



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

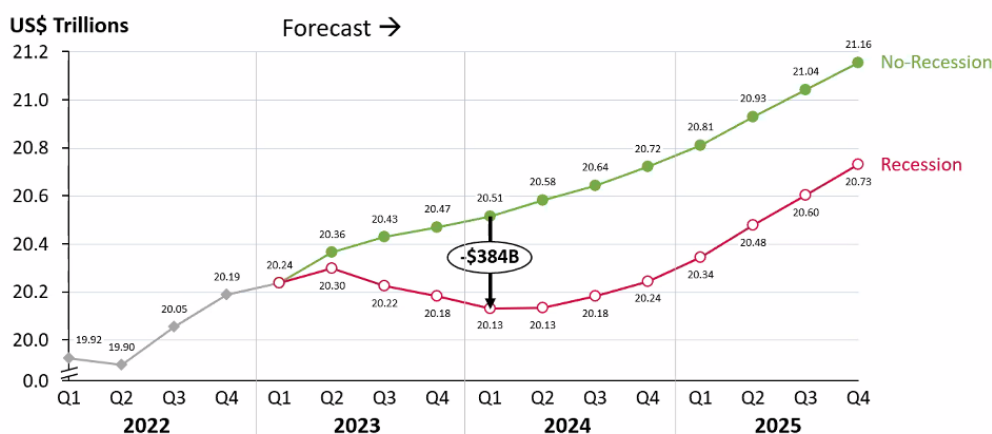
April 2023

This report summarizes the City's financial performance for the month ended April 30, 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.

Economic Overview

Economic indicators are mixed, and there is a tremendous amount of uncertainty. Given this level of uncertainty, the December 2022, March 2023 and June 2023 UCLA Anderson Forecasts presented a two-scenario approach: recession scenario and no recession scenario. The recession scenario predicts a recession occurring at the end of 2023, where "inflation would have continued to come own too slowly in not for the continued Federal Reserve rate hikes. In this scenario, the Federal Reserve forces a mild recession and accepts an economic contraction and higher unemployment to combat inflation." In the no recession scenario, "economic growth slows but remains positive, inflation ebbs, labor markets slacken mildly, just enough to quell wage inflation, and the Federal Reserve eases its approach to monetary policy tightening".¹

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



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

"Consumer confidence declined in May as consumers' view of current conditions became somewhat less upbeat while their expectations remained gloomy," said Ataman Ozyildirim, Senior Director, Economics at The Conference Board. "Their assessment of current employment conditions saw the most significant deterioration, with the proportion of consumers reporting jobs are 'plentiful' falling 4 pts from 47.5 percent in April to 43.5 percent in May. Consumers also became more downbeat about future business conditions, weighing on the expectations index. However, expectations for jobs and incomes over the next six months held relatively steady. While consumer confidence has fallen across

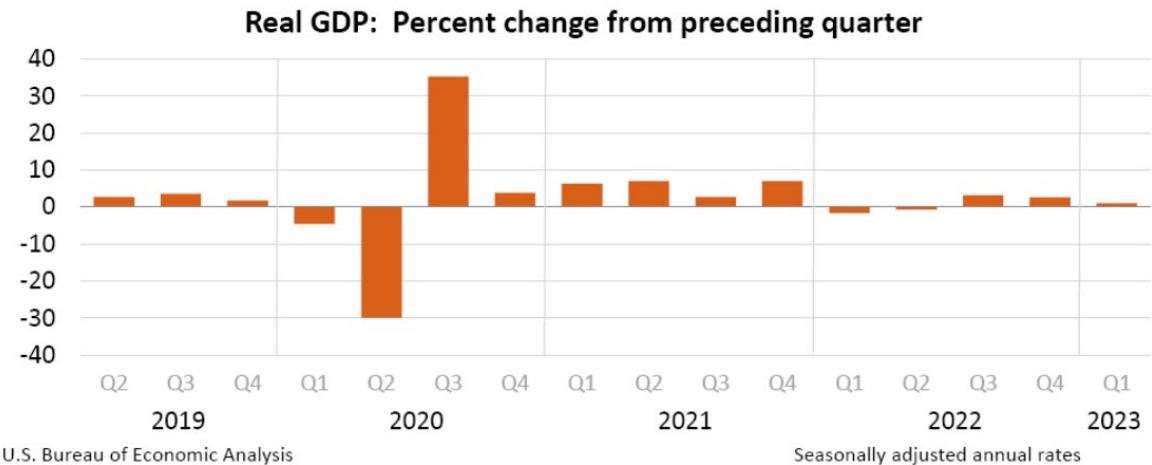
¹ UCLA Anderson Forecast, June 2023, "The More Things Change the More They Stay the Same: Recession or No Recession is Still the Question"

