



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

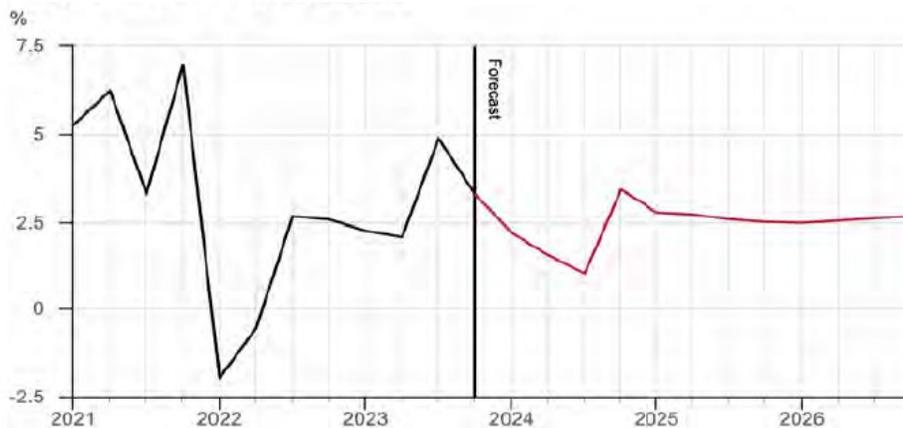
March 2024

This report summarizes the City's financial performance for the month ended March 31, 2024. 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.

Economic Outlook

While there are varying forecasts, economic growth continues but is expected to be constrained in 2024. The March 2024 UCLA Anderson Forecast assumes no recession but does expect slower growth in 2024 as a result of the impact of higher interest rates on consumption, housing and business investment. The UCLA Forecast also identified risks to the Forecast, including the potential shutdown of the government, the impact of geopolitical events, and the impact of the election of national economic policies.¹

Quarterly Real GDP Growth, Seasonally Adjusted Annual Rates



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

The Conference Board Economic Forecast for the US Economy also no longer forecasts a recession for 2024 but does expect consumer spending growth to cool further and for the overall GDP growth to slow to under 1% over the second and third quarters of 2024. After that point, inflation is expected to gradually normalize to the Fed's 2-percent target in 2025. In late 2024, interest rates are expected to fall but may stabilize at levels exceeding the pre-pandemic average.²

¹ UCLA Anderson Forecast, March 2024, The U.S. Economic Outlook and the 2024 Consumer Sentiment Consumption Disconnect

² <https://www.conference-board.org/research/us-forecast>, The Conference Board Economic Forecast for the US Economy, Updated May 16, 2024

On a national level, the unemployment rate slightly increased from 3.8% in March 2024 to 3.9% in April 2024. In April, the number of unemployed persons was 6.5 million, a slight increase from 6.4 in March 2024.³

Chart 1. Unemployment rate, seasonally adjusted, April 2022 – April 2024

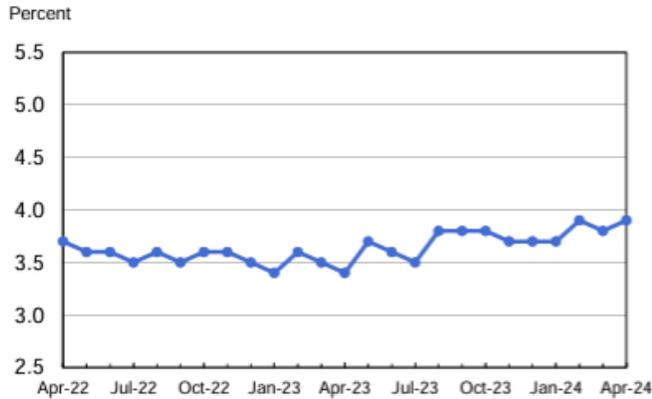
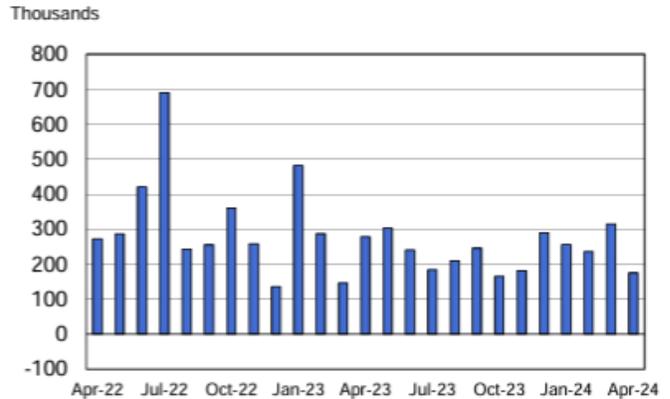
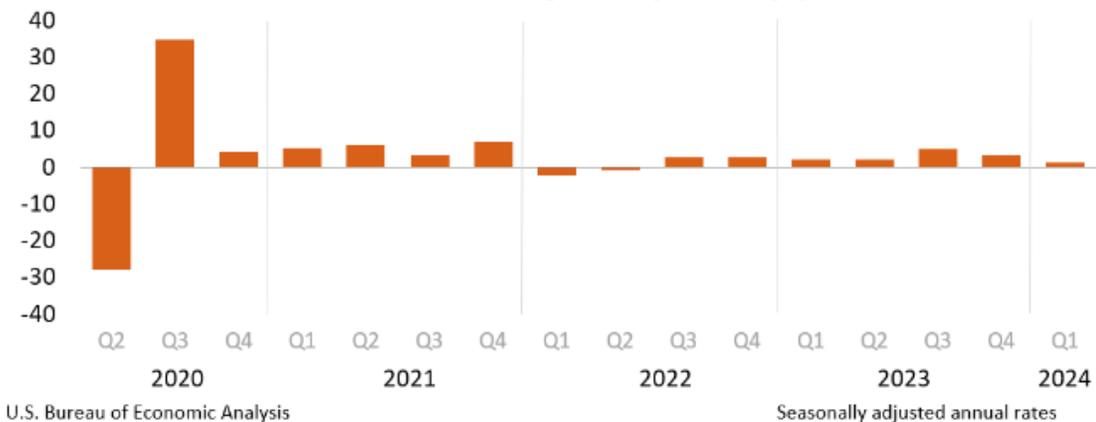


