



**City of  
Santa Clara**  
The Center of What's Possible

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# **MONTHLY FINANCIAL STATUS REPORT**

**October 2022**

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

### General Fund

The General Fund is the major operating fund for the City and includes multiple programs, services, and activities for the residents and businesses of the City. The adopted budget for operating revenues and expenditures for fiscal year 2022/23 was \$272.4 million. The amended budget for revenues and expenditures was adjusted to \$280.9 million to reflect various budget amendments approved by the City Council through October 2022.

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

Economic indicators are mixed, and there is a tremendous amount of uncertainty. 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."<sup>1</sup> Many companies are anticipating a slowdown. A survey of 400 leaders of large U.S. companies by the KPMG consulting firm found that 91% of these CEOs are predicting a recession in the next 12 months with only 34% believing the recession will be mild and short.<sup>2</sup> Consumers are also more pessimistic about current economic conditions. The Conference Board Consumer Confidence Index declined in November after losing ground in October. "Inflation expectations increased to their highest level since July, with both gas and food prices as the main culprits. Intentions to purchase homes, automobiles, and big-ticket appliances all cooled. The combination of inflation and interest rate hikes will continue to pose challenges to confidence and economic growth into early 2023."<sup>3</sup>

On a national level, the unemployment rate remained unchanged at 3.7% between October 2022 and November 2022. This rate was well below the record setting high of 14.7% in April 2020, and slightly above the pre-pandemic unemployment rate of 3.5%. In November, the number of unemployed

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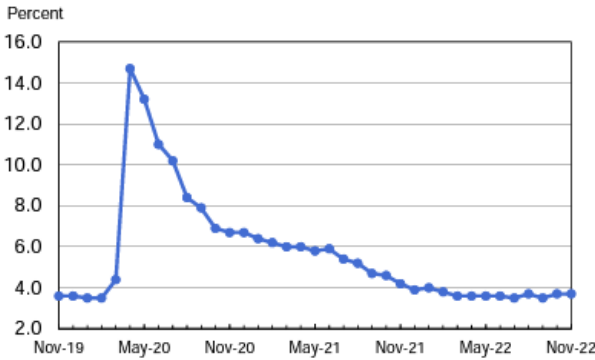
<sup>1</sup> UCLA Anderson Forecast, December 2022, Goldilocks or Bust: Will the Economy be "Just Right" or Will We have a Recession?

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

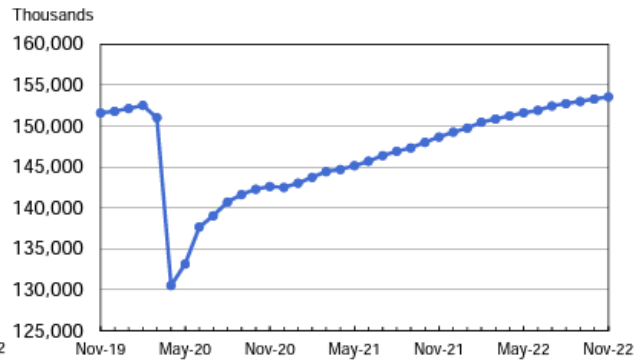
<sup>3</sup> <https://www.conference-board.org/topics/consumer-confidence>

persons fell slightly to 6.0 million from 6.1 million in October. This unemployment figure has increased slightly above the pre-pandemic level of 5.7 million.<sup>4</sup>

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

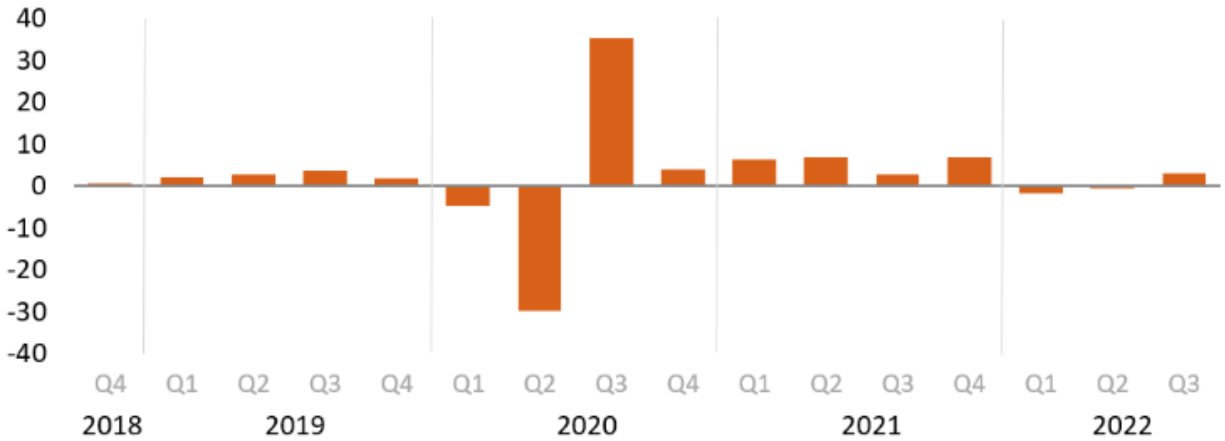


**Chart 2. Nonfarm payroll employment, seasonally adjusted, November 2019 – November 2022**



In the third quarter 2022 second estimate, the Gross Domestic Product (GDP) increased by 2.9%, following a GDP decrease of 0.6% in the second quarter. The increase in the third quarter primarily reflected increases in exports, consumer spending, business investment, and government spending that were partly offset by a decrease in housing investment and inventory investment.<sup>5</sup>

