



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

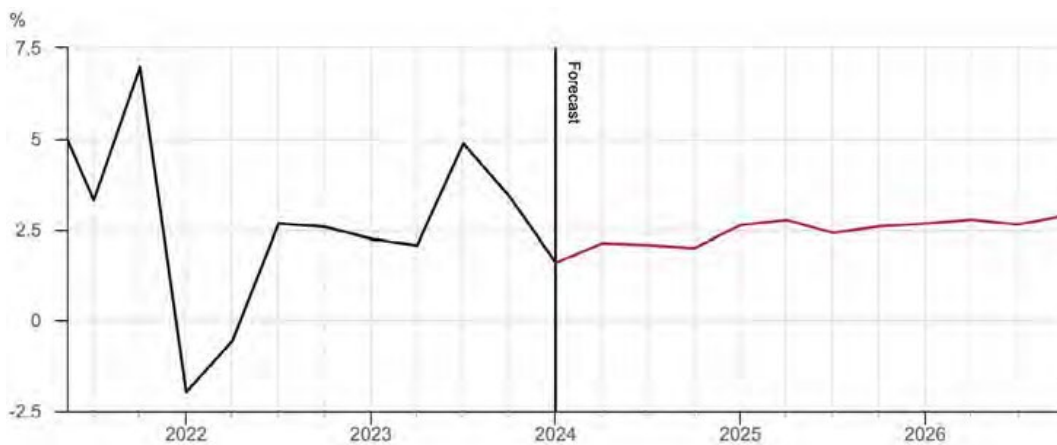
August 2024

This report summarizes the City’s financial performance for the month ended August 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

The June 2024 UCLA Anderson Forecast assumes no recession: “The oft-predicted but never seen “recession next quarter” has now faded in the face of expansionary fiscal policy, a new national industrial policy, and a consumer who is happy to continue spending. As inflation slowly works its way back to the neighborhood of 2.2% to 2.7% per annum and is being kept high due primarily to residential rents, automobile repair, and new health insurance premia, we expect Fed policy to take a neutral stance and economic growth to rebound to trend rates. Nevertheless, there are risks to the forecast. A protracted shutdown of the government has been averted, but the possibility still exists. Will geopolitical events upset the current growth pattern? Will the election result in different national economic policies in 2025? These risks are substantial and bear watching as they could well drive the economy off of the current growth path that is predicted to return the U.S. economy to trend 2.5% growth. Due to those uncertainties, the forecast contains weaker business investment in the 3rd and 4th quarters of this year corresponding to a wait-and-see approach by some firms until after the November election. The upside of the forecast is productivity growth due to new technology that drives higher wages and higher GDP. While our view of AI and robotics is that the impact will be felt after 2026 as technology adoption tends to take time, current tight labor markets could accelerate that.”¹

Quarterly Real GDP Growth, Seasonally Adjusted Annual Rates



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

¹ UCLA Anderson Forecast, June 2024, The U.S. Economic Outlook: Near-Term Supply Constrained Growth

The Conference Board Economic Forecast for the US Economy assumes GDP growth will slow, but not plunge, in 2024. “Real GDP is expected to rise by 2.4 percent year-over-year in 2024. Nonetheless, the economy is expected to lose momentum in H2 2024 as high prices and elevated interest rates sap domestic demand. This will provide slower momentum heading into 2025, which may constrain growth in that year to just 1.7 percent year-over-year, despite expectations of stronger quarterly annualized growth as the year progresses.”²

On a national level, the unemployment rate changed little from 4.3% to 4.2% between July and August 2024. In August, the number of unemployed persons totaled 7.1 million, a slight decrease of 48,000 from July.³