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, April 2022 – April 2024



In the first quarter 2024, the Gross Domestic Product (GDP) increased at an annual rate of 1.3% according to the “second estimate released by the Bureau of Economic Analysis. This follows a GDP increase of 3.4% in the fourth quarter 2023. The GDP increase primarily reflected increases in consumer spending, state and local government spending, nonresidential fixed investment, and residential fixed investment that were partially offset by a decrease in private inventory investment. Compared to the fourth quarter, the GDP deceleration in the fourth quarter primarily reflected slowdowns in consumer spending, exports, state and local government spending, and federal government spending.⁴

Real GDP: Percent change from preceding quarter



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

⁴ <https://www.bea.gov/sites/default/files/2024-05/tech1q24-2nd.pdf>

At the state level, the California unemployment remained unchanged at 5.3% between February and March 2024. This rate is higher compared to the 4.5% rate in March 2023. From March 2023 to March 2024, California added 217,700 nonfarm jobs, an increase of 1.2%.⁵

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 4.2% in March 2024, down slightly from a revised 4.5% in February 2024, but above the March 2023 level of 3.2%. Between March 2023 and March 2024, employment in this region increased by 3,100 jobs, or 0.3%. Notable employment increases were in private education and health services (up 11,900 jobs), government (up 3,600 jobs), and leisure and hospitality (up 1,900 jobs), while information was down 7,400 jobs and manufacturing was down 3,900 jobs.⁶

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 2023/24 was \$281.8 million. The amended budget for revenues and expenditures was adjusted to \$290.4 million to reflect carryover encumbrances from fiscal year 2022/23 and various budget amendments approved by the City Council through March 2024. This budget also accounts for items approved by the City Council on December 12, 2023, as part of the FY 2022/23 Budget Year-End Report.

⁵ https://edd.ca.gov/en/about_edd/news_releases_and_announcements/unemployment-march-2024/

⁶ [https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos\\$pd.pdf](https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos$pd.pdf)

General Fund Revenues

As of March 31, 2024, \$183.5 million or 66.6% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$15.1 million have occurred as budgeted.