City of Santa Clara

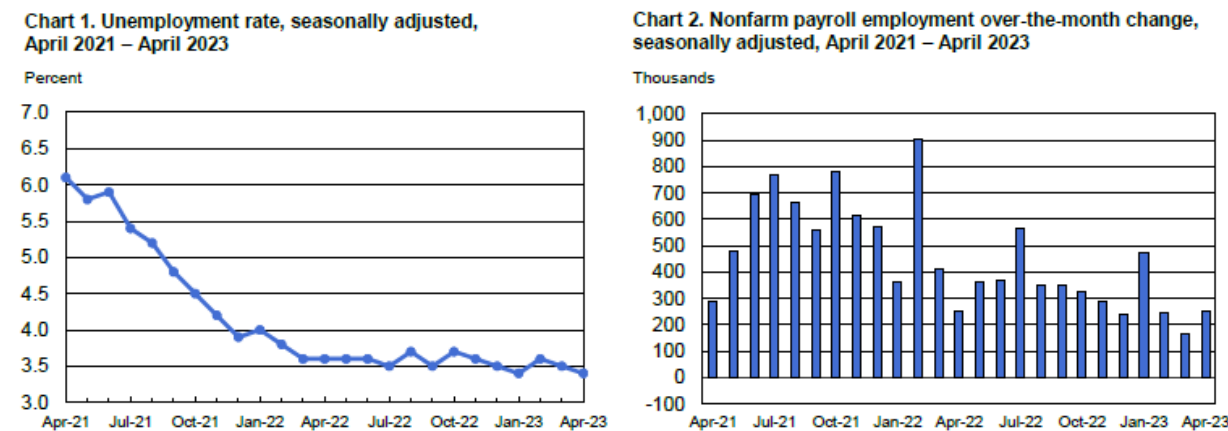
Financial Status Report as of April 30, 2023

all age and income categories over the past three months, May’s decline reflects a particularly notable worsening in the outlook among consumers over 55 years of age.”²

In the first quarter 2023 advance estimate, the Gross Domestic Product (GDP) increased by 1.1%, following a GDP increase of 2.6% in the fourth quarter 2022. The GDP increase in the first quarter reflects higher consumer spending, exports, federal, State and local spending.³



On a national level, the unemployment rate changed little from 3.5% in March 2023 to 3.4% in April 2023. This rate was well below the record setting high of 14.7% in April 2020, and close to the pre-pandemic unemployment rate of 3.5%. In April, the number of unemployed persons dropped slightly to 5.7 million, which is consistent with the pre-pandemic level of 5.7 million.⁴



The California unemployment rate was 4.5% in April 2023, up from 4.4% in March 2023 and 4.1% in April 2022. Between April 2022 and April 2023, total nonfarm jobs in California increased by 426,000 jobs (a 2.4 percent increase), with the largest increases in private educational and health services (up

² [US Consumer Confidence \(conference-board.org\)](https://www.conference-board.org)
³ https://www.bea.gov/sites/default/files/2023-04/tech1q23_adv.pdf
⁴ <https://www.bls.gov/news.release/pdf/empsit.pdf>

159,300 jobs), leisure and hospitality (up 132,400 jobs), government (up 54,700), and professional and business services (up 42,200). Since April 2020, California has gained 3.12 million jobs; regaining all of the 2.76 million nonfarm jobs lost due to COVID-19 in March and April 2020.⁵

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 3.0% in April 2023, down slightly from a revised 3.3% in March 2023 but is above the April 2022 level of 2.5% and the February 2020 pre-pandemic level of 2.6%. Between April 2022 and April 2023, employment in this region increased by 32,200 jobs, or 2.8%. The largest increases were in private educational and health services (up 9,700 jobs), leisure and hospitality (up 9,600 jobs), professional and business services (up by 7,500 jobs), and manufacturing (up 4,500 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 2022/23 was \$272.4 million. The amended budget for revenues and expenditures was adjusted to \$290.9 million to reflect various budget amendments approved by the City Council through April 2023.

General Fund revenues are currently tracking to end the year above the budgeted level. Through April, departmental expenditures are tracking below budget and this trend is expected to continue as departments continue to experience vacancies and control expenditures through various cost control measures.