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



U.S. Bureau of Economic Analysis

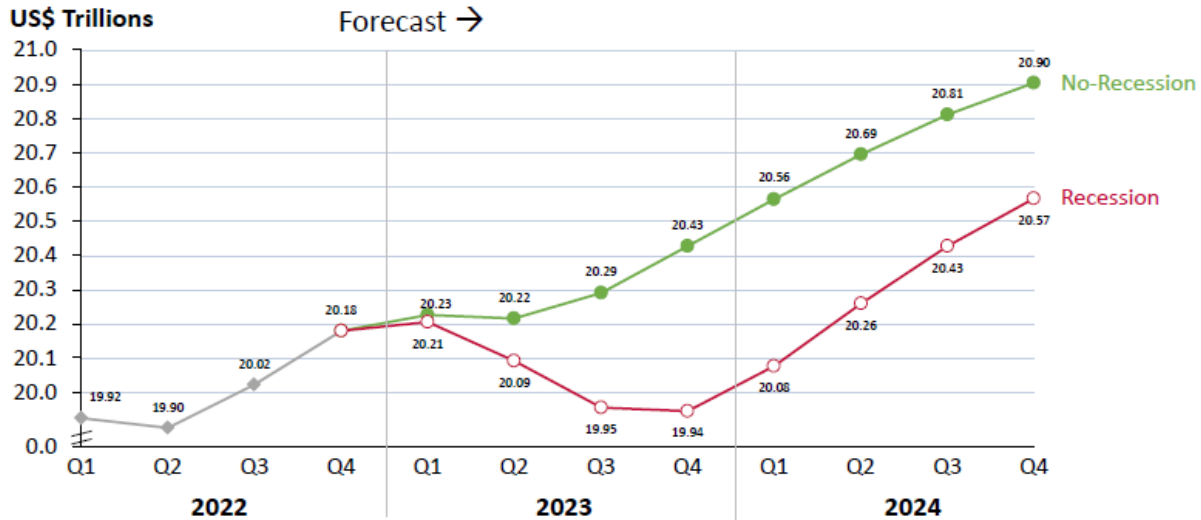
Seasonally adjusted annual

<sup>4</sup> <https://www.bls.gov/news.release/pdf/empsit.pdf>

<sup>5</sup> [https://www.bea.gov/sites/default/files/2022-11/tech3q22\\_2nd.pdf](https://www.bea.gov/sites/default/files/2022-11/tech3q22_2nd.pdf)

The December 2022 UCLA Anderson Forecast projects strong GDP performance in the 4<sup>th</sup> 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 December 2022 UCLA Forecast for California includes soft-landing and recession scenarios given the current economic uncertainty. In both scenarios, a milder impact is expected for the California economy. In the soft-landing scenario, California continues to grow at a faster rate than the US, led by more construction, ample state government rainy day funds, and increased demand for defense goods as well as labor saving equipment and software. In the recession scenario, the California economy declines but by less than the US.<sup>6</sup>

The State and local employment levels remain strong. After the State's largest increase in the unemployment rate in April 2020, the California unemployment rate increased slightly from 3.8% in September 2022 to 4.0% in October 2022. It is important to note that the September 2022 unemployment rate of 3.8% was the lowest on record for this data set that dates back to 1976. The October 2022 rate is lower compared to the 6.1% rate in October 2021. California has now not only regained all of the 2.76 million nonfarm jobs lost due to COVID-19 in March and April 2020, it has now surpassed it with a gain of 2.79 million jobs since that time.<sup>7</sup>

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) remained unchanged at 2.2% between October 2022, and September 2022, and below the

<sup>6</sup> UCLA Anderson Forecast, A Tale of Two Scenarios: The California Report, December 2022

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

October 2021 level of 3.7% and the February 2020 pre-pandemic level of 2.6%. Between October 2021 and October 2022, employment in this region increased by 57,600 jobs, or 5.1%.<sup>8</sup> The largest increases were in professional and business services (up 15,000 jobs), leisure and hospitality (up 12,800 jobs), and private educational and health services (up 10,100 jobs).