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

Function	FISCAL YEAR 2023/24				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 03/31/2024	Percentage Received	Actual Through 03/31/2023	Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 60,524,000	\$ 60,524,000	\$ 35,119,146	58.03%	\$ 36,836,004	\$ (1,716,858)	-4.66%
Property Tax	85,800,000	87,143,000	54,025,391	62.00%	50,521,029	3,504,362	6.94%
Transient Occupancy Tax	21,275,000	21,275,000	11,806,174	55.49%	11,219,932	586,242	5.23%
Other Taxes	6,750,000	6,750,000	3,398,587	50.35%	3,407,398	(8,811)	-0.26%
Total Taxes	174,349,000	175,692,000	104,349,298	59.39%	101,984,363	2,364,935	2.32%
LICENSES & PERMITS							
Business Licenses	6,000,000	6,000,000	3,429,759	57.16%	640,064	2,789,695	435.85%
Fire Operation Permits	2,000,000	2,000,000	1,402,858	70.14%	1,450,474	(47,616)	-3.28%
Miscellaneous Permits	69,000	69,000	17,347	25.14%	40,719	(23,372)	-57.40%
Total Licenses & Permits	8,069,000	8,069,000	4,849,964	60.11%	2,131,257	2,718,707	127.56%
FINES & PENALTIES	1,225,000	1,225,000	1,851,760	151.16%	283,587	1,568,173	552.98%
INTERGOVERNMENTAL	520,000	587,306	510,432	86.91%	1,030,603	(520,171)	-50.47%
CHARGES FOR SERVICES	29,314,768	30,179,768	24,616,800	81.57%	24,388,202	228,598	0.94%
SILICON VALLEY POWER TRANSFER	32,000,000	32,000,000	24,682,688	77.13%	21,482,915	3,199,773	14.89%
USE OF MONEY & PROPERTY							
Interest	3,500,000	3,500,000	1,715,277	49.01%	1,772,376	(57,099)	-3.22%
Rent	12,397,660	13,431,960	9,214,619	68.60%	8,970,385	244,234	2.72%
Total Use of Money & Property	15,897,660	16,931,960	10,929,896	64.55%	10,742,761	187,135	1.74%
MISCELLANEOUS REVENUES	180,000	180,000	271,489	150.83%	2,648,833	(2,377,344)	-89.75%
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	2,772,275	8,097,132	8,097,132	100.00%	36,719,079	(28,621,947)	-77.95%
Operating Transfer In - Fund Balances ⁽¹⁾	4,759,683	4,759,683	4,759,683	100.00%	4,484,726	274,957	6.13%
Operating Transfer In - Miscellaneous	746,044	746,044	746,044	100.00%	7,968,589	(7,222,545)	-90.64%
Total Other Financing Sources	9,732,002	15,056,859	15,056,859	100.00%	50,626,394	(35,569,535)	-70.26%
STADIUM OPERATION							
Charges for Services	9,278,128	9,278,128	11,143,793	120.11%	8,857,315	2,286,478	25.81%
Rent and Licensing	1,230,000	1,230,000	250,000	20.33%	710,000	(460,000)	-64.79%
Total Stadium Operation	10,508,128	10,508,128	11,393,793	108.43%	9,567,315	1,826,478	19.09%
TOTAL GENERAL FUND	\$ 281,795,558	\$ 290,430,021	\$ 198,512,978	68.35%	\$ 224,886,230	\$ (26,373,252)	-11.73%

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2023 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, 2024, approximately \$35.1 million has been collected, which is 4.7% lower than prior year collection levels.

While not yet fully reflected in the cash receipts through March, sales tax collections through three quarters of FY 2023/24 were down 7% compared to the prior fiscal year. Receipts were down 6.2% in the third quarter 2023, down 10.6% in the fourth quarter 2023, and down 4.5% in the first quarter 2024 when compared to the same quarters last fiscal year. The declines in the last three quarters follow four quarters of growth experienced in FY 2022/23. Given the strong performance last fiscal year, receipts can decline by 4% in the remaining quarter of FY 2023/24 and still meet the budgeted estimate of \$59.6 million. Internet sales represents a sizeable amount of the City's sales tax revenue. The County pool, which includes internet sales, accounts for approximately 15%-20% of the sales tax the City receives. The allocation from the County pool in the four quarter of 2023 was down 5.3% from the first quarter 2023.

Property Tax: Property tax receipts totaling \$54 million were received through March 2024, which is 6.9% higher than prior year collection levels. The majority of property tax revenue is collected in February and April each year. Based on the latest information from the County of Santa Clara, property tax receipts are projected to end the year at \$90.7 million, which is \$3.6 million above the Amended Budget estimate of \$87.1 million.

Transient Occupancy Tax (TOT): TOT is calculated as a percentage of City hotel/motel room charges. The City's TOT rate increased from 11.5% to 12.5% effective January 1, 2024. This rate increase was factored into the development of the FY 2023/24 Adopted Budget. Through March 31, 2024, approximately \$11.8 million was received, which is 5.2% above prior year receipts. Collections in the second half of the year are expected to be higher as a result of the rate increase. Growth of 12% from the prior year is needed to meet the budgeted estimate of \$21.3 million.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$3.4 million through March, which is on par with last fiscal year's collection levels. Growth of 6% from the prior year is needed to meet the budgeted estimate of \$6.75 million. Receipts through March reflect franchise tax collections of \$2.7 million and approximately \$0.7 million in documentary transfer tax revenue. The documentary transfer tax is tracking to end the year below budget, which reflects the drop in the number of property sales. In calendar year 2023, the number of single-family residence sales was down approximately 26% from calendar year 2022.