⁵ edd.ca.gov/en/about_edd/news_releases_and_announcements/unemployment-april-2023/

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

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General Fund Revenues

As of April 30, 2023, \$210.3 million, or 87.5% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$50.6 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 04/30/2023	Percentage Received	Actual Through 04/30/2022	Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 60,173,000	\$ 60,173,000	\$ 40,966,901	68.08%	\$ 37,231,047	\$ 3,735,854	10.03%
Property Tax	75,261,000	75,261,000	72,706,598	96.61%	61,104,202	11,602,396	18.99%
Transient Occupancy Tax	12,600,000	12,600,000	13,084,947	103.85%	5,144,581	7,940,366	154.34%
Other Taxes	6,260,000	6,260,000	4,743,025	75.77%	4,906,609	(163,584)	-3.33%
Total Taxes	154,294,000	154,294,000	131,501,471	85.23%	108,386,439	23,115,032	21.33%
LICENSES & PERMITS							
Business Licenses	900,000	900,000	701,261	77.92%	685,784	15,477	2.26%
Fire Operation Permits	2,100,000	2,358,000	1,567,554	66.48%	1,570,522	(2,968)	-0.19%
Miscellaneous Permits	72,000	72,000	40,719	56.55%	74,229	(33,510)	-45.14%
Total Licenses & Permits	3,072,000	3,330,000	2,309,534	69.36%	2,330,535	(21,001)	-0.90%
FINES & PENALTIES	1,465,000	1,615,000	569,706	35.28%	310,120	259,586	83.71%
INTERGOVERNMENTAL	310,000	609,286	1,112,320	182.56%	2,435,967	(1,323,647)	-54.34%
CHARGES FOR SERVICES	31,258,098	31,239,098	26,727,974	85.56%	25,161,215	1,566,759	6.23%
TRANSFER FROM CITY UTILITIES	26,170,000	26,170,000	23,869,906	91.21%	21,477,813	2,392,093	11.14%
USE OF MONEY & PROPERTY							
Interest	2,532,000	2,532,000	2,091,994	82.62%	1,235,905	856,089	69.27%
Rent	10,584,266	10,584,266	9,813,484	92.72%	8,188,523	1,624,961	19.84%
Total Use of Money & Property	13,116,266	13,116,266	11,905,478	90.77%	9,424,428	2,481,050	26.33%
MISCELLANEOUS REVENUES	150,000	189,611	2,672,294	1409.36%	592,966	2,079,328	350.67%
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	7,968,589	7,968,589	100.00%	5,593,917	2,374,672	42.45%
Total Other Financing Sources	33,878,344	50,626,394	50,626,394	100.00%	44,624,394	6,001,999	13.45%
STADIUM OPERATION							
Charges for Services	7,889,147	8,939,147	8,888,626	99.43%	2,361,867	6,526,759	276.34%
Rent and Licensing	752,500	752,500	710,000	94.35%	297,359	412,641	138.77%
Total Stadium Operation	8,641,647	9,691,647	9,598,626	99.04%	2,659,226	6,939,400	260.96%
TOTAL GENERAL FUND	\$ 272,355,355	\$ 290,881,302	\$ 260,893,703	89.69%	\$ 217,403,103	\$ 43,490,599	20.00%

(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 April 30, 2023, approximately \$41.0 million has been collected. This reflects an increase of \$3.7 million when compared to collections through the same period last fiscal year. In this fiscal year, sales tax receipts increased 15.7% in the first quarter and 2.4% in the second quarter when compared to the same quarters last fiscal year. While not yet fully reflected in the data through April given the timing of payments, the third quarter experienced growth of 20.2%. Based on the strong performance in the third quarter, receipts are now expected to exceed the budgeted estimate of \$59.4 million. For instance, if growth of 3% is realized in the last quarter, sales tax collection will exceed the budget by approximately \$2 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 April, 96.6% 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 \$84.1 million, well above the Adopted Budget estimate of \$75.3 million and the prior year collections of \$74.6 million. This reflects strong growth in the secured, supplemental, and unsecured property tax categories. A budget amendment was approved on May 23rd (RTC 23-337) as part of the February/March Monthly Financial Report to recognize the additional projected revenue of \$8.86 million. Of this amount, \$1.65 million was set aside in a new Property Tax Excess Education Augmentation Revenue Fund (ERAF) Reserve to address potential legal challenges associated with these funds. In FY 2022/23, an estimated \$5.5 million is projected from excess ERAF distributions (under Proposition 98, a portion of property tax receipts have been allocated to the ERAF beginning in 1992, and once there are sufficient funds in ERAF to fulfill the obligation to the school districts, excess funds are returned to the taxing entities that contributed the funding). The California School Boards Association has filed a lawsuit against the Controller of the State of California on the disbursement of the excess ERAF funds. Given this lawsuit, the County of Santa Clara has estimated that approximately 30% of the excess ERAF distribution is at risk (estimated \$1.65 million in FY 2022/23).