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

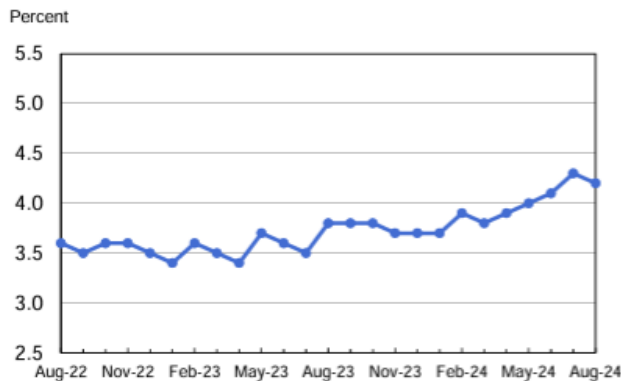
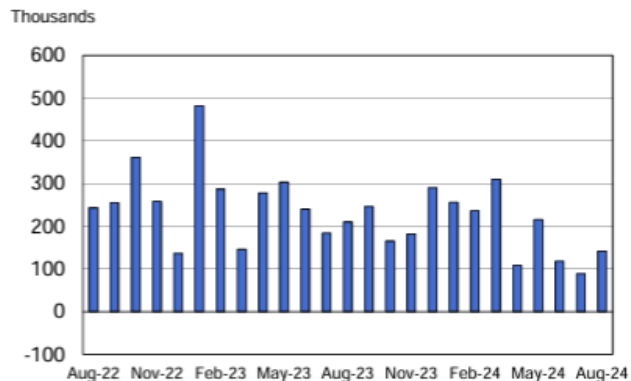


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, August 2022 – August 2024

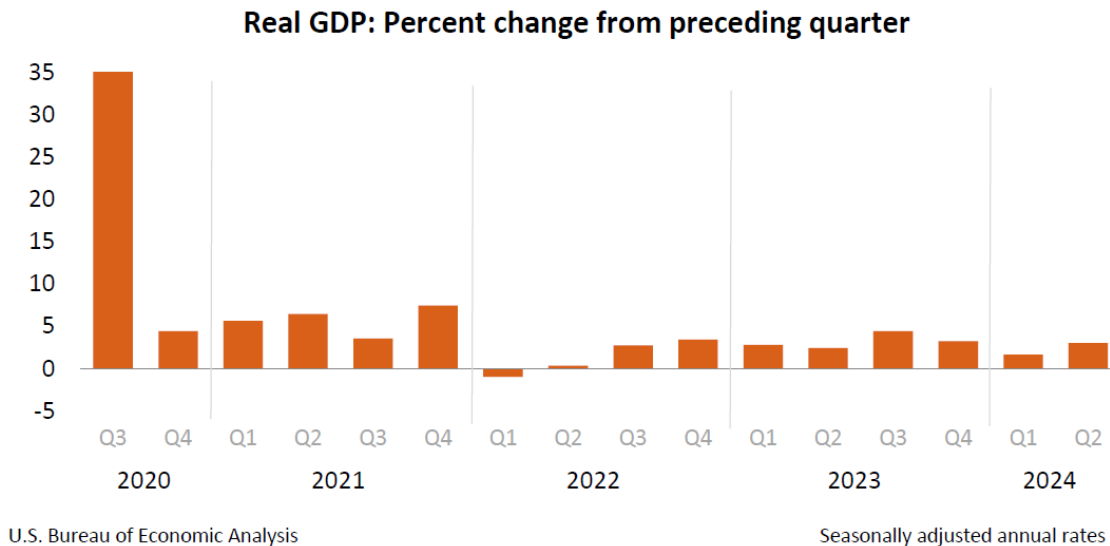


In the second quarter 2024 third estimate, the Gross Domestic Product (GDP) increased by 3.0%, following a GDP increase of 1.6% in the first quarter. The increase in real GDP primarily reflected increases in consumer spending, private inventory investment, and nonresidential fixed investment.⁴

² <https://www.conference-board.org/research/us-forecast>, The Conference Board Economic Forecast for the US Economy, Updated September 17, 2024

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

⁴ <https://www.bea.gov/news/2024/gross-domestic-product-third-estimate-corporate-profits-revised-estimate-and-gdp-0>



At the state level, the California unemployment rate increased slightly to 5.3% in August 2024 from 5.2% in July 2024. This rate is higher compared to the 4.8% rate in August 2023. Over the past year, California employers have added 287,100 nonfarm jobs.⁵

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 4.5% in August 2024, unchanged from July 2024, and above the August 2023 estimate of 4.1%. Between August 2023 and August 2024, employment in this region increase by 7,300 jobs, or 0.6%. The largest increases were in private education and health services (up 12,200 jobs) and professional and business services (up 6,100 jobs). Notable employment reductions were in information and manufacturing (each down 6,100 jobs) and construction (down 2,700).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 2024/25 was \$310.7 million. The amended budget for revenues and expenditures was adjusted to \$316.9 million to reflect carryover encumbrances from fiscal year 2023/24 and various budget amendments approved by the City Council through August 2024.