Licenses & Permits: Includes business license tax, fire operation permits, and miscellaneous permits and fees. Licenses and permits revenue collections total \$4.8 million, or 60.1% of the \$8.1 million budget. This represents a nearly 127.6% increase compared to prior year collection levels, primarily in the business tax category. Business tax receipts total \$3.4 million through March, which is up from \$0.6 million in the prior year. The updated business license tax is being implemented this fiscal year with the new methodology. This transition has necessitated the re-registration of every business that establishes

the amount of taxes due. After the first full year of implementation, the City will have a baseline for this tax. Based on collections through March, receipts may end the year below the budgeted estimate of \$6.0 million.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue collected in this category through March was \$1.9 million, which exceeds the budgeted estimate of \$1.2 million. Collections in this category are tracking above prior year levels due to the resumption of the assessment of late fees that had previously been waived due to COVID-19.

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 March 31, 2024, \$0.5 million was collected in this category, which is lower than prior year collection levels. Revenues are projected to slightly exceed the budgeted estimate of \$0.6 million.

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 of approximately \$24.6 million are tracking slightly above par at 81.6% of the budget and are expected to slightly exceed the budgeted estimate by year-end. Revenues in this category are consistent with last year's collections through the same period of \$24.4 million. While collections in EMS transport and miscellaneous charges are higher than prior years, collections in planning and zoning fees and the technology fee are lower. Additionally, effective July 1, 2023, the Fire Development Services Fund was established and fire construction permitting fees are now booked in that fund, instead of the General Fund.

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 March, \$24.7 million has been transferred. 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. Through March, \$10.9 million has been collected, compared to \$10.7 million last fiscal year. This increase is primarily due to higher rental income revenues, including right-of-way and Related lease payments.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through March 31, 2024, collections of \$0.3 million have exceeded the budgeted estimate of \$0.2 million but are significantly lower than prior year levels. This lower collection level is attributable to the one-time 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) recorded last fiscal year.

Stadium Operation: Through March 2024, revenues of \$11.4 million have exceeded the revenue estimate of \$10.5 million largely due to the receipt of reimbursements for General and Administrative and public safety overhead costs above estimates. This reflects large reimbursements received in March for public safety costs related to both NFL and non-NFL events. Reimbursements can take

between three to six months from the event date due to the timing of third-party invoices and payment from the Stadium Manager, however all reimbursements not received by year end are accrued. The original budget included estimates based on ten NFL games and eight non-NFL Events. Since the San Francisco 49ers made it into the playoffs, a total of 12 NFL games were held. Additionally, a total of ten non-NFL events were held in the current fiscal year. Therefore, a budget amendment is recommended as part of this report to recognize reimbursements for two additional NFL games and two additional non-NFL events, offset by an increase to the Stadium Operation appropriation.

General Fund Expenditures

As of March 31, 2024, \$209.7 million or 72.2% of the General Fund operating budget had been expended. Overall, expenditures in the General Fund are within budgeted levels through March. Excluding transfers, expenditures totaled \$197.9 million, or 71% of the budget, which is below the par level of 75% of the budget. Transfers of \$11.8 million have occurred as budgeted.

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

Function	FISCAL YEAR 2023/24				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 03/31/2024	Percentage Used	Actual Through 03/31/2023	\$ Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 15,123,531	\$ 15,990,480	\$ 9,693,189	60.62%	\$ 3,287,596	\$ 6,405,593	194.84%
City Council	1,124,281	1,131,037	846,899	74.88%	498,049	348,850	70.04%
City Clerk	1,947,261	2,121,865	1,130,810	53.29%	1,549,525	(418,715)	-27.02%
City Manager	5,410,204	7,709,087	3,165,401	41.06%	3,951,745	(786,344)	-19.90%
City Attorney	3,076,516	3,196,951	2,128,357	66.57%	2,423,876	(295,519)	-12.19%
City Auditor	948,445	1,087,660	510,058	46.89%	518,213	(8,155)	-1.57%
Human Resources	4,300,090	4,464,113	2,462,154	55.15%	2,739,764	(277,610)	-10.13%
Finance	18,192,257	19,102,116	12,230,079	64.02%	12,424,905	(194,826)	-1.57%
Total General Government	50,122,585	54,803,309	32,166,947	58.70%	27,393,673	4,773,274	17.42%
PUBLIC WORKS	24,857,521	26,270,541	18,199,396	69.28%	16,297,109	1,902,287	11.67%
COMMUNITY DEVELOPMENT	5,121,256	5,227,061	3,731,971	71.40%	3,313,742	418,229	12.62%
PARKS AND RECREATION	21,933,152	22,711,221	15,699,110	69.12%	14,762,998	936,112	6.34%
PUBLIC SAFETY							
Fire	62,616,032	63,647,842	48,881,234	76.80%	50,231,876	(1,350,642)	-2.69%
Police	85,598,562	85,946,468	63,456,633	73.83%	60,505,486	2,951,147	4.88%
Total Public Safety	148,214,594	149,594,310	112,337,867	75.10%	110,737,362	1,600,505	1.45%
LIBRARY	11,135,937	11,229,696	7,635,195	67.99%	7,689,722	(54,527)	-0.71%
DEPARTMENTAL TOTAL	261,385,045	269,836,138	189,770,486	70.33%	180,194,605	9,575,880	5.31%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	1,198,809	1,353,809	1,353,809	100.00%	38,809	1,315,000	3388.39%
Operating Transfer Out - Debt Services	1,402,440	1,402,440	1,402,440	100.00%	1,402,275	165	0.01%
Operating Transfer Out - Maintenance Dtrct	942,413	942,413	942,413	100.00%	842,700	99,713	11.83%
Operating Transfer Out - Cemetery	796,000	796,000	796,000	100.00%	870,000	(74,000)	-8.51%
Operating Transfer Out - CIP	7,305,499	7,305,499	7,305,499	100.00%	8,817,613	(1,512,114)	-17.15%
Operating Transfer Out - Reserves	-	-	-	N/A	5,598,215	(5,598,215)	-100.00%
Total Other Financing Uses	11,645,161	11,800,161	11,800,161	100.00%	17,569,612	(5,769,451)	-32.84%
STADIUM OPERATION	8,765,352	8,793,722	8,157,364	92.76%	7,164,127	993,237	13.86%
TOTAL GENERAL FUND	\$ 281,795,558	\$ 290,430,021	\$ 209,728,011	72.21%	\$ 204,928,344	\$ 4,799,666	2.34%