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

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<sup>8</sup> [https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sjos\\$pds.pdf](https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sjos$pds.pdf)

**General Fund Revenues**

As of October 31, 2022, \$48.8 million or 20% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$42 million have occurred as budgeted. This low collection level through October is largely due to the timing of payments. In some categories, a portion of the revenues received through October account for activity that occurred in FY 2021/22 and those revenues are accrued back to that year. In other cases, such as property tax, most payments are scheduled to occur later in the fiscal year.

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

Function	FISCAL YEAR 2022/23				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 10/31/2022	Percentage Received	Actual Through 10/31/2021	Change From Prior Year	Percentage Change
<b>TAXES</b>							
Sales Tax	\$ 60,173,000	\$ 60,173,000	\$ 9,818,899	16.32%	\$ 8,161,070	\$ 1,657,829	20.31%
Property Tax	75,261,000	75,261,000	2,964,873	3.94%	2,643,981	320,892	12.14%
Transient Occupancy Tax	12,600,000	12,600,000	3,928,582	31.18%	1,301,249	2,627,333	201.91%
Other Taxes	6,260,000	6,260,000	927,930	14.82%	741,594	186,336	25.13%
<b>Total Taxes</b>	<b>154,294,000</b>	<b>154,294,000</b>	<b>17,640,284</b>	<b>11.43%</b>	<b>12,847,894</b>	<b>4,792,390</b>	<b>37.30%</b>
<b>LICENSES &amp; PERMITS</b>							
Business Licenses	900,000	900,000	283,484	31.50%	298,161	(14,677)	-4.92%
Fire Operation Permits	2,100,000	2,358,000	644,230	27.32%	686,903	(42,673)	-6.21%
Building Permits	-	-	-	N/A	-	-	N/A
Electric Permits	-	-	-	N/A	-	-	N/A
Plumbing Permits	-	-	-	N/A	-	-	N/A
Mechanical Permits	-	-	-	N/A	-	-	N/A
Miscellaneous Permits	72,000	72,000	30,974	43.02%	25,397	5,577	21.96%
<b>Total Licenses &amp; Permits</b>	<b>3,072,000</b>	<b>3,330,000</b>	<b>958,688</b>	<b>28.79%</b>	<b>1,010,461</b>	<b>(51,773)</b>	<b>-5.12%</b>
<b>FINES &amp; PENALTIES</b>	<b>1,465,000</b>	<b>1,615,000</b>	<b>80,789</b>	<b>5.00%</b>	<b>92,700</b>	<b>(11,911)</b>	<b>-12.85%</b>
<b>INTERGOVERNMENTAL</b>	<b>310,000</b>	<b>310,000</b>	<b>1,648,076</b>	<b>531.64%</b>	<b>133,649</b>	<b>1,514,427</b>	<b>1133.14%</b>
<b>CHARGES FOR SERVICES</b>	<b>31,258,098</b>	<b>31,258,098</b>	<b>10,843,813</b>	<b>34.69%</b>	<b>9,702,205</b>	<b>1,141,609</b>	<b>11.77%</b>
<b>SILICON VALLEY POWER TRANSFER</b>	<b>26,170,000</b>	<b>26,170,000</b>	<b>9,547,962</b>	<b>36.48%</b>	<b>8,591,126</b>	<b>956,836</b>	<b>11.14%</b>
<b>USE OF MONEY &amp; PROPERTY</b>							
Interest	2,532,000	2,532,000	74,723	2.95%	(298,744)	373,467	-125.01%
Rent	10,584,266	10,584,266	3,484,534	32.92%	3,232,839	251,695	7.79%
<b>Total Use of Money &amp; Property</b>	<b>13,116,266</b>	<b>13,116,266</b>	<b>3,559,257</b>	<b>27.14%</b>	<b>2,934,095</b>	<b>625,162</b>	<b>21.31%</b>
<b>MISCELLANEOUS REVENUES</b>	<b>150,000</b>	<b>189,099</b>	<b>1,842,431</b>	<b>974.32%</b>	<b>291,301</b>	<b>1,551,130</b>	<b>532.48%</b>
<b>LAND PROCEED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>OTHER FINANCING SOURCES</b>							
Operating Transfer In - Storm Drain	1,454,000	1,454,000	1,454,000	100.00%	1,454,000	-	0.00%
Operating Transfer In - Reserves	25,812,244	33,702,079	33,702,079	100.00%	32,456,888	1,245,191	3.84%
Operating Transfer In - Fund Balances <sup>(2)</sup>	4,484,726	4,484,726	4,484,726	100.00%	4,817,658	(332,933)	-6.91%
Operating Transfer In - Miscellaneous	2,127,374	2,370,374	2,370,374	100.00%	5,427,399	(3,057,025)	-56.33%
<b>Total Other Financing Sources</b>	<b>33,878,344</b>	<b>42,011,179</b>	<b>42,011,179</b>	<b>100.00%</b>	<b>44,155,945</b>	<b>(2,144,767)</b>	<b>-4.86%</b>
<b>STADIUM OPERATION</b>							
Charges for Services	7,889,147	7,889,147	2,173,565	27.55%	1,147,260	1,026,305	89.46%
Rent and Licensing	752,500	752,500	507,777	67.48%	111,435	396,342	355.67%
<b>Total Stadium Operation</b>	<b>8,641,647</b>	<b>8,641,647</b>	<b>2,681,342</b>	<b>31.03%</b>	<b>1,258,695</b>	<b>1,422,647</b>	<b>113.03%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 272,355,355</b>	<b>\$ 280,935,289</b>	<b>\$ 90,813,821</b>	<b>32.33%</b>	<b>\$ 81,018,071</b>	<b>\$ 9,795,750</b>	<b>12.09%</b>