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 April 30, 2023, \$13.1 million has been received, which is significantly higher than receipts through the same period last fiscal year of \$5.1 million. While businesses continue to recover from COVID-19 impacts, activity has not yet reached pre-pandemic levels. TOT receipts through April are tracking close to pre-pandemic levels; however, this is due in part to the TOT rate increase that went into effect in January 2022. Factoring out the rate increase, TOT activity is tracking at approximately 80% of pre-pandemic levels. 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 \$4.7 million through April, which is lower than prior year collection levels. This reflects lower collections in the documentary transfer tax category that are partially offset by higher collections in the franchise tax

category. While receipts are tracking slightly below last year, collections are projected to meet 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 \$2.3 million, or 69.4% of the budget of \$3.3 million, through April. This collection level is consistent with the prior fiscal year collection level. Based on current collections trends, revenues in this category are tracking to end the year below the budgeted estimate.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue of approximately \$0.6 million collected through April is tracking to end the year below the budgeted estimate of \$1.6 million largely due to the waiving of late fees implemented in response to COVID-19. The late fees are no longer being waived as of April 1, 2023.

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 April 30, 2023, \$1.1 million has been received, which is lower than the prior year collection level but above the budgeted estimate. The fire mutual aid revenue and department budget adjustment of \$0.3 million, approved as part of the January 2023 Monthly Financial Report, are reflected. A second adjustment of \$0.3 million to the same categories was approved on May 23, 2023 as part of the February/March 2023 Monthly Financial Report, which is not yet reflected.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through April 30, 2023, collections are tracking within the budgeted estimate at \$26.7 million, or 85.6% of the budget. This reflects a 6% increase compared to last year's collections through the same period of \$25.2 million. This increase is a result of higher collections for technology fee, Fire construction permits, and Fire EMS fees.

Transfer from City Utilities: In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues to the General Fund. As of April 30, 2023, \$23.9 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 interest income and rental income. Interest income and rent revenue collections totaled \$11.9 million, or 90.8% of the budget. These collections are higher than collections through last fiscal year of \$8.5 million. The increase in the interest income reflects the higher investment yield, while rents are higher primarily due to the Commerce Plaza and Hyatt Regency at 5101 Great America properties. Collections are expected to 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 April 30, 2023, collections of \$2.7 million are higher than collections through the same period last fiscal year of \$0.6 million. This increase is primarily attributable to the \$1.67 million 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 April 30, 2023, charges for services collected through the Stadium totaled \$9.6 million, which is above par for this time of year. This is significantly higher than collections through the same period last year resulting from the reopening of Stadium for events and two additional NFL playoff games held at the Stadium. The revenue estimate also reflects the \$1.0 million adjustment approved as part of the January 2023 Monthly Financial Report on March 21, 2023. A second budget amendment approved on May 23, 2023 as part of the February/March 2023 Monthly Financial Report to recognize and allocate additional reimbursements of \$1.4 million is not yet reflected in this report.