While it is very early in the fiscal year and limited data is available, General Fund revenues and expenditures are tracking within estimated levels.

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

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

General Fund Revenues

As of August 31, 2024, \$15.5 million or 5.3% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$21.4 million have occurred as budgeted. This very low collection level through August is largely due to the timing of payments. In some categories, the revenues received in July account for activity that occurred in FY 2023/24 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
REVENUE OVERVIEW AND COMPARISON BY TYPE**

Function	FISCAL YEAR 2024/25				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2024	Percentage Received	Actual Through 8/31/2023	Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 62,900,000	\$ 62,900,000	\$ -	0.00%	\$ -	\$ -	N/A
Property Tax	94,391,000	94,391,000	82,066	0.09%	76,981	5,085	6.61%
Transient Occupancy Tax	22,850,000	22,850,000	931,003	4.07%	722,881	208,122	28.79%
Other Taxes	6,950,000	6,950,000	352,629	5.07%	194,799	157,830	81.02%
Total Taxes	187,091,000	187,091,000	1,365,698	0.73%	994,661	371,037	37.30%
LICENSES & PERMITS							
Business Licenses	6,000,000	6,000,000	1,603,747	26.73%	666,092	937,655	140.77%
Fire Operation Permits	2,010,000	2,010,000	382,287	19.02%	125,125	257,162	205.52%
Miscellaneous Permits	55,000	55,000	18,305	33.28%	50,409	(32,104)	-63.69%
Total Licenses & Permits	8,065,000	8,065,000	2,004,339	24.85%	841,626	1,162,713	138.15%
FINES & PENALTIES	1,452,000	1,452,000	142,847	9.84%	435,491	(292,644)	-67.20%
INTERGOVERNMENTAL	970,000	970,000	354,605	36.56%	9,654	344,951	3573.14%
CHARGES FOR SERVICES	30,829,954	30,829,954	3,765,484	12.21%	2,043,440	1,722,045	84.27%
SILICON VALLEY POWER TRANSFER	34,500,000	34,500,000	5,910,850	17.13%	-	5,910,850	N/A
USE OF MONEY & PROPERTY							
Interest	6,212,000	6,212,000	(1,076,046)	-17.32%	(1,061,296)	(14,750)	1.39%
Rent	13,028,187	13,028,187	2,324,113	17.84%	1,390,065	934,048	67.19%
Total Use of Money & Property	19,240,187	19,240,187	1,248,067	6.49%	328,769	919,298	279.62%
MISCELLANEOUS REVENUES	215,550	215,550	170,492	79.10%	56,122	114,370	203.79%
LAND PROCEED	-	-	-	N/A	-	-	N/A
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	6,964,827	13,403,241	13,403,241	100.00%	8,012,113	5,391,128	67.29%
Operating Transfer In - Fund Balances ⁽¹⁾	6,162,369	6,162,369	6,162,369	100.00%	4,759,683	1,402,686	29.47%
Operating Transfer In - Miscellaneous	575,821	575,821	575,821	100.00%	746,044	(170,223)	-22.82%
Total Other Financing Sources	15,157,017	21,595,431	21,595,431	100.00%	14,971,840	6,623,591	44.24%
STADIUM OPERATION							
Charges for Services	11,705,481	11,705,481	570,405	4.87%	221,494	348,911	157.53%
Rent and Licensing	1,472,000	1,472,000	-	0.00%	-	-	N/A
Total Stadium Operation	13,177,481	13,177,481	570,405	4.33%	221,494	348,911	157.53%
TOTAL GENERAL FUND	\$ 310,698,189	\$ 317,136,603	\$ 37,128,218	11.71%	\$ 19,903,096	\$ 17,225,122	86.54%

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2024 and mid year budget amendment from reserves.

General Fund Revenues

Sales Tax: The City of Santa Clara sales tax rate is 9.125%, of which the City receives 1.0%. As of August 31, 2024, no sales tax has been recorded. Given the timing of payments, the sales tax payments received through August accounted for activity in the prior fiscal year and those funds were accrued to last year.