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2022 and mid year budget amendment from reserves.

### General Fund Revenues

**Sales Tax:** The City of Santa Clara sales tax rate is 9.0%, of which the City receives 1.0%. As of October 31, 2022, approximately \$9.8 million has been collected. This reflects an increase of \$1.6 million when compared to collections through the same period last fiscal year. While not reflected in the data through October, true-up information for the third quarter of 2022 was received from the State in November and reflected an increase of 15.7% when compared to the third quarter 2021. Growth of 3% is needed in the remaining three quarters 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 October, 4.0% 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 above the Adopted Budget estimate of \$75.3 million.

**Transient Occupancy Tax (TOT):** TOT is calculated as a percentage of City hotel/motel room charges. The City's TOT rate is 11.5%. Through October 31, 2022, approximately \$3.9 million has been received, which is significantly higher than receipts through the same period last fiscal year of \$1.3 million. As businesses continue to recover from the COVID-19 impacts, it is anticipated that TOT will increase compared to last fiscal year. While it is early in the fiscal year, TOT receipts are expected to exceed the budgeted estimate of \$12.6 million based on current collection trends.

**Other Taxes:** Includes franchise tax and documentary transfer tax. The City has collected \$0.9 million through October, which higher than prior year collection levels. Receipts through October reflect higher collections in the franchise tax category that is partially offset by lower receipts in the documentary transfer tax category.

**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 slightly below par with receipts totaling \$1.0 million, or 28.8% of the budget of \$3.3 million.

**Fines & Penalties:** Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue of approximately \$81,000 collected in this category through October 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, state mandated reimbursement and redistribution of land sale proceeds and ground leases from the Successor Agency. Through October 31, 2022, \$1.6 million has been received, which is well above receipts through the

same period last year. This is a result of a \$1.5 million settlement payment from the City of San Jose regarding the North San Jose Development Project.

**Charges for Services:** Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through October 31, 2022, collections totaled approximately \$10.8 million or 34.7% of the budget. This reflects an 11% increase compared to last year's collections through the same period of \$9.7 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 October 31, 2022, \$9.5 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 \$3.6 million, or 27.1% of the budget. These collections are higher than collections through last fiscal year of \$2.9 million.

**Miscellaneous Revenues:** Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through October 31, 2022, collections of \$1.8 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 October 31, 2022, charges for services collected through the Stadium totaled \$2.7 million, which is on par for this time of year. This is also higher than collections through the same period last year resulting from the reopening of Stadium for events.