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. Through March 31, 2024, expenditures totaled \$9.7 million, or 60.6% of the budget. These expenditures are below the par level of 75%, but significantly above prior year levels. This is a result of higher property insurance costs that have been directly budgeted under Non-Departmental, as opposed to allocated out amongst the departments citywide.

City Attorney: Actual expenditures through March totaled approximately \$2.1 million, which is 66.6% of the budget, which is below par. Spending is 12.2% below the prior fiscal year due to lower outside legal counsel services costs.

City Clerk: Through March, actual expenditures were tracking below budget at \$1.1 million or approximately 53.3% of the budget. This expenditure level reflects a 27% decrease in spending compared to last fiscal year due to one-time Granicus costs that are paid every other year.

City Council: Through March, expenditures were at 74.9% of budget, which is at par. This expenditure level is significantly above the prior year due to the reallocation of 1.0 Assistant to the City Manager position from the City Manager's Office as approved as part of the FY 2023/24 and FY 2024/25 Adopted Operating Budget.

City Manager: Expenditures through March 31, 2024 totaled \$3.2 million, or 41.1% of the budget, which is below par for this time of the year. Expenditures are approximately 20% lower compared with the spending level through the same period last fiscal year. This is a result of vacancy savings within the department and the reallocation of 1.0 Assistant to the City Manager position to the City Council as mentioned above, partially offset with higher spend in miscellaneous supplies and services.

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 \$3.7 million, or 71.4% of the budget, which is below par. This expenditure level is 12.6% above the prior year is a result of higher salaries and benefits costs, separation payouts, and higher contractual services spending in the current year.

Finance Department: Through March, the Department's expenditures totaled \$12.2 million, or 64% of the budget, which is below par. This expenditure level is consistent with prior year levels.

Fire Department: Through March 31, 2024, actual expenditures totaled \$48.9 million, or 76.8% of the budget, which is above par. These expenditures reflect a 2.7% decrease from expenditures through the same period last fiscal year. This is primarily because, as approved as part of the FY 2023/24 and FY 2024/25 Adopted Operating Budget, approximately 9.0 FTE were reallocated to the newly established

Fire Development Services Fee Fund. These charges are reflected under the special revenue section of this report.

Expenditures are tracking over budget primarily due to higher overtime that totals 90.8% of the budget through March as well as compensatory time payout expenditures. Overtime is used to backfill for shift absences and vacant shift positions to maintain daily minimum staffing. When the budget was developed, it was assumed that overtime costs would be higher in the first half of the year while firefighters in the recruit academy were in training. These newly trained firefighters began providing relief staffing effective December 8, 2023. With these relief positions, overtime costs are expected to be lower in the second half of the fiscal year. However, it is anticipated that overtime expenditures will exceed the budget as the current absence rate exceeds the estimate used in the development of the budget.

When compared to the prior fiscal year, absences are up 32% through March (from 49,025 to 64,858 hours). This reflects increases in workers' compensation/injury leave, modified duty, Family Medical Leave Act leave, sick leave, and compensatory time used. It is important to note that employees can elect for 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 are also up 39% from the prior year and significantly above historical levels.

