



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

September 2021

This report summarizes the City's financial performance for the month ended September 30, 2021. 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 2021/22 was \$289.3 million. The amended budget for revenues and expenditures was amended to \$294.8 million to reflect carryover appropriations from fiscal year 2020/21 and various budget amendments approved by the City Council through September 2021.

While it is very early in the fiscal year and limited data is available, General Fund revenues are currently tracking within estimated levels. However, concerns remain regarding continued impacts of COVID-19 as the Delta variant and vaccine hesitancy may impact the speed of recovery. Through September, expenditures are tracking below budget and this trend is expected to continue as departments continue to control expenditures through various cost control measures.

Many economic indicators have improved significantly since the start of the pandemic, but some have not returned to pre-pandemic levels. On a national level, the unemployment rate decreased from 5.2% in August 2021 to 4.8% in September 2021. This rate was well below the record setting high of 14.7% in April 2020, but above the pre-pandemic unemployment rate of 3.5%. In September, the number of unemployed persons fell to 7.7 million from 8.4 million in August. This unemployment figure remains well above the pre-pandemic level of 5.7 million.¹

Chart 1. Unemployment rate, seasonally adjusted, September 2019 – September 2021

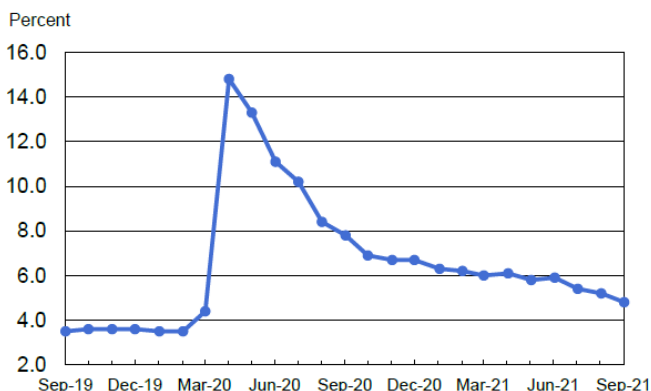
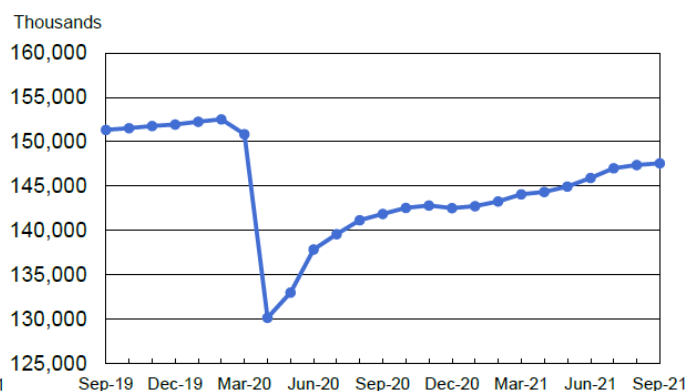
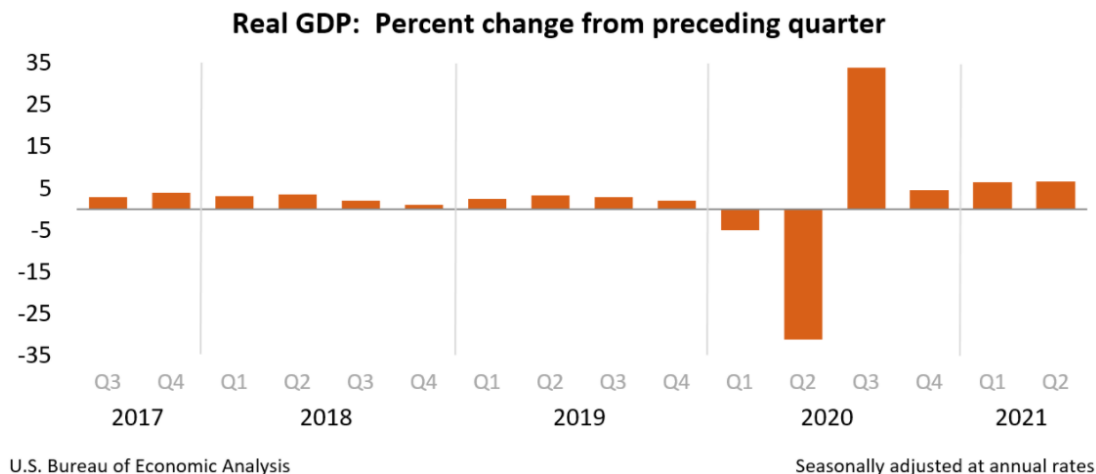