**General Fund Expenditures**

As of October 31, 2022, \$95.8 million or 34.1% of the General Fund operating budget had been expended. This is significantly lower than last fiscal year due to lower transfers to other funds; last year included a one-time transfer of the Building Inspection Reserve to the new Building Development Services Fund as well as higher transfers to Capital Funds. Overall, expenditures in the General Fund are within budgeted levels through October. Departmental expenditures totaled \$80.9 million, or 30.9% of the budget, which is slightly below the par level of 33% 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 10/31/2022	Percentage Used	Actual Through 10/31/2021	Change From Prior Year	Percentage Change
<b>GENERAL GOVERNMENT</b>							
Non-Departmental	\$ 7,514,334	\$ 7,647,394	\$ 1,433,687	18.75%	\$ 1,148,694	\$ 284,993	24.81%
City Council	861,105	862,396	209,862	24.33%	259,648	(49,786)	-19.17%
City Clerk	2,076,112	2,093,661	652,098	31.15%	500,752	151,346	30.22%
City Manager	6,085,321	6,292,428	1,503,874	23.90%	1,666,881	(163,007)	-9.78%
City Attorney	3,202,735	3,690,974	1,043,419	28.27%	744,656	298,763	40.12%
Human Resources	4,508,710	4,828,451	1,183,933	24.52%	1,209,363	(25,430)	-2.10%
Finance	19,045,131	20,272,300	5,665,128	27.95%	5,094,270	570,858	11.21%
<b>Total General Government</b>	<b>43,293,448</b>	<b>45,687,604</b>	<b>11,692,001</b>	<b>25.59%</b>	<b>10,624,264</b>	<b>1,067,737</b>	<b>10.05%</b>
<b>PUBLIC WORKS</b>	<b>24,021,840</b>	<b>25,092,840</b>	<b>7,360,760</b>	<b>29.33%</b>	<b>7,298,384</b>	<b>62,377</b>	<b>0.85%</b>
<b>COMMUNITY DEVELOPMENT</b>	<b>5,398,007</b>	<b>5,665,420</b>	<b>1,491,664</b>	<b>26.33%</b>	<b>1,448,779</b>	<b>42,885</b>	<b>2.96%</b>
<b>PARKS AND RECREATION</b>	<b>21,695,302</b>	<b>22,287,115</b>	<b>7,074,558</b>	<b>31.74%</b>	<b>5,910,549</b>	<b>1,164,009</b>	<b>19.69%</b>
<b>PUBLIC SAFETY</b>							
Fire	62,298,852	65,767,826	22,779,947	34.64%	20,873,029	1,906,918	9.14%
Police	84,615,023	84,981,549	26,969,565	31.74%	24,822,791	2,146,774	8.65%
<b>Total Public Safety</b>	<b>146,913,875</b>	<b>150,749,375</b>	<b>49,749,512</b>	<b>33.00%</b>	<b>45,695,820</b>	<b>4,053,692</b>	<b>8.87%</b>
<b>LIBRARY</b>	<b>11,889,451</b>	<b>12,277,870</b>	<b>3,552,556</b>	<b>28.93%</b>	<b>2,733,940</b>	<b>818,616</b>	<b>29.94%</b>
<b>DEPARTMENTAL TOTAL</b>	<b>253,211,923</b>	<b>261,760,224</b>	<b>80,921,051</b>	<b>30.91%</b>	<b>73,711,736</b>	<b>7,209,316</b>	<b>9.78%</b>
<b>OTHER FINANCING USES</b>							
Operating Transfer Out - Miscellaneous	38,809	38,809	38,809	100.00%	23,250,142	(23,211,333)	-99.83%
Operating Transfer Out - Debt Services	1,402,275	1,402,275	1,402,275	100.00%	2,501,439	(1,099,164)	-43.94%
Operating Transfer Out - Maintenance Dtrct	842,700	842,700	842,700	100.00%	771,349	71,351	9.25%
Operating Transfer Out - Cemetery	870,000	870,000	870,000	100.00%	850,000	20,000	2.35%
Operating Transfer Out - CIP	8,625,501	8,641,613	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%
<b>Total Other Financing Uses</b>	<b>11,779,285</b>	<b>11,795,397</b>	<b>11,795,397</b>	<b>100.00%</b>	<b>42,455,864</b>	<b>(30,660,467)</b>	<b>-72.22%</b>
<b>STADIUM OPERATION</b>	<b>7,364,147</b>	<b>7,379,668</b>	<b>3,100,175</b>	<b>42.01%</b>	<b>1,888,583</b>	<b>1,211,592</b>	<b>64.15%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 272,355,355</b>	<b>\$ 280,935,289</b>	<b>\$ 95,816,623</b>	<b>34.11%</b>	<b>\$ 118,056,183</b>	<b>\$ (22,239,559)</b>	<b>-18.84%</b>

### General Fund Expenditures

Below is an explanation of certain budget to actual expenditure variances by program.

**Non-Departmental:** Includes expenditures that are not attributable to a single department, but a function of the City in general. As of October 31, 2022, expenditures totaled \$1.4 million, or 18.8% of the budget. These expenditures are below the par level of 33% but are higher than the prior year levels, primarily as a result of higher expenditures in the contractual services, advertising and community promotion, as well as salaries and benefits categories.

**City Attorney:** As of October 31, 2022, actual expenditures totaled approximately \$1.0 million, which is within expected levels at 28.3% of the budget. Spending is 40% 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 October, actual expenditures were tracking slightly above budget at \$0.7 million or approximately 31.2% of the budget. This reflects a 30% increase in spending compared to prior year spend levels. This is a result of one-time special election costs as well as Granicus costs that are paid every other year.

**City Council:** Through October 31, 2022, expenditures were at 24.3% of budget, which is below par. Compared to the same period through last fiscal year, this reflects a spending decrease of approximately 19%, which is primarily the result of savings due to vacancies within the department.

**City Manager:** The actual expenditures through October totaled \$1.5 million, or 23.9% of the budget, which is below par for this time of the year. Expenditures are 9.7% lower compared with the spending level through the same period last fiscal year. This decrease reflects lower spending in 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 October, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$1.5 million, or 26.3%, which is below the par level of 33%. Expenditures were slightly above the spending through the same period last fiscal year due to higher spending in the salaries and benefits categories.