General Fund Expenditures

As of April 30, 2023, \$225.2 million or 77.4% of the General Fund operating budget had been expended. Overall, expenditures in the General Fund are tracking below budgeted levels through April. Departmental expenditures totaled \$207.6 million, or 76% of the budget, which is below the par level of 83.3% of the budget. This reflects savings from vacant positions as well as savings generated from cost-control measures that were implemented in FY 2019/20. 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 04/30/2023	Percentage Used	Actual Through 04/30/2022	\$ Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 7,514,334	\$ 9,513,394	\$ 3,815,202	40.10%	\$ 3,537,127	\$ 278,075	7.86%
City Council	861,105	862,396	553,351	64.16%	660,598	(107,247)	-16.23%
City Clerk	2,076,112	2,093,661	1,655,618	79.08%	1,114,721	540,897	48.52%
City Manager	6,085,321	6,292,428	4,262,582	67.74%	4,118,831	143,751	3.49%
City Attorney	3,202,735	3,690,974	2,661,949	72.12%	1,994,902	667,047	33.44%
Human Resources	4,508,710	4,828,451	3,020,325	62.55%	3,060,811	(40,486)	-1.32%
Finance	19,045,131	20,272,300	14,812,761	73.07%	13,387,572	1,425,189	10.65%
Total General Government	43,293,448	47,553,604	30,781,788	64.73%	27,874,562	2,907,226	10.43%
PUBLIC WORKS	24,021,840	25,092,840	17,999,915	71.73%	18,208,968	(209,053)	-1.15%
COMMUNITY DEVELOPMENT	5,398,007	5,665,420	3,698,027	65.27%	3,850,697	(152,670)	-3.96%
PARKS AND RECREATION	21,695,302	22,268,627	16,437,472	73.81%	14,944,925	1,492,547	9.99%
PUBLIC SAFETY							
Fire	62,298,852	66,244,112	55,688,674	84.07%	38,405,097	17,283,577	45.00%
Police	84,615,023	85,779,549	67,015,288	78.13%	46,909,196	20,106,092	42.86%
Total Public Safety	146,913,875	152,023,661	122,703,962	80.71%	85,314,293	37,389,669	43.83%
LIBRARY	11,889,451	12,277,870	8,582,377	69.90%	7,307,700	1,274,677	17.44%
DEPARTMENTAL TOTAL	253,211,923	264,882,022	200,203,541	75.58%	157,501,145	42,702,396	27.11%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	38,809	38,809	38,809	100.00%	24,561,216	(24,522,407)	-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	8,817,613	8,817,613	100.00%	11,773,925	(2,956,312)	-25.11%
Operating Transfer Out - Reserves	-	5,598,215	5,598,215	100.00%	3,309,009	2,289,206	69.18%
Total Other Financing Uses	11,779,285	17,569,612	17,569,612	100.00%	43,766,938	(26,197,326)	-59.86%
STADIUM OPERATION	7,364,147	8,429,668	7,393,974	87.71%	5,541,384	1,852,590	33.43%
TOTAL GENERAL FUND	\$ 272,355,355	\$ 290,881,302	\$ 225,167,127	77.41%	\$ 206,809,467	\$ 18,357,660	8.88%

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 April 30, 2023, expenditures totaled \$3.8 million, or 40.1% 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. The budget for this category includes \$1.7 million for the Education Revenue Augmentation Fund (ERAF) Property Tax contingency that was set aside as part of the FY 2021/22 Year-End Budgetary Report due to a legal challenge from the California School Boards regarding the distribution of the excess ERAF funds. As part of the February/March Monthly Financial Report approved on May 23, 2023, budget actions were approved to move these funds, along with additional funds from FY 2022/23, to a new Property Tax Excess ERAF Reserve. Excluding these ERAF funds, non-departmental expenditures would have tracked at 48.8% of the budget through April. This category also includes \$1.8 million for separation payouts that has not been expended; these funds are transferred to departments as necessary to address these costs. Budget actions are recommended in this report to allocate a portion of these funds to the Fire Department to cover the separation payouts in that department.

City Attorney: Through April, actual expenditures totaled approximately \$2.7 million, which is below expected levels at 72.1% of the budget. Spending is 33% above the total expenditures through the same time last fiscal year due to higher costs for contractual legal services and salaries and benefits.

City Clerk: Through April, actual expenditures were tracking above budget at \$1.7 million or approximately 79.1% of the budget. This reflects a 48.5% increase in spending compared to prior year spend levels; however, is still within budgeted levels. This is a result of one-time special election costs, higher salaries and benefits costs, and Granicus costs that are paid every other year.

City Council: Through April 30, 2023, expenditures were at 64.2% of budget, which is below par. Compared to the same period through last fiscal year, this reflects a spending decrease of approximately 16.2%, which is primarily the result of savings due to vacancies within the department.

City Manager: Expenditures through April totaled \$4.3 million, or 67.7% of the budget, which is below par for this time of the year. Expenditures are 3.5% higher compared with the spending level through the same period last fiscal year. This increase reflects higher property management maintenance costs and as-needed spending. This increase is partially offset by lower spending in salaries and benefits and advertising.

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 April, General Fund expenditures for the Planning and Housing and Community Services divisions totaled \$3.7 million, or 65.3% of budget, which is below the par level of 83%. Expenditures

were slightly below the spending through the same period last fiscal year due to lower non-personnel expenditures.

Finance Department: Through April, the Department's expenditures totaled \$14.8 million, or 73.1% of the budget, which is below par. This expenditure level was approximately 10.7% higher than the prior year primarily as a result of higher salaries and benefits costs.