Property Tax: \$0.1 million in property tax receipts were received in August 2024. The majority of property tax revenue is collected in February and April each year. Based on initial information from the County of Santa Clara, property tax receipts are projected to end the year slightly above the Adopted Budget estimate of \$94.4 million.

Transient Occupancy Tax (TOT): TOT is calculated as a percentage of City hotel/motel room charges. The City's TOT rate is 12.5%. Through August 31, 2024, approximately \$0.9 million was received, which reflects a 28.8% increase when compared through the same period last fiscal year.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected approximately \$0.4 million through August, which is 81% higher than last fiscal year's collection levels. Receipts through August primarily reflect franchise tax collections, with minimal documentary transfer tax revenue collected.

Licenses & Permits: Includes business licenses, fire operation permits, and miscellaneous permits and fees. Effective FY 2023/24, the City implemented a new Business License Tax methodology which is reflected in the collections recorded this fiscal year. Licenses and permits revenue collections are tracking above par with receipts totaling \$2.0 million, or 24.8% of the \$8.1 million budget.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue collected in this category through August was \$0.1 million. Collections in this category are tracking below the prior year.

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 August 31, 2024, approximately \$0.4 million has been collected, or 36.6% of the \$970,000 budget

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through August, collections totaled approximately \$3.8 million or 12.2% of the budget. This reflects an 84% increase compared to last year's collections, primarily due to higher receipts from engineering fees, Emergency Medical Services (EMS) fees, and interdepartmental charges.

Silicon Valley Power Transfer: In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues to the General Fund. Transfers throughout the year are based on the budgeted estimate and will be trued up at the end of the fiscal year based on actual performance.

Use of Money & Property: Includes realized investment income and rental income. Through August, \$1.2 million has been collected, compared to \$0.3 million last fiscal year. This increase is due to higher rents, specifically right-of-way, collected in the current year. This is mainly due to the timing of when the right-of-way revenue was recorded, when compared to last fiscal year. The negative amount under the interest category reflects an accrual to the prior year.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through August, collections total \$0.2 million, compared to \$56,122 collected in the prior year.

Stadium Operation: Through August, approximately \$0.6 million has been collected through charges for services.

General Fund Expenditures

As of August 31, 2024, \$68.1 million or 21.5% of the General Fund operating budget had been expended, which is higher than prior year expenditure levels. Excluding transfers, expenditures totaled \$50.1 million, or 16.7% of the budget, which is at par. Transfers of \$18.0 million have occurred as budgeted. Overall, expenditures in the General Fund are at budgeted levels through August.

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

Function	FISCAL YEAR 2024/25				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2024	Percentage Used	Actual Through 8/31/2023	Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 17,622,136	\$ 17,841,022	\$ 4,194,289	23.51%	\$ 688,588	\$ 3,505,701	509.11%
City Council	1,196,923	1,196,923	204,030	17.05%	170,308	33,722	19.80%
City Clerk	2,102,267	2,104,267	347,485	16.51%	214,143	133,342	62.27%
City Manager	8,222,051	9,030,316	794,041	8.79%	436,949	357,092	81.72%
City Attorney	3,357,661	3,440,037	507,233	14.74%	409,308	97,925	23.92%
Human Resources	4,845,256	5,019,594	630,892	12.57%	508,305	122,587	24.12%
Finance	21,008,682	21,937,208	3,800,225	17.32%	2,351,131	1,449,094	61.63%
Total General Government	58,354,976	60,569,367	10,478,195	17.30%	4,778,732	5,699,463	119.27%
PUBLIC WORKS	26,347,463	28,132,690	4,313,010	15.33%	3,492,899	820,111	23.48%
COMMUNITY DEVELOPMENT	5,575,313	5,636,381	813,488	14.43%	826,894	(13,406)	-1.62%
PARKS AND RECREATION	23,172,047	23,931,989	3,854,407	16.11%	3,448,033	406,374	11.79%
PUBLIC SAFETY							
Fire	66,292,191	66,954,133	12,075,616	18.04%	10,323,737	1,751,879	16.97%
Police	92,074,298	92,481,021	14,738,053	15.94%	12,474,370	2,263,683	18.15%
Total Public Safety	158,366,489	159,435,154	26,813,669	16.82%	22,798,107	4,015,562	17.61%
LIBRARY	11,732,505	12,212,058	2,043,071	16.73%	1,587,753	455,318	28.68%
DEPARTMENTAL TOTAL	283,548,793	289,917,639	48,315,840	16.67%	36,932,418	11,383,422	30.82%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	626,778	626,778	626,778	100.00%	1,198,809	(572,031)	-47.72%
Operating Transfer Out - Debt Services	1,405,940	1,405,940	1,405,940	100.00%	1,402,440	3,500	0.25%
Operating Transfer Out - Maintenance Dtrct	977,546	977,546	977,546	100.00%	942,413	35,133	3.73%
Operating Transfer Out - Cemetery	823,000	823,000	823,000	100.00%	796,000	27,000	3.39%
Operating Transfer Out - CIP	14,204,882	14,204,882	14,204,882	100.00%	7,305,499	6,899,383	94.44%
Total Other Financing Uses	18,038,146	18,038,146	18,038,146	100.00%	11,645,161	6,392,985	54.90%
STADIUM OPERATION	9,111,250	9,180,818	1,741,219	18.97%	2,374,727	(633,508)	-26.68%
TOTAL GENERAL FUND	\$ 310,698,189	\$ 317,136,603	\$ 68,095,205	21.47%	\$ 50,952,306	\$ 17,142,899	33.64%

