled approximately \$1.8 million, which is below expected levels at 58% of the budget. Spending is 29% above the total expenditures through the same time last fiscal year due to higher contractual legal services costs and salaries and benefits.

City Clerk: Through January, actual expenditures were tracking above budget at \$1.3 million or approximately 64.2% of the budget. This reflects a 68% increase in spending compared to prior year spend levels. This is a result of higher salaries and benefits costs in addition to one-time special election and Granicus costs that are paid every other year. Although expenditures are tracking above par, it is still anticipated that the Department will end the year within budget.

City Council: Through January, expenditures were at 43.8% of budget, which is below par. Compared to the same period through last fiscal year, this reflects a spending decrease of approximately 22%, which is primarily the result of savings due to vacancies within the department.

City Manager: Expenditures through January totaled \$2.6 million, or 40.8% of the budget, which is below par for this time of the year. Expenditures are also 10% lower compared with the spending level through the same period last fiscal year. This decrease reflects lower spending in contractual services and salaries and benefits; however, this is offset by higher spending in the as-needed category.

Community Development Department: This department consists of three divisions: Planning, Building, and Housing and Community Services. The Building division of this department is reflected in the Building Development Services Fund, which falls under the special revenue section of this report. Through January, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$2.6 million, or 46% of budget, which is below the par level of 58%. Expenditures were slightly below the spending through the same period last fiscal year due to lower non-personnel expenditures.

Finance Department: Through January, the Department's expenditures totaled \$9.8 million, or 48.1% of the budget, which is below par. This expenditure level was approximately 8.8% higher than expenditure levels through the same period last year. This is a result of higher expenditures primarily in the salaries and benefits categories, which is partially offset by lower spending in the contractual services category.

Fire Department: Through January 31, 2023, expenditures totaled \$39.3 million, or 59.6% of the budget, which is slightly above par. These expenditures reflect a 11.4% increase from expenditures

through the same period last fiscal year. This increase in spending reflects higher costs in the salaries and benefits, as-needed, contractual services, maintenance, and capital outlay categories. Overtime expenditures are tracking at 98% of the budget, which is well 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. In addition, overtime costs are higher due to mutual aid efforts that will be reimbursed. A budget amendment is recommended in this report to recognize and appropriate \$0.3 million for Cal OES reimbursements.

Library Department: Through January, actual expenditures totaled \$6.0 million, or 49% of the budget, which is below par, but nearly 21% higher than expenditure levels last fiscal year. This is a result of the resuming of full operations which began earlier this calendar year.

Parks and Recreation Department: Through January, actual expenditures totaled approximately \$11.5 million, or 51.8% of the budget, which is below par, but above the prior year actuals of \$10.4 million. This is due to the department resuming activities that were previously impacted by COVID-19 restrictions.

Police Department: Expenditures through January are tracking below expected levels at \$47.1 million, or 54.9% of the budget. This is approximately 10% higher when compared to spending levels through the same period last fiscal year, primarily reflecting higher charges in the salaries and benefits, as-needed, and contractual services categories.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled approximately \$6.3 million through January and are tracking above budgeted levels at 85.2%. This is 36.3% higher than expenditures through the same period last year, as a direct result of the reopening of the Stadium for events. A budget amendment is recommended in this report to increase the Stadium appropriation to cover costs associated with the additional playoff games held at Levi's Stadium. This increase is recommended to be offset by an increase in Charges for Services revenue.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of January 31, 2023. The amended budget reflects carryover encumbrances from fiscal year 2021/22 and budget amendments approved by the City Council through January 2023. Effective July 1, 2021, all Building Division revenues and expenditures are budgeted and accounted for in the Building Development Services Fund, which is included in the table below.

Revenues totaled \$14.3 million, or 52.8% of budget, while expenditures totaled \$13.9 million, or 39.9% of budget through the end of January. Overall, revenues and expenditures are tracking below par of 58%. The negative expenditure in the City Affordable Housing Fund reflects an accounting change in the special disbursements category. Originally, the full loan amount was charged; however, the charges now only reflect the progress through the construction period.