Fire Department: Through April, expenditures totaled \$55.7 million, or 84.1% of the budget, which is at par. These expenditures reflect a 45% increase from expenditures through the same period last fiscal year. This large increase compared to the prior year is a result of the shifting of \$11.3 million of Fire's operating budget to the American Rescue Plan Act (ARPA) Fund last year on a one-time basis. As the ARPA was one-time funding, this year's tracking reflects all of the Department's expenditures. Spending is higher in the salaries and benefits, as-needed, contractual services, maintenance, and capital outlay categories. Overtime expenditures are tracking above the budget at 116.8%. 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. The Department's budget now reflects an adjustment appropriating \$0.3 million for Cal OES reimbursements from the January 2023 monthly financial report. The budget does not yet reflect the second adjustment of \$0.3 million for Cal OES reimbursements that was approved on May 23, 2023 as part of the February/March 2023 Monthly Financial Report. Additional budget amendments are recommended in this report to recognize fire-related revenue from fees and various reimbursements and allocate those funds to cover Fire Department salary, overtime and non-personnel costs.

Library Department: Through April, actual expenditures totaled \$8.6 million, or 70% of the budget, which is below par, but nearly 17.4% higher than expenditure levels last fiscal year. This is a result of resuming operations which began earlier this calendar year.

Parks and Recreation Department: Through April, actual expenditures totaled approximately \$16.4 million, or 73.8% of the budget, which is below par, but above the prior year actuals of \$14.9 million. This is due to the department resuming activities that were previously impacted by COVID-19 restrictions.

Police Department: Expenditures through April are tracking below expected levels at \$67.0 million, or 78.1% of the budget. This is approximately 43% higher when compared to spending levels through the same period last fiscal year. Similar to the Fire Department, this large increase compared to the prior year is a result of the shifting of \$14.9 million of Police's operating budget to the American Rescue Plan Act Fund last year on a one-time basis. As this was one-time funding, this year's tracking reflects all of the Department's expenditures.

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 \$7.4 million through April and are tracking above budgeted levels at 87.7%. This is 33.4% higher than expenditures through the same period last year, as a direct result of the reopening of the Stadium for events and two additional NFL playoff games held at the Stadium. The budget incorporates the \$1.0

million adjustment approved on March 21, 2023 as part of the January 2023 Monthly Financial Report. Another budget amendment was approved on May 23, 2023 as part of the February/March 2023 Monthly Financial Report to recognize and allocate additional projected reimbursements of \$1.4 million. This adjustment is not yet reflected.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of April 30, 2023. The amended budget reflects carryover encumbrances from fiscal year 2021/22 and budget amendments approved by the City Council through April 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 \$24.4 million, or 89.8% of budget, while expenditures totaled \$24.9 million, or 60.8% of budget through the end of April. Overall, revenues are tracking above budget due primarily to strong performance in the Building Development Services Fee Fund which has exceeded the annual revenue estimate. Expenditures in almost all funds are tracking below the par level of 83%. The Housing Successor Agency Fund expenditures are tracking above budgeted levels; however, this is the result of a loan disbursement being expended in full. Spending for the remainder of the year is expected to level off and end within budget. Revenue and expenses are tracking lower in the Housing and Urban Development Fund due to less activity in the Neighborhood Conservation and Improvement Program (NCIP) and the Affordable Rental Housing program. Projects under both of these programs have been delayed due to limited staff capacity; however, they are anticipated to be completed by the end of next fiscal year.

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 4/30/2023	Percentage received	Actual Through 4/30/2022	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 280,000	\$ 277,495	\$ 390,403	140.69%	\$ 513,407	\$ (123,004)	-23.96%
City Affordable Housing Fund	682,000	7,162,700	6,290,674	87.83%	2,624,876	3,665,798	139.66%
Housing Successor Fund	350,000	1,306,326	619,706	47.44%	5,841,997	(5,222,291)	-89.39%
Housing and Urban Development	1,810,000	3,924,461	964,270	24.57%	2,500,639	(1,536,369)	-61.44%
Building Development Services Fee Fund	14,112,000	14,464,458	16,098,227	111.30%	14,881,545	1,216,682	8.18%
American Rescue Plan Act Fund	-	-	-	0.00%	13,264,822	(13,264,822)	-100.00%
TOTAL	\$ 17,234,000	\$ 27,135,440	\$ 24,363,280	89.78%	\$ 39,627,286	\$ (15,264,006)	-38.52%