**Finance Department:** Through October, the Department's expenditures totaled \$5.7 million, or 28% of the budget, which is below par. This expenditure level was approximately 11.2% 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:** As of October 31, 2022, actual expenditures totaled \$22.8 million, or 34.6% of the budget, which is slightly above par. These expenditures reflect a 9.1% increase from expenditures through the same period last fiscal year. This increase in spending reflects higher costs in the salaries

and benefits as well as contractual services and capital outlay categories. Overtime expenditures are tracking at 60.2% of the budget, which is above par for this time of year. While this overtime figure is high, it is important to note that overtime is used to backfill for vacant positions and the vacancy savings offset a portion of the overtime costs.

**Library Department:** Through October, actual expenditures totaled \$3.6 million, or 28.9% of the budget, which is below par, but nearly 30% 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 October, actual expenditures totaled approximately \$7.1 million, or 31.7% of the budget, which is slightly below par, but above the prior year actuals of \$5.9 million. This is due to the department resuming activities that were previously impacted by COVID-19 restrictions.

**Police Department:** Expenditures as of October 31, 2022 are tracking at expected levels at \$27.0 million, or 31.7% of the budget. This is approximately 8.6% 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 \$3.1 million through October and are tracking above budgeted levels at 42%. This is 64% higher than expenditures through the same period last year, as a direct result of the reopening of the Stadium for events. While spending is above par, it is anticipated that spending will be slowing down for the remainder of the fiscal year.

**Special Revenue Funds**

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of October 31, 2022. The amended budget reflects carryover encumbrances from fiscal year 2021/22 and budget amendments approved by the City Council through October 2022. 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 approximately \$8.3 million, while expenditures totaled approximately \$6.5 million through the end of October. Overall, revenues are tracking above par, while expenditures are tracking below par. 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. In the Housing Successor Agency Fund, the expenditures are currently showing as over budget as a result of a special disbursements for a housing loan, which was budgeted in FY 2021/22. An adjustment to carryover this budget was included in the Budgetary Year-End Report for FY 2021/22 approved December 6, 2022 and will be reflected in future Monthly Financial Reports.

**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 10/31/2022	Percentage received	Actual Through 10/31/2021	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 280,000	\$ 280,000	\$ 31,878	11.39%	\$ 203,273	\$ (171,395)	-84.32%
City Affordable Housing Fund	682,000	682,000	175,908	25.79%	151,951	23,957	15.77%
Housing Successor Fund	350,000	350,000	418,521	119.58%	242,909	175,612	72.30%
Housing and Urban Development	1,810,000	1,810,000	421,218	23.27%	1,315,279	(894,061)	-67.98%
Building Development Services Fee Fund	14,112,000	14,112,000	7,231,988	51.25%	4,996,562	2,235,426	44.74%
<b>TOTAL</b>	<b>\$ 17,234,000</b>	<b>\$ 17,234,000</b>	<b>\$ 8,279,513</b>	<b>48.04%</b>	<b>\$ 6,909,974</b>	<b>\$ 1,369,539</b>	<b>19.82%</b>

Fund Description	EXPENDITURES - FISCAL YEAR 2022/23				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 10/31/2022	Percentage used	Actual through 10/31/2021	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 380,363	\$ 478,326	\$ 65,411	13.67%	\$ 42,073	\$ 23,338	55.47%
City Affordable Housing Fund	1,685,731	5,794,313	(1,261,599)	-21.77%	418,216	(1,679,815)	-401.66%
Housing Successor Fund	1,242,599	1,374,178	2,543,318	185.08%	310,606	2,232,712	718.82%
Housing and Urban Development	2,355,815	3,109,523	743,924	23.92%	1,197,234	(453,310)	-37.86%
Building Development Services Fee Fund	13,360,809	15,224,237	4,378,702	28.76%	3,254,082	1,124,620	34.56%
<b>TOTAL</b>	<b>\$ 19,025,317</b>	<b>\$ 25,980,577</b>	<b>\$ 6,469,756</b>	<b>24.90%</b>	<b>\$ 5,222,211</b>	<b>\$ 1,247,545</b>	<b>23.89%</b>

**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 October 2022. As of October 31, 2022, the capital fund revenue totaled \$20.4 million. In the Parks and Recreation Capital Fund, \$16.7 million has been collected; of that, \$16.4 million is 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 10/31/2022	Percentage Used	
Parks & Recreation	\$ -	\$ 3,556,622	\$ 3,556,622	\$16,737,130	470.59%	
Streets & Highways	4,594,005	15,190,594	19,784,599	153,426	0.78%	
Storm Drain	1,454,000	-	1,454,000	482,863	33.21%	
Public Buildings	-	100,000	100,000	-	0.00%	
Related Santa Clara Developer	2,908,317	-	2,908,317	611,591	21.03%	
Patrick Henry Drive Infrastructure Improvement Fund	69,205	-	69,205	-	0.00%	
Tasman East Specific Infrastructure Improvement Fund	2,413,605	-	2,413,605	2,419,501	100.24%	
<b>TOTAL</b>	<b>\$ 11,439,132</b>	<b>\$ 18,847,216</b>	<b>\$ 30,286,348</b>	<b>\$20,404,511</b>	<b>67.37%</b>	

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 October 2022. As of October 31, 2022, capital fund expenditures totaled \$10.5 million, or 8% 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 will be reflected in future Monthly Financial Reports.