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 1/31/2023	Percentage received	Actual Through 1/31/2022	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 280,000	\$ 252,495	\$ 47,606	18.85%	\$ 236,259	\$ (188,653)	-79.85%
City Affordable Housing Fund	682,000	7,162,700	226,563	3.16%	1,445,601	(1,219,038)	-84.33%
Housing Successor Fund	350,000	1,306,326	461,980	35.36%	491,421	(29,441)	-5.99%
Housing and Urban Development	1,810,000	3,924,461	650,708	16.58%	1,511,246	(860,538)	-56.94%
Building Development Services Fee Fund	14,112,000	14,464,458	12,933,744	89.42%	9,099,505	3,834,239	42.14%
TOTAL	\$ 17,234,000	\$ 27,110,440	\$ 14,320,601	52.82%	\$ 12,784,032	\$ 1,536,569	12.02%

Fund Description	EXPENDITURES - FISCAL YEAR 2022/23				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 1/31/2023	Percentage used	Actual through 1/31/2022	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 380,363	\$ 559,503	\$ 116,014	20.74%	\$ 67,999	\$ 48,015	70.61%
City Affordable Housing Fund	1,685,731	5,499,145	(255,883)	-4.65%	534,608	(790,491)	-147.86%
Housing Successor Fund	1,242,599	6,049,148	5,368,963	88.76%	446,696	4,922,267	1101.93%
Housing and Urban Development	2,355,815	5,199,984	1,105,342	21.26%	1,639,497	(534,155)	-32.58%
Building Development Services Fee Fund	13,360,809	17,682,237	7,610,307	43.04%	6,009,680	1,600,627	26.63%
TOTAL	\$ 19,025,317	\$ 34,990,017	\$ 13,944,743	39.85%	\$ 8,698,480	\$ 5,246,263	60.31%

Governmental Capital Improvement Funds

The table below lists the revenue for selected capital improvement funds. The amended budget reflects current year appropriations, prior year carryover, and budget amendments approved through January 2023. As of January 31, 2023, the capital fund revenue totaled \$34.7 million. In the Parks and Recreation Capital Fund, \$25.7 million has been collected, which includes \$25.2 million in Mitigation Fee Act revenue.

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

REVENUES - FISCAL YEAR 2022/23						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 1/31/2023	Percentage Used	
Parks & Recreation	\$ 1,075,000	\$ 3,301,620	\$ 4,376,620	\$ 25,674,008	586.62%	
Streets & Highways	6,325,096	15,921,680	22,246,776	2,678,660	12.04%	
Storm Drain	1,454,000	-	1,454,000	846,053	58.19%	
Public Buildings	-	100,000	100,000	-	0.00%	
Related Santa Clara Developer	2,968,317	1,118,024	4,086,341	997,362	24.41%	
Patrick Henry Drive	69,205	-	69,205	-	0.00%	
Infrastructure Improvement Fund						
Tasman East Specific	2,413,605	-	2,413,605	2,419,501	100.24%	
Infrastructure Improvement Fund						
TOTAL	\$ 14,305,223	\$ 20,441,324	\$ 34,746,547	\$ 32,810,394	94.43%	

Financial Status Report as of January 31, 2023

The table below lists the total amended budgeted amounts for expenditures in the Capital Improvement Funds. Similar to the revenue table, the amended expenditure budgets consist of current year appropriations, prior year carryover encumbrance balances in Governmental Capital Improvement Funds, and budget amendments approved through January 2023. As of January 31, 2023, capital fund expenditures totaled \$21.6 million, or 15% 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 were included as part of the Budgetary Year-End Report for FY 2021/22 approved on December 6, 2022. These adjustments are reflected in the table 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 EXPENDITURE - OVERVIEW AND COMPARISON BY FUND