Fund Description	EXPENDITURES - FISCAL YEAR 2022/23				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 4/30/2023	Percentage used	Actual through 4/30/2022	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 380,363	\$ 584,503	\$ 183,604	31.41%	\$ 131,083	\$ 52,521	40.07%
City Affordable Housing Fund	1,685,731	11,499,145	6,777,826	58.94%	753,840	6,023,986	799.11%
Housing Successor Fund	1,242,599	6,049,148	5,432,420	89.80%	12,319,888	(6,887,468)	-55.91%
Housing and Urban Development	2,355,815	5,223,984	1,495,705	28.63%	2,735,311	(1,239,606)	-45.32%
Building Development Services Fee Fund	13,360,809	17,682,237	11,059,318	62.54%	8,970,792	2,088,526	23.28%
American Rescue Plan Act Fund	-	-	-	0.00%	25,921,801	(25,921,801)	-100.00%
TOTAL	\$ 19,025,317	\$ 41,039,017	\$ 24,948,873	60.79%	\$ 50,832,715	\$ (25,883,842)	-50.92%

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 April 2023. As of April 30, 2023, the capital fund revenue totaled \$32.7 million. In the Parks and Recreation Capital Fund, \$24.4 million has been collected, which includes \$23.2 million in Mitigation Fee Act revenue. In the Streets & Highways Fund, revenues are tracking well below budget due to the timing of projects and associated reimbursements.

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

Fund Description	REVENUES - FISCAL YEAR 2022/23					Percentage Used
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 4/30/2023		
Parks & Recreation	\$ 26,256,378	\$ 3,301,620	\$ 29,557,998	\$ 24,360,827	82.42%	
Streets & Highways	6,634,174	15,921,680	22,555,854	2,988,943	13.25%	
Storm Drain	1,454,000	-	1,454,000	1,205,717	82.92%	
Public Buildings	-	100,000	100,000	100,000	100.00%	
City Affordable Housing Capital	-	-	-	630,142	NA	
Related Santa Clara Developer	2,968,317	1,118,024	4,086,341	998,739	24.44%	
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	\$ 39,795,679	\$ 20,441,324	\$ 60,237,003	\$ 32,703,869	54.29%	

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 April 2023. As of April 30, 2023, capital fund expenditures totaled \$29.1 million, or 18.6% 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 4/30/2023	Percentage Used	
Parks & Recreation	\$ 20,141,514	\$ 20,913,971	\$ 41,055,485	\$ 6,152,608	14.99%	
Streets & Highways	27,334,386	53,175,624	80,510,010	13,070,178	16.23%	
Storm Drain	5,181,209	2,745,531	7,926,740	3,082,060	38.88%	
Fire	1,580,091	395,077	1,975,168	551,439	27.92%	
Library	413,111	35,747	448,858	88,981	19.82%	
Public Buildings	4,378,736	2,439,492	6,818,228	672,376	9.86%	
General Gov't - Other	3,687,314	6,158,460	9,845,774	1,624,081	16.50%	
City Affordable Housing Capital	-	1,600,000	1,600,000	-	0.00%	
Related Santa Clara Developer	3,566,699	-	3,566,699	2,035,794	57.08%	
Patrick Henry Drive	69,205	-	69,205	57,459	83.03%	
Infrastructure Improvement Fund						
Tasman East Specific Infrastructure Improvement Fund	3,221,395	-	3,221,395	1,793,747	55.68%	
TOTAL	\$ 69,573,660	\$ 87,463,902	\$ 157,037,562	\$ 29,128,723	18.55%	

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Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of April 30, 2023.

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 4/30/2023	Percentage received	Actual Through 4/30/2022	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 615,818,445	\$ 629,425,236	\$ 487,337,579	77.43%	\$ 427,169,652	\$ 60,167,927	14.09%
Water Utility Fund	48,358,520	48,358,520	38,696,918	80.02%	39,580,268	(883,350)	-2.23%
Sewer Utility Fund	40,459,345	40,459,345	37,232,331	92.02%	44,397,398	(7,165,067)	-16.14%
Cemetery Fund	600,000	600,000	515,690	85.95%	606,786	(91,096)	-15.01%
Solid Waste Utility Fund	37,245,092	37,245,092	28,323,184	76.05%	26,516,507	1,806,677	6.81%
Water Recycling Fund	5,708,446	5,708,446	4,888,206	85.63%	4,962,225	(74,019)	-1.49%
TOTAL REVENUE	\$ 748,189,848	\$ 761,796,639	\$ 596,993,908	78.37%	\$ 543,232,836	\$ 53,761,072	9.90%