General Fund Expenditures

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

Non-Departmental: Includes expenditures that are not attributable to a single department, but a function of the City in general. Through August 31, 2024, expenditures totaled \$4.2 million, or 23.5% of the budget. These expenditures are above the par level of 16.7%, and significantly higher than prior year levels. This increase is due to internal service allocation charges, as they were not yet reflected in the August 2023 data, as well as higher insurance expenditures.

City Attorney: Actual expenditures through August totaled approximately \$0.5 million, which is 14.7% of the budget, which is below par. Spending is significantly higher than the total expenditures through the same time last fiscal year by 23.9%. This increase is a result of higher spend primarily in the salaries and benefits categories and the outside legal services category.

City Clerk: Through August, actual expenditures were tracking within budget at \$0.3 million or approximately 16.5% of the budget. This expenditure level reflects a 62.3% increase compared to last fiscal year due to higher spend in the software subscription category and internal service allocation charges that were not yet being reflected in the August 2023 data.

City Council: Through August, expenditures were at 17% of budget, which is slightly above par. Compared to the same period through last fiscal year, this reflects a significant increase in expenditures due to higher salaries and benefits spending and, similar to other departments, internal service allocation charges that were not yet reflected in the August 2023 data.

City Manager: The actual expenditures through August totaled \$0.8 million, or 8.8% of the budget, which is below par for this time of the year. Expenditures are approximately 82% higher compared with the spending level through the same period last fiscal year. The increase is attributable to the timing of the internal service allocation charges that were not yet being reflected in the August 2023 data as well as higher spend in the salaries and benefits and advertising categories.

Community Development Department: This department consists of three divisions: Planning, Building, and Housing and Community Services. The Building Division of this department is reflected in the Building Development Services Fund, which falls under the special revenue section of this report. Through August, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$0.8 million, or 14.4% of the budget, which is below par of 16.7%. This expenditure level is 1.6% below the prior year as a result of lower salaries and benefits costs that were partially offset by higher internal service allocation charges.

Finance Department: Through August, the Department's expenditures totaled \$3.8 million, or 17.3% of the budget, which is slightly above par. This expenditure level was approximately 61.6% higher than through the same period last year. Similar to the other departmental tracking, this is a result of the timing of the internal service allocation charges, which were not yet reflected in the August 2023 data. Additionally, current year spend reflects higher salaries and benefits and contractual services costs.

Fire Department: Through August, actual expenditures totaled \$12.1 million, or 18% of the budget, which is above par. These expenditures reflect a 17% increase from expenditures through the same period last fiscal year. This is primarily because the timing of the booking of the internal service allocation charges, which were not yet reflected in the August 2023 data. Overtime expenditures are tracking over budget at 104%. The primary driver of the high expenditures in this category is mutual aid deployment efforts. These costs are reimbursable, and a budget action will be brought forward for City Council approval to recognize the reimbursement and adjust the Department overtime budget at a later date.