EXPENDITURES - FISCAL YEAR 2022/23						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 1/31/2023	Percentage Used	
Parks & Recreation	\$ 9,164,819	\$ 20,913,971	\$ 30,078,790	\$ 2,858,647	9.50%	
Streets & Highways	27,025,308	53,175,624	80,200,932	10,724,311	13.37%	
Storm Drain	5,181,209	2,745,531	7,926,740	2,847,768	35.93%	
Fire	1,506,478	395,077	1,901,555	209,366	11.01%	
Library	413,111	35,747	448,858	77,357	17.23%	
Public Buildings	2,859,686	2,439,492	5,299,178	524,991	9.91%	
General Govt - Other	3,687,314	6,158,460	9,845,774	1,179,330	11.98%	
City Affordable Housing Capital	-	1,600,000	1,600,000	-	0.00%	
Related Santa Clara Developer	3,566,699	-	3,566,699	1,409,067	39.51%	
Patrick Henry Drive	69,205	-	69,205	30,056	43.43%	
Infrastructure Improvement Fund						
Tasman East Specific Infrastructure Improvement Fund	3,221,395	-	3,221,395	1,783,209	55.36%	
TOTAL	\$ 56,695,224	\$ 87,463,902	\$ 144,159,126	\$ 21,644,102	15.01%	

Financial Status Report as of January 31, 2023

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of January 31, 2023. Overall, revenues and expenditures are tracking below budgeted levels.

Revenues and expenditures are tracking above last fiscal year levels. Expenditures are tracking higher in the Water Recycling Fund and Water Utility Fund as a result of higher spending in the resources category.

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 1/31/2023	Percentage received	Actual Through 1/31/2022	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 615,818,445	\$ 629,425,236	\$ 324,545,295	51.56%	\$ 289,792,335	\$ 34,752,960	11.99%
Water Utility Fund	48,358,520	48,358,520	28,043,498	57.99%	27,559,165	484,333	1.76%
Sewer Utility Fund	40,459,345	40,459,345	26,973,292	66.67%	32,707,154	(5,733,862)	-17.53%
Cemetery Fund	600,000	600,000	336,249	56.04%	453,944	(117,695)	-25.93%
Solid Waste Utility Fund	37,245,092	37,245,092	19,207,225	51.57%	17,980,205	1,227,020	6.82%
Water Recycling Fund	5,708,446	5,708,446	3,794,625	66.47%	3,672,122	122,503	3.34%
TOTAL REVENUE	\$ 748,189,848	\$ 761,796,639	\$ 402,900,184	52.89%	\$ 372,164,925	\$ 30,735,259	8.26%

Fund Description	EXPENSES - FISCAL YEAR 2022/23				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 1/31/2023	Percentage Used	Actual through 1/31/2022	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 603,681,580	\$ 606,426,798	\$ 296,853,789	48.95%	\$ 285,592,662	\$ 11,261,127	3.94%
Water Utility Fund	46,797,065	48,768,438	26,514,874	54.37%	23,464,770	3,050,104	13.00%
Sewer Utility Fund	30,825,023	33,220,466	16,297,035	49.06%	15,540,614	756,421	4.87%
Cemetery Fund	1,539,796	1,545,944	840,685	54.38%	818,203	22,482	2.75%
Solid Waste Utility Fund	36,626,118	40,169,992	17,884,112	44.52%	16,707,763	1,176,349	7.04%
Water Recycling Fund	5,729,413	5,739,135	3,691,262	64.32%	3,056,186	635,076	20.78%
TOTAL - Operating Appropriations	\$ 725,198,995	\$ 735,870,773	\$ 362,081,757	49.20%	\$ 345,180,198	\$ 16,901,559	4.90%

Revenues in the electric (which also includes the Electric Debt Service Fund), water, and sewer utility (which also includes the Sewer Debt Service Fund) and water recycling funds are primarily from customer service charges. The activity levels for these customer service charges also impact the resource and production costs on the expenditure side for these funds. The lower the revenue from customer service charges, the lower the expenditures in the resource and production category.