Fund Description	EXPENSES - FISCAL YEAR 2022/23				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 4/30/2023	Percentage Used	Actual through 4/30/2022	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 603,681,580	\$ 606,426,798	\$ 474,903,194	78.31%	\$ 410,417,960	\$ 64,485,234	15.71%
Water Utility Fund	46,797,065	48,768,438	36,979,737	75.83%	34,705,410	2,274,327	6.55%
Sewer Utility Fund	30,825,023	33,220,466	23,870,779	71.86%	22,485,506	1,385,273	6.16%
Cemetery Fund	1,539,796	1,545,944	1,276,193	82.55%	1,152,286	123,907	10.75%
Solid Waste Utility Fund	36,626,118	40,169,992	26,137,141	65.07%	24,245,872	1,891,269	7.80%
Water Recycling Fund	5,729,413	5,739,135	5,498,838	95.81%	4,685,864	812,974	17.35%
TOTAL - Operating Appropriations	\$ 725,198,995	\$ 735,870,773	\$ 568,665,882	77.28%	\$ 497,692,898	\$ 70,972,984	14.26%

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.

Expenditures in the Electric Utility Fund are tracking to end the year above the budget due to higher power purchase and production costs which are driven by the extreme spikes in natural gas prices. It is anticipated that higher revenues will partially offset these higher costs with the remainder addressed with the use of fund balance. Budget balancing amendments are recommended in this report.

In the Cemetery Fund, revenue is tracking below the prior year due to lower sales, while the decrease in Sewer revenue reflects the amount of reimbursements received from the City of San Jose related to the co-owned Regional Wastewater Facility. Expenditures are tracking higher in the Water Recycling Fund and Water Utility Fund as a result of higher spending in the resources category. A budget adjustment in the Water Recycling Fund was approved on May 23, 2023 as part of the February/ March

Financial Status Report as of April 30, 2023

2023 Monthly Financial Report to account for the significantly higher spend in the resource category; this adjustment is not reflected in the budget figures through April.

A summary of revenue and expenses in the Enterprise Capital Improvement Funds are detailed in the tables below. Actual revenue through April 30, 2023 totaled \$39.1 million, consisting primarily of developer contributions in the Electric Utility Fund and transfers from customer services charges in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$45.2 million, or 16.3% 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 4/30/2023	Percentage Used
Electric Utility Fund	\$ 40,950,870	\$ 14,554,461	\$ 55,505,331	\$ 28,427,014	51.21%
Street Lighting ⁽¹⁾	-	-	-	41,442	N/A
Sewer Utility Fund	-	-	-	10,650,724	N/A
Solid Waste Utility Fund	250,000	65,000	315,000	9,364	2.97%
TOTAL - CIP Appropriations	\$ 41,200,870	\$ 14,619,461	\$ 55,820,331	\$ 39,128,544	70.10%

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 4/30/2023	Percentage Used
Electric Utility Fund	\$ 131,429,732	\$ 80,191,903	\$ 211,621,635	\$ 35,503,193	16.78%
Street Lighting ⁽¹⁾	(1,835,662)	5,637,312	3,801,650	185,100	4.87%
Water Utility Fund	8,012,986	-	8,012,986	2,588,457	32.30%
Sewer Utility Fund	26,645,486	23,316,657	49,962,143	5,914,110	11.84%
Cemetery Fund	53,642	233,980	287,622	20,167	7.01%
Solid Waste Utility Fund	891,521	4,488	896,009	482,554	53.86%
Water Recycling Fund	29,774	-	29,774	15,225	51.14%
Convention Center Capital Fund	-	2,691,883	2,691,883	532,324	19.78%
TOTAL - CIP Appropriations	\$ 165,227,479	\$ 112,076,223	\$ 277,303,702	\$ 45,241,130	16.31%

(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
April 30, 2023

DETAIL OF SELECTED FUND RESERVE BALANCES:			
	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 40,851,099		
Capital Projects Reserve	11,879,656		
Land Sale Reserve	18,481,037		
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	\$ 73,137,583	\$ 167,542,169	\$ 303,090

City of Santa Clara

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Long-Term Interfund Advances

On March 21, 2023, as part of the January Monthly Financial Report, the City Council approved a budget action transferring the remaining balance of the Parks and Recreation Facilities loan for the Reed and Grant Sports Park to the Land Sale Reserve. There are currently no outstanding balances for interfund advances.

Donations to the City of Santa Clara

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

		Fiscal Year 2022/23	
Department	Apr-23	Year To Date	Designated Use
City Manager's Office	\$ 25	\$ 100	Help Your Neighbor
Parks & Recreation	-	2,771	Case Management
Parks & Recreation	287	2,184	Roberta Jones Jr. Theatre
Parks & Recreation	-	30,600	Wade Brummal
TOTALS	\$ 312	\$ 35,655	