Excluding the mutual aid-related costs, the departmental overtime is approximately 35.4% of the budget. While this overtime figure is still above par, it is important to note that overtime is used to backfill for vacant positions and the vacancy savings offset a portion of the overtime costs.

Library Department: Through August, actual expenditures totaled \$2.0 million, or 16.7% of the budget, which is at par, and 28.7% higher than expenditure levels last fiscal year. The higher spending is a result of the reopening of libraries in addition to the timing of the booking of the internal service allocation charges, which were not yet reflected in the August 2023 data.

Parks and Recreation Department: Through August, actual expenditures totaled \$3.9 million, or 16.1% of the budget, which is slightly below par, but higher than prior year actuals of \$3.4 million. Similar to other departments, internal service allocation charges were not yet reflected in the August 2023 data.

Police Department: Expenditures through August are tracking at expected levels at \$14.7 million, or 15.9% of the budget; this is approximately 18.1% higher than prior year spending. Again, this is also a result of the timing of the internal service allocation charges, which were not yet reflected in the August 2023 data.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled \$1.7 million through August, which is lower than the prior year. This is primarily due to lower overtime spend. The single event at the Stadium during August was one pre-season NFL game.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of August 31, 2024. The amended budget reflects carryover encumbrances from fiscal year 2023/24 and budget amendments approved by the City Council through August 2024.

Revenues totaled approximately \$4.7 million, while expenditures totaled approximately \$3.7 million through the end of August. While revenue is tracking above par, expenditures are tracking slightly below par of 16.7%. In the Building Development Services Fee Fund and Fire Development Services Fee Fund, development-related fees are tracking higher than the prior year, In the City Affordable Housing Fund, higher interest earnings have been collected when compared to prior year levels. In the Housing and Urban Development Fund, there has been higher spend in grant administration costs. Revenue in this fund reflects reimbursable grants, with the City anticipating revenue to be collected later in the fiscal year. In the Housing Successor Agency Fund, there have been lower contractual services costs.

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

Fund Description	REVENUE - FISCAL YEAR 2024/25				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2024	Percentage Received	Actual Through 8/31/2023	\$ Change From Prior Year	Percent Change
Building Development Services Fee Fund	\$ 16,164,000	\$ 16,164,000	\$ 3,284,465	20.32%	\$ 2,460,157	\$ 824,308	33.51%
City Affordable Housing Fund	1,168,177	1,168,177	130,925	11.21%	23,768	107,157	450.85%
Fire Development Services Fee Fund	3,277,500	3,277,500	1,011,355	30.86%	575,352	436,003	75.78%
Housing and Urban Development	2,532,068	3,375,068	71,219	2.11%	378,305	(307,086)	-81.17%
Housing Authority Fund	252,496	252,496	9,980	3.95%	57,919	(47,939)	-82.77%
Housing Successor Fund	1,306,326	1,306,326	178,501	13.66%	152,797	25,704	16.82%
TOTAL	\$ 24,700,567	\$ 25,543,567	\$ 4,686,445	18.35%	\$ 3,648,298	\$ 1,038,147	28.46%

Fund Description	EXPENDITURES - FISCAL YEAR 2024/25				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2024	Percentage Used	Actual Through 8/31/2023	\$ Change From Prior Year	Percent Change
Building Development Services Fee Fund	\$ 15,044,148	\$ 15,852,488	\$ 2,643,001	16.67%	\$ 2,303,565	\$ 339,436	14.74%
City Affordable Housing Fund	1,593,647	1,983,423	125,449	6.32%	224,106	(98,657)	-44.02%
Fire Development Services Fee Fund	3,387,922	3,387,922	580,151	17.12%	438,405	141,746	32.33%
Housing and Urban Development	2,532,068	4,071,407	263,154	6.46%	362,783	(99,629)	-27.46%
Housing Authority Fund	468,931	511,389	33,244	6.50%	28,906	4,338	15.01%
Housing Successor Fund	902,579	1,012,590	46,654	4.61%	220,176	(173,522)	-78.81%
TOTAL	\$ 23,929,295	\$ 26,819,219	\$ 3,691,653	13.76%	\$ 3,577,941	\$ 113,712	3.18%

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 August 2024. As of August 31, 2024, the capital fund revenue totaled \$0.7 million.