A summary of revenue and expenses in the Enterprise Capital Improvement Funds are detailed in the tables below. Actual revenue through January 31, 2023 totaled \$24.0 million, consisting primarily of developer contributions in the Electric Utility Fund and transfers from operating in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$35.3 million, or 12.9% 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 were approved as part of the Budgetary Year-End Report for FY 2021/22 on December 6, 2022 and are reflected below.

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

Fund Description	REVENUES - FISCAL YEAR 2022/23				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 1/31/2023	Percentage Used
Electric Utility Fund	\$ 37,850,877	\$ 14,554,461	\$ 52,405,338	\$ 13,084,007	24.97%
Street Lighting ⁽¹⁾	-	-	-	36,229	N/A
Sewer Utility Fund	-	-	-	10,899,790	N/A
Solid Waste Utility Fund	250,000	65,000	315,000	4,333	1.38%
TOTAL - CIP Appropriations	\$ 38,100,877	\$ 14,619,461	\$ 52,720,338	\$ 24,024,359	45.57%

CITY OF SANTA CLARA ENTERPRISE CAPITAL IMPROVEMENT FUNDS EXPENDITURE - OVERVIEW AND COMPARISON BY FUND

Fund Description	EXPENSES - FISCAL YEAR 2022/23				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 1/31/2023	Percentage Used
Electric Utility Fund	\$ 130,791,189	\$ 80,191,903	\$ 210,983,092	\$ 28,631,873	13.57%
Street Lighting ⁽¹⁾	239,338	5,637,312	5,876,650	68,608	1.17%
Water Utility Fund	8,012,986	-	8,012,986	1,863,204	23.25%
Sewer Utility Fund	22,399,877	23,316,657	45,716,534	3,955,097	8.65%
Cemetery Fund	53,642	233,980	287,622	17,861	6.21%
Solid Waste Utility Fund	891,521	4,488	896,009	351,217	39.20%
Water Recycling Fund	29,774	-	29,774	-	-
Convention Center	-	2,691,883	2,691,883	452,841	0
Capital Fund					
TOTAL - CIP Appropriations	\$ 162,418,327	\$ 112,076,223	\$ 274,494,550	\$ 35,340,701	12.87%

(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 ensure sufficient operating cash is available to cover day-to-day expenses, address unforeseen cost increases or revenue shortfalls, and ensure debt service coverage.
- The Replacement and Improvement Reserve in the Water and Sewer Utility Funds is for future capital improvement.

The table below summarizes select reserve balances.

CITY OF SANTA CLARA
RESERVE BALANCES
January 31, 2023

DETAIL OF SELECTED FUND RESERVE BALANCES:			
	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 40,843,152		
Capital Projects Reserve	11,959,656		
Land Sale Reserve	12,882,822		
Technology Fee Reserve	1,925,791		
Electric Rate Stabilization Fund Reserve		\$ 48,776,613	
Electric Operations and Maintenance Reserve		118,765,556	
Replacement & Improvement			\$ 303,090
TOTALS	\$ 67,611,421	\$ 167,542,169	\$ 303,090

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 2023. 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
Parks and Recreation Facilities	General Fund	Loan	5,539,540
TOTALS			\$ 5,539,540

Donations to the City of Santa Clara

Donations received by department during the month of January 2023 and for fiscal year 2022/23 are shown in the table below.

Department	Jan-23	Fiscal Year 2022/23 Year To Date	Designated Use
City Manager's Office	\$ -	\$ 50	Help Your Neighbor
Parks & Recreation	512	1,761	Case Management
Parks & Recreation	-	1,748	Roberta Jones Jr. Theatre
Parks & Recreation	-	30,600	Wade Brummal
TOTALS	\$ 512	\$ 34,159	