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						
<b>Fund Description</b>	<b>Current Year Appropriation</b>	<b>Prior Year Carryforward</b>	<b>Total Amended Budget</b>	<b>Actual Through 10/31/2022</b>	<b>Percentage Used</b>	
Parks & Recreation	\$ 4,670,520	\$ 22,437,801	\$ 27,108,321	\$ 712,507	2.63%	
Streets & Highways	15,200,469	59,970,079	75,170,548	6,225,727	8.28%	
Storm Drain	964,596	6,657,501	7,622,097	1,514,625	19.87%	
Fire	661,766	1,768,679	2,430,445	127,852	5.26%	
Library	281,831	297,590	579,421	25,063	4.33%	
Public Buildings	1,189,532	4,061,069	5,250,601	382,464	7.28%	
General Gov't - Other	2,000,970	7,453,526	9,454,496	641,763	6.79%	
Related Santa Clara Developer	2,908,317	598,382	3,506,699	822,289	23.45%	
Patrick Henry Drive	69,205	-	69,205	18,140	26.21%	
Infrastructure Improvement Fund						
Tasman East Specific Infrastructure Improvement Fund	3,221,395	-	3,221,395	8,045	0.25%	
<b>TOTAL</b>	<b>\$ 31,168,601</b>	<b>\$ 103,244,627</b>	<b>\$ 134,413,228</b>	<b>\$10,478,475</b>	<b>7.80%</b>	

**Enterprise Funds**

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of October 31, 2022. 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 Utility Fund and Water Recycling Fund as a result of higher spending in the resources category. In the Electric Utility Fund, there are higher expenditures in the salaries and benefits, miscellaneous services and supplies, and debt retirement categories, compared to last fiscal year.

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

Fund Description	REVENUES - FISCAL YEAR 2022/23				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 10/31/2022	Percentage received	Actual Through 10/31/2021	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 615,818,445	\$ 615,818,445	\$ 175,310,083	28.47%	\$ 150,697,310	\$ 24,612,773	16.33%
Water Utility Fund	48,358,520	48,358,520	16,990,409	35.13%	15,719,466	1,270,943	8.09%
Sewer Utility Fund	40,459,345	40,459,345	12,833,326	31.72%	11,543,814	1,289,512	11.17%
Cemetery Fund	600,000	600,000	237,827	39.64%	247,710	(9,883)	-3.99%
Solid Waste Utility Fund	37,245,092	37,245,092	10,097,835	27.11%	9,487,993	609,842	6.43%
Water Recycling Fund	5,708,446	5,708,446	2,312,612	40.51%	2,462,362	(149,750)	-6.08%
<b>TOTAL REVENUE</b>	<b>\$ 748,189,848</b>	<b>\$ 748,189,848</b>	<b>\$ 217,782,092</b>	<b>29.11%</b>	<b>\$ 190,158,655</b>	<b>\$ 27,623,437</b>	<b>14.53%</b>

Fund Description	EXPENSES - FISCAL YEAR 2022/23				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 10/31/2022	Percentage Used	Actual through 10/31/2021	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 603,681,580	\$ 607,998,843	\$ 176,116,683	28.97%	\$ 156,232,789	\$ 19,883,894	12.73%
Water Utility Fund	46,797,065	48,478,478	14,591,317	30.10%	13,473,769	1,117,548	8.29%
Sewer Utility Fund	30,825,023	31,072,051	8,232,433	26.49%	8,094,110	138,323	1.71%
Cemetery Fund	1,539,796	1,545,944	486,851	31.49%	472,157	14,694	3.11%
Solid Waste Utility Fund	36,626,118	40,169,992	9,228,797	22.97%	8,610,060	618,737	7.19%
Water Recycling Fund	5,729,413	5,739,135	1,608,732	28.03%	1,390,407	218,325	15.70%
<b>TOTAL - Operating Appropriations</b>	<b>\$ 725,198,995</b>	<b>\$ 735,004,443</b>	<b>\$ 210,264,813</b>	<b>28.61%</b>	<b>\$ 188,273,292</b>	<b>\$ 21,991,521</b>	<b>11.68%</b>

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

A summary of revenue and expenses in the Enterprise Capital Improvement Funds are detailed in the tables below. Actual revenue through October 2022 totaled approximately \$19.7 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 \$16.7 million, or 6.0% 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 will be reflected in future Monthly Financial Reports.