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

REVENUE - FISCAL YEAR 2024/25						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2024	Percentage Used	
Parks & Recreation	\$ -	\$ 3,349,489	\$ 3,349,489	\$ 287,679	8.59%	
Related Santa Clara Developer	795,344	-	795,344	-	0.00%	
Storm Drain	1,454,000	3,000,000	4,454,000	244,872	5.50%	
Streets & Highways	5,951,458	22,490,903	28,442,361	99,585	0.35%	
Tasman East Specific Infrastructure Improvement Fund	3,734,932	-	3,734,932	36,132	0.97%	
TOTAL	\$ 11,935,734	\$ 28,840,392	\$ 40,776,126	\$ 668,268	1.64%	

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 August 2024. As of August 31, 2024, capital fund expenditures totaled \$3.7 million, or 2.2% of the amended budget, well below par of 16.7%.

As part of the adoption of the FY 2024/25 and FY 2025/26 biennial capital improvement program budget, some capital funds were carried over for projects that were not anticipated to be completed by June 30, 2024. Necessary additional adjustments to the capital carryover amounts will be included as part of the Budgetary Year-End Report for FY 2023/24, anticipated to be brought forward for City Council approval in December 2024.

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

EXPENDITURES - FISCAL YEAR 2024/25						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2024	Percentage Used	
Fire	\$ 1,473,700	1,247,874	\$ 2,721,574	\$ 151,122	5.55%	
General Govt - Other	2,390,820	9,127,697	11,518,517	255,558	2.22%	
Library	471,848	248,407	720,255	6,980	0.97%	
Parks & Recreation	7,654,966	25,525,570	33,180,536	1,135,022	3.42%	
Public Buildings	1,792,207	5,442,248	7,234,455	256,361	3.54%	
Related Santa Clara Developer	795,344	393,992	1,189,336	39,134	3.29%	
Storm Drain	2,161,450	7,135,999	9,297,449	289,843	3.12%	
Streets & Highways	21,295,073	77,468,474	98,763,547	1,536,932	1.56%	
Tasman East Specific Infrastructure Improvement Fund	1,432,193	1,433,994	2,866,187	3,141	0.11%	
TOTAL	\$ 39,467,601	\$ 128,024,255	\$ 167,491,856	\$ 3,674,093	2.19%	

Enterprise Funds

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

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

Fund Description	REVENUE - FISCAL YEAR 2024/25				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2024	Percentage Received	Actual Through 8/31/2023	\$ Change From Prior Year	Percent Change
Cemetery Fund	\$ 750,000	\$ 750,000	\$ 87,644	11.69%	\$ 77,494	\$ 10,150	13.10%
Electric Utility Fund	893,397,959	893,397,959	83,438,035	9.34%	72,784,575	10,653,460	14.64%
Sewer Utility Fund	46,989,803	46,989,803	5,892,801	12.54%	4,974,289	918,512	18.47%
Solid Waste Utility Fund	41,561,372	41,561,372	4,722,647	11.36%	4,503,065	219,582	4.88%
Water Recycling Fund	8,507,338	8,507,338	1,487,367	17.48%	1,316,091	171,276	13.01%
Water Utility Fund	64,096,935	64,096,935	9,200,104	14.35%	7,581,337	1,618,767	21.35%
TOTAL REVENUE	\$ 1,055,303,407	\$ 1,055,303,407	\$ 104,828,598	9.93%	\$ 91,236,851	\$ 13,591,747	14.90%

Fund Description	EXPENSES - FISCAL YEAR 2024/25				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2024	Percentage Used	Actual Through 8/31/2023	\$ Change From Prior Year	Percent Change
Cemetery Fund	\$ 1,628,800	\$ 1,628,800	\$ 181,850	11.16%	\$ 169,029	\$ 12,821	7.59%
Electric Utility Fund	649,513,582	667,335,619	80,621,289	12.08%	85,516,893	(4,895,604)	-5.72%
Sewer Utility Fund	38,762,083	39,278,049	8,984,089	22.87%	7,792,537	1,191,552	15.29%
Solid Waste Utility Fund	40,775,942	43,928,485	6,032,051	13.73%	5,186,542	845,509	16.30%
Water Recycling Fund	9,307,289	9,332,389	258,109	2.77%	156,371	101,738	65.06%
Water Utility Fund	57,614,177	58,830,207	6,607,417	11.23%	4,732,530	1,874,887	39.62%
TOTAL - Operating Appropriations	\$ 797,601,873	\$ 820,333,549	\$ 102,684,805	12.52%	\$ 103,553,902	\$ (869,097)	-0.84%