Expenditures are currently tracking to end the year approximately \$1.25 million to \$1.75 million above budget. A budget amendment of \$1.75 million is included in this report to conservatively address the projected year-end overage.

Library Department: Through March, actual expenditures totaled \$7.6 million, or 68% of the budget, which is below par, but consistent with expenditure levels last fiscal year. The Library continues to hire staff and fill vacancies to restore library hours, with higher spend in the as-needed and contractual services categories.

Parks and Recreation Department: Through March, actual expenditures totaled \$15.7 million, or 69.1% of the budget, which is below par but higher than prior year actuals of \$14.8 million. This is primarily due to higher spend in the salaries and benefits, contractual services, advertising and maintenance categories.

Police Department: Expenditures through March 31, 2024 are tracking slightly below par at \$63.5 million, or 73.8% of the budget. This expenditure level is 4.9% above the prior year, primarily due to higher personnel costs, contractual services, and operating supplies costs.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis. Stadium expenditures totaled \$8.2 million through March 31, 2024, which is higher than prior year levels. This is primarily due to higher personnel spend, particularly in overtime. The original budget included estimates based on ten NFL games and eight non-NFL Events. Since the San Francisco 49ers made it into the playoffs, a total of 12 NFL games were held in the current fiscal year. Additionally, a total of ten non-NFL events were held in the current Fiscal Year. Therefore, a budget

amendment is recommended as part of this report to increase the Stadium Operation appropriation which covers the costs associated with two additional NFL games and two additional non-NFL events, offset by an increase to the revenue estimate for Stadium reimbursements.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of March 31, 2024. The amended budget reflects carryover encumbrances from fiscal year 2022/23 and budget amendments approved by the City Council through March 2024. Effective July 1, 2023, development related services in the Fire Department have been reallocated from the General Fund to the newly established Fire Development Services Fund, reflected below.

Revenues totaled approximately \$16.1 million, while expenditures totaled \$17.8 million through the end of March. Overall, both revenues and expenditures are tracking below the par level of 75%. The Building Development Services Fee Fund has seen a large decrease on the revenue side due to lower activity levels in the permitting categories. Expenditures; however, are tracking higher when compared to last year due to the filling of vacancies in the Building Division. In the Housing Successor Fund, the expenditures are significantly lower compared to last fiscal year due to a one-time special disbursement for a housing loan that occurred in July 2022. The drop in revenue and expenditures in the City Affordable Housing Fund are due to a one-time developer loan being disbursed in full.

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

Fund Description	REVENUES - FISCAL YEAR 2023/24				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 3/31/2024	Percentage Received	Actual Through 3/31/2023	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 252,495	\$ 252,495	\$ 391,568	155.08%	\$ 80,839	\$ 310,729	384.38%
City Affordable Housing Fund	1,166,720	1,166,720	522,892	44.82%	6,276,241	(5,753,349)	-91.67%
Housing Successor Fund	1,306,326	1,306,326	368,471	28.21%	496,001	(127,530)	-25.71%
Housing and Urban Development	3,106,041	5,712,147	840,254	14.71%	791,496	48,758	6.16%
Building Development Services Fee Fund	15,611,000	15,611,000	11,203,058	71.76%	15,212,076	(4,009,018)	-26.35%
Fire Development Services Fee Fund	2,935,000	3,073,827	2,767,327	90.03%	-	2,767,327	N/A
TOTAL	\$ 24,377,582	\$ 27,122,515	\$ 16,093,570	59.34%	\$ 22,856,653	\$ (6,763,083)	-29.59%

Fund Description	EXPENDITURES - FISCAL YEAR 2023/24				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 3/31/2024	Percentage Used	Actual through 3/31/2023	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 457,193	\$ 518,659	\$ 124,759	24.05%	\$ 168,988	\$ (44,229)	-26.17%
City Affordable Housing Fund	6,683,926	15,379,987	3,081,150	20.03%	6,720,953	(3,639,803)	-54.16%
Housing Successor Fund	873,227	1,216,887	604,151	49.65%	5,412,530	(4,808,379)	-88.84%
Housing and Urban Development	3,993,723	6,673,020	906,269	13.58%	1,288,596	(382,327)	-29.67%
Building Development Services Fee Fund	13,689,592	17,218,230	10,814,545	62.81%	9,883,700	930,845	9.42%
Fire Development Services Fee Fund	3,109,073	3,247,900	2,313,415	71.23%	-	2,313,415	N/A
TOTAL	\$ 28,806,734	\$ 44,254,683	\$ 17,844,289	40.32%	\$ 23,474,767	\$ (5,630,478)	-23.99%

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 2024. As of March 31, 2024, the capital fund revenue totaled \$17.1 million. In the Parks and Recreation Capital Fund, \$3.3 million has been collected, which includes approximately \$2.1 million in Mitigation Fee Act revenue.