**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 10/31/2022	Percentage Used
Electric Utility Fund	\$ 35,850,877	\$ 14,907,345	\$ 50,758,222	\$ 12,295,751	24.22%
Street Lighting <sup>(1)</sup>	-	-	-	23,455	N/A
Sewer Utility Fund	-	-	-	7,363,979	N/A
Solid Waste Utility Fund	250,000	-	250,000	1,200	0.48%
<b>TOTAL - CIP Appropriations</b>	<b>\$ 36,100,877</b>	<b>\$ 14,907,345</b>	<b>\$ 51,008,222</b>	<b>\$ 19,684,385</b>	<b>38.59%</b>

**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 10/31/2022	Percentage Used
Electric Utility Fund	\$ 99,874,226	\$ 118,664,746	\$ 218,538,972	\$ 12,935,767	5.92%
Street Lighting <sup>(1)</sup>	71,455	4,820,273	4,891,728	36,819	0.75%
Water Utility Fund	6,665,000	1,368,212	8,033,212	745,983	9.29%
Sewer Utility Fund	20,300,110	25,615,224	45,915,334	2,849,379	6.21%
Cemetery Fund	9,225	278,397	287,622	15,555	0
Solid Waste Utility Fund	743,000	148,520	891,520	100,830	11.31%
Water Recycling Fund	50,000	-	50,000	-	-
Convention Center Capital Fund	-	2,622,854	2,622,854	-	-
<b>TOTAL - CIP Appropriations</b>	<b>\$ 127,713,015</b>	<b>\$ 153,518,227</b>	<b>\$ 281,231,242</b>	<b>\$ 16,684,333</b>	<b>5.93%</b>

(1) Street Lighting fund is part of Electric Capital Improvement Funds



### Fund Reserves

By policy, City Council established the City's General Contingency Reserve, under which reserves for Budget Stabilization and Capital Projects were established.

- Budget Stabilization Reserve is set aside for weathering economic downturns, emergency financial crisis, or disaster situations. The reserve target is equal to the expenditures of the City's General Fund operations for three months (90-day or 25% General Fund Adopted Operating Budget). In FY 2022/23, the City Council approved an exception to the policy to allow the Reserve to drop below the 25% level.
- Capital Projects Reserve earmarks funds for the Capital Improvement Program.

Other General Reserves and Enterprise Fund Reserves included in this report are highlighted as follows:

- Technology Fee Reserve is set aside to update and/or replace the City's aging technology and to ensure internal controls are in compliance with current business standard and legal requirements.
- Land Sale Reserve is net proceeds from the sale of City-owned land, with interest earned on these funds available to be appropriated for General Fund operating expenditures. This reserve is available for appropriation by City Council action.
- The Electric Utility Rate Stabilization Reserve and Operations and Maintenance Reserve 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  
October 31, 2022**

<b>DETAIL OF SELECTED FUND RESERVE BALANCES:</b>			
	<b>GENERAL FUND</b>	<b>ELECTRIC</b>	<b>WATER</b>
Budget Stabilization Reserve	\$ 39,701,399		
Capital Projects Reserve	5,364,822		
Land Sale Reserve	9,331,023		
Technology Fee Reserve	2,353,804		
Electric Rate Stabilization Fund Reserve		\$ 44,898,011	
Electric Operations and Maintenance Reserve		112,838,357	
Replacement & Improvement			\$ 303,090
<b>TOTALS</b>	<b>\$ 56,751,048</b>	<b>\$ 157,736,368</b>	<b>\$ 303,090</b>

**Long-Term Interfund Advances**

The funds below have made advances/loans which are not expected to be repaid within the next year. The balances reflected in the table are through October 2022. The loan from the General Fund to Parks and Recreation Facilities reflects proceeds from the Land Sale Reserve for the purchase of property at the Reed and Grant Sports Park. This loan is anticipated to be repaid by 25% of future Mitigation Fee Act revenue until the loan is paid in full.

<b>DETAIL OF LONG TERM INTERFUND ADVANCE BALANCES:</b>			
<b>Fund Receiving Advance/Loan</b>	<b>Fund Making Advance/Loan</b>	<b>Type</b>	<b>Amount of Advance/Commitment</b>
Parks and Recreation Facilities	General Fund	Loan	5,539,540
<b>TOTALS</b>			<b>\$ 5,539,540</b>

**Donations to the City of Santa Clara**

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

<b>Department</b>	<b>Oct-22</b>	<b>Fiscal Year 2022/23</b>		<b>Designated Use</b>
		<b>Year To Date</b>		
City Manager's Office	\$ -	\$ 50		Help Your Neighbor
Parks & Recreation	-	99		Case Management
Parks & Recreation	25	1,250		Roberta Jones Jr. Theatre
Parks & Recreation	0	30,600		Wade Brummal
<b>TOTALS</b>	<b>\$ 25</b>	<b>\$ 31,999</b>		