Both revenues and expenditures are tracking significantly higher than prior year levels. In the Water Utility Fund, there have been higher customer service charges collected, along with higher personnel, resource and maintenance costs charged. Sales have also come in higher in the Cemetery Fund.

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 is detailed in the table below. Actual revenue through August 31, 2024, totaled \$5.2 million, consisting primarily of developer contributions and load development fees in the Electric Utility Fund and sewer fees in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$10.5 million, or 2.1% of the amended budget. Similar to the general government capital funds, capital funds were carried over from FY 2023/24 as part of the FY 2024/25 and FY 2025/26 budget adoption process for those projects that were not expected to be completed by June 30, 2024. Additional necessary adjustments to the capital carryover amounts based on actual year-end expenditures will be brought forward for City Council approval in December 2024, as part of the budgetary year-end report for FY 2023/24.

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

REVENUE - FISCAL YEAR 2024/25					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2024	Percentage Used
Convention Center Capital Fund	\$ 550,000	\$ -	\$ 550,000	\$ -	-
Electric Utility Fund	21,659,000	26,213,951	47,872,951	4,886,011	10.21%
Sewer Utility Fund	-	-	-	233,393	NA
Solid Waste Utility Fund	258,000	-	258,000	2,258	0.88%
Street Lighting ⁽¹⁾	-	-	-	837	NA
Water Recycling Fund	-	-	-	-	NA
Water Utility Fund	-	-	-	30,684	NA
TOTAL - Revenue	\$ 22,467,000	\$ 26,213,951	\$ 48,680,951	\$ 5,153,183	10.59%

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

EXPENDITURES - FISCAL YEAR 2024/25					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2024	Percentage Used
Cemetery Fund	\$ 4,689	\$ 17,835	\$ 22,524	\$ 781	3.47%
Convention Center Capital Fund	2,700,000	1,726,973	4,426,973	68,755	1.55%
Electric Utility Fund	217,332,515	198,533,383	415,865,898	5,544,237	1.33%
Sewer Utility Fund	20,325,410	28,269,938	48,595,348	3,137,962	6.46%
Solid Waste Utility Fund	788,000	119,873	907,873	49,527	5.46%
Street Lighting ⁽¹⁾	5,365,000	3,405,462	8,770,462	29,089	0.33%
Water Recycling Fund	400,000	-	400,000	238	0.06%
Water Utility Fund	5,795,000	6,127,745	11,922,745	1,638,822	13.75%
TOTAL - CIP Appropriations	\$ 252,710,613	\$ 238,201,210	\$ 490,911,823	\$ 10,469,411	2.13%

(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 2024/25, the City Council approved an exception to the policy to allow the Reserve to drop 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 ensures 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
August 31, 2024**

DETAIL OF SELECTED FUND RESERVE BALANCES:

	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 53,823,574		
Capital Projects Reserve	7,769,117		
Land Sale Reserve	18,481,036		
Technology Fee Reserve	2,488,729		
Electric Rate Stabilization Fund Reserve		\$ 66,000,000	
Electric Operations and Maintenance Reserve		195,000,000	
Replacement & Improvement			\$ 303,090
TOTALS	\$ 82,562,456	\$ 261,000,000	\$ 303,090

Donations to the City of Santa Clara

Donations received by department during the month of August 2024 and for fiscal year 2024/25 are shown in the table below.

Department	Aug-24	Fiscal Year 2024/25 Year To Date	Designated Use
City Manager's Office	2	2	Help Your Neighbor
Parks & Recreation	0	500	Case Management
Parks & Recreation	3	1,531	Roberta Jones Jr. Theatre
Parks & Recreation	3,400	4,075	Wade Brummal
TOTALS	\$ 3,405	\$ 6,108	