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

Fund Description	REVENUES - FISCAL YEAR 2023/24				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 3/31/2024	Percentage Received
Parks & Recreation	\$ -	\$ 4,189,995	\$ 4,189,995	\$ 3,335,645	79.61%
Streets & Highways	15,684,432	17,422,990	33,107,422	10,421,148	31.48%
Storm Drain	4,454,000	-	4,454,000	1,092,723	24.53%
Related Santa Clara Developer	977,582	1,707,737	2,685,319	2,137,720	79.61%
Patrick Henry Drive Infrastructure Improvement Fund	140,486	-	140,486	-	0.00%
Tasman East Specific Infrastructure Improvement Fund	-	-	-	94,397	N/A
TOTAL	\$ 21,256,500	\$ 23,320,722	\$ 44,577,222	\$ 17,081,487	38.32%

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 2024. As of March 31, 2024, capital fund expenditures totaled \$33.1 million, or 19.7% of the amended budget, well below par of 75%.

As part of the adoption of the FY 2023/24 and FY 2024/25 biennial operating budget, some capital funds were carried over for projects that were not anticipated to be completed by June 30, 2023. Necessary additional adjustments to the capital carryover amounts were included as part of the Budgetary Year-End Report for FY 2022/23 approved by the City Council approval on December 12, 2023. These adjustments are reflected in the tables referenced.

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

EXPENDITURES - FISCAL YEAR 2023/24						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 3/31/2024	Percentage Used	
Parks & Recreation	\$ 15,799,144	\$ 24,181,336	\$ 39,980,480	\$ 9,911,528	24.79%	
Streets & Highways	51,126,802	43,717,468	94,844,270	18,445,809	19.45%	
Storm Drain	5,433,900	3,134,592	8,568,492	1,008,202	11.77%	
Fire	1,251,428	482,826	1,734,254	485,018	27.97%	
Library	49,658	251,447	301,105	33,677	11.18%	
Public Buildings	5,803,976	3,047,706	8,851,682	1,302,984	14.72%	
General Govt - Other	4,403,201	6,651,782	11,054,983	1,416,888	12.82%	
City Affordable Housing Capital Fund	-	1,600,000	-	-	NA	
Related Santa Clara Developer	1,500,691	-	1,500,691	476,005	31.72%	
Patrick Henry Drive Infrastructure Improvement Fund	71,281	-	71,281	11,888	16.68%	
Tasman East Specific Infrastructure Improvement Fund	27,330	1,423,145	1,450,475	12,481	0.86%	
TOTAL	\$ 85,467,411	\$ 84,490,302	\$ 168,357,713	\$ 33,104,480	19.66%	

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of March 31, 2024. Overall, revenues and expenditures are tracking below budgeted levels.

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

Fund Description	REVENUES - FISCAL YEAR 2023/24				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 3/31/2024	Percentage Received	Actual Through 3/31/2023	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 1,008,222,211	\$ 1,008,222,211	\$ 512,086,225	50.79%	\$ 435,036,034	\$ 77,050,191	17.71%
Water Utility Fund	60,726,490	60,726,490	40,034,157	65.93%	35,056,719	4,977,438	14.20%
Sewer Utility Fund	73,500,825	78,500,825	71,076,031	90.54%	33,832,442	37,243,589	110.08%
Cemetery Fund	750,000	750,000	431,644	57.55%	437,160	(5,516)	-1.26%
Solid Waste Utility Fund	39,577,957	39,577,957	27,145,225	68.59%	25,273,560	1,871,665	7.41%
Water Recycling Fund	7,668,868	7,668,868	5,297,662	69.08%	4,438,177	859,485	19.37%
TOTAL REVENUE	\$ 1,190,446,351	\$ 1,195,446,351	\$ 656,070,944	54.88%	\$ 534,074,092	\$ 121,996,852	22.84%

Fund Description	EXPENSES - FISCAL YEAR 2023/24				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 3/31/2024	Percentage Used	Actual through 3/31/2023	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 681,590,706	\$ 687,147,483	\$ 414,388,570	60.31%	\$ 438,653,367	\$ (24,264,797)	-5.53%
Water Utility Fund	54,015,131	56,447,989	39,416,639	69.83%	33,606,516	5,810,123	17.29%
Sewer Utility Fund	53,980,961	55,447,527	46,749,346	84.31%	22,814,066	23,935,280	104.91%
Cemetery Fund	1,534,349	1,534,349	720,960	46.99%	1,073,226	(352,266)	-32.82%
Solid Waste Utility Fund	38,782,622	42,490,732	25,205,643	59.32%	22,618,086	2,587,557	11.44%
Water Recycling Fund	8,234,584	8,234,584	5,565,596	67.59%	5,418,891	146,705	2.71%
TOTAL - Operating Appropriations	\$ 838,138,353	\$ 851,302,664	\$ 532,046,754	62.50%	\$ 524,184,152	\$ 7,862,602	1.50%

Overall, revenues and expenditures are tracking above the prior year. 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.

In the Electric Utility Fund, revenues from customer service charges, interest, greenhouse gases, renewable energy, and wholesale power collections are tracking above the prior year. On the expenditure side, maintenance and generation and pumping expenses are lower than prior year levels. The garbage collection expenditures in the Solid Waste Fund are higher than prior year levels. In the Sewer Utility Fund, costs related to the operations and maintenance of the Regional Wastewater Facility, co-owned with the City of San Jose, and debt retirement costs are tracking higher than prior year levels, while the high revenue collection is due to the bond proceeds collected in the debt service fund. Revenue and expenditures are tracking higher than prior year levels in the Water Utility Fund due to activity levels.

A summary of revenue and expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actual revenue through March 31, 2024 totaled \$30.6 million, consisting primarily of developer contributions in the Electric Utility Fund and sewer fees in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$64.7 million, or 10.8% of the amended budget. Similar to the general government capital funds, capital funds were carried over from FY 2022/23 as part of the FY 2023/24 and FY 2024/25 budget adoption process for those projects that were not expected to be completed by June 30, 2023. Additional necessary adjustments to the capital carryover amounts based on actual year-end expenditures were brought forward as part of the budgetary year-end report for FY 2022/23 approved by the City Council on December 12, 2023. These adjustments are reflected in the tables below.

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

REVENUES - FISCAL YEAR 2023/24					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 3/31/2024	Percentage Received
Electric Utility Fund	\$ 39,900,092	\$ 10,071,673	\$ 49,971,765	\$ 29,136,075	58.31%
Water Utility Fund	-	-	-	55,605	N/A
Sewer Utility Fund	-	-	-	1,412,507	N/A
Solid Waste Utility Fund	258,000	430,000	688,000	9,152	1.33%
Convention Center Capital Fund	-	-	-	6,032	N/A
TOTAL - Revenue	\$ 40,158,092	\$ 10,501,673	\$ 50,659,765	\$ 30,619,371	60.44%

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

EXPENSES - FISCAL YEAR 2023/24					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 3/31/2024	Percentage Used
Electric Utility Fund	\$ 395,133,333	\$ 135,149,829	\$ 530,283,162	\$ 45,920,364	8.66%
Street Lighting ⁽¹⁾	139,007	3,527,530	3,666,537	71,194	1.94%
Water Utility Fund	9,671,923	2,839,914	12,511,837	2,553,177	20.41%
Sewer Utility Fund	22,879,160	24,967,761	47,846,921	14,543,657	30.40%
Cemetery Fund	23,835	228,809	252,644	6,000	2.37%
Solid Waste Utility Fund	1,389,757	15,085	1,404,842	1,023,046	72.82%
Water Recycling Fund	50,000	-	50,000	28,200	56.40%
Convention Center Capital Fund	215,000	2,141,755	2,356,755	508,324	21.57%
TOTAL - CIP Appropriations	\$ 429,502,015	\$ 168,870,683	\$ 598,372,698	\$ 64,653,962	10.80%

(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 2023/24, the City Council approved an exception to the policy to allow the Reserve to a minimum of 15% of expenditures.
- 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
March 31, 2024**

DETAIL OF SELECTED FUND RESERVE BALANCES:

	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 54,299,298		
Capital Projects Reserve	23,860,843		
Reserve for Programmed Capital Projects	986,657		
Land Sale Reserve	18,481,037		
Technology Fee Reserve	2,581,146		
Electric Rate Stabilization Fund Reserve		\$ 56,776,613	
Electric Operations and Maintenance Reserve		150,765,556	
Replacement & Improvement			\$ 303,090
TOTALS	\$ 100,208,981	\$ 207,542,169	\$ 303,090

Donations to the City of Santa Clara

Donations totaling \$460 were received in March 2024. The total donations of \$119,281 for fiscal year 2023/24 are shown in the table below.

Department	Fiscal Year 2023/24		Designated Use
	Mar-24	Year To Date	
City Manager's Office	50	301	Help Your Neighbor
Parks & Recreation	20	6,420	Case Management
Parks & Recreation	50	50	Community Garden
Parks & Recreation	340	2,660	Roberta Jones Jr. Theatre
Parks & Recreation	-	4,350	Senior Nutrition Donation
Parks & Recreation	-	30,500	Wade Brummal
Police	-	75,000	TEAM 200
TOTALS	\$ 460	\$ 119,281	