Chart 2. Nonfarm payroll employment, seasonally adjusted, September 2019 – September 2021



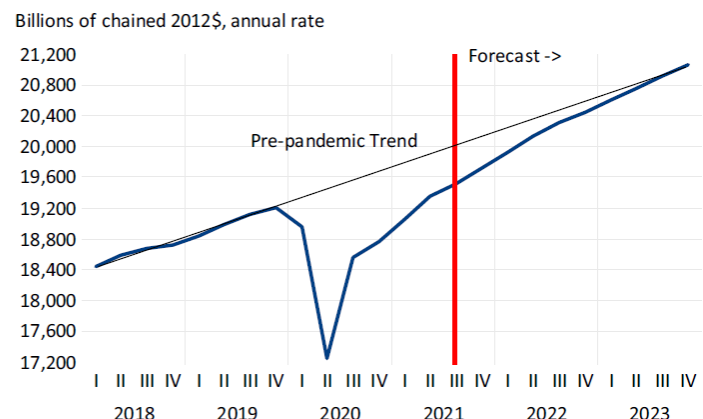
¹ <https://www.bls.gov/news.release/pdf/empst.pdf>

In the second quarter 2021 third estimate, the Gross Domestic Product (GDP) increased by 6.7%, following a GDP increase of 6.3% in the first quarter. The estimated increase in the first quarter reflected efforts to reopen businesses and resume some activities amidst COVID-19 safety precautions. The second quarter reflects increases in consumer spending, exports and local and State government spending. The real GDP for the second quarter 2021 is 0.9% above the level experienced in the fourth quarter of 2019.²



While GDP has now surpassed the pre-COVID peak in the second quarter 2021, it has not yet reached the pre-pandemic trend. Per the September 2021 UCLA Anderson Forecast, GDP is not expected to reach the pre-COVID trend until the third quarter 2023. According to the Forecast, growth in services is expected to be the driver of GDP growth. With supply constraints and the lifting of public health restrictions, the Forecast assumes a shift from goods consumption to services consumption.

Exhibit 3: Real GDP Levels, 2018Q1-2023Q4



The September 2021 UCLA Forecast also projects a slower economic rebound as the Delta variant spreads and COVID continues to impact supply chains, which is a shift from the strong recovery projected in the March and June 2021 Forecasts. “What makes the growth ‘ho-hum’ is the comparison to what could have been if, globally, we had gotten COVID under control and had been able to

² https://www.bea.gov/sites/default/files/2021-09/tech2q21_3rd.pdf

transform the pent-up demand, pent-up savings and a tremendous amount of government support into faster economic growth,” writes UCLA Anderson senior economist Leo Feler in his September forecast.³

Improvement continues at the State and local level. After the State’s largest increase in the unemployment rate in April 2020, the California unemployment rate remained at 7.5% in September 2021. With the decrease in the unemployment rate between February and September, California has now regained nearly 63.5% of the 2.7 million jobs lost due to COVID-19 in March and April 2020.⁴

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 4.0% in September 2021, down from a revised 4.8% in August 2021 and the September 2020 level of 7.5% but higher than the February 2020 level of 2.6%. Between September 2020 and September 2021, employment in this region increased by 47,400 jobs, or 4.5%.⁵ The largest increases were in leisure and hospitality (up 17,900 jobs), professional and business services (up 11,100 jobs), and private educational and health services (up 6,000 jobs).

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

³ September 2021 UCLA Anderson Forecast

⁴ <https://www.edd.ca.gov/newsroom/unemployment-september-2021.htm>

⁵ [https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sjos\\$pds.pdf](https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sjos$pds.pdf)

Financial Status Report as of September 30, 2021

General Fund Revenues

As of September 30, 2021, \$22.8 million or 9.1% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$43.8 million have occurred as budgeted. This very low collection level through September is largely due to the timing of payments. In some categories, such as property tax, most payments are scheduled to occur later in the fiscal year. In other categories, a portion of the revenue received through September accounts for activity that occurred in FY 2020/21 and those revenues are accrued back to that year.

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

Function	FISCAL YEAR 2021/22				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2021	Percentage Received	Actual Through 9/30/2020	Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 58,183,000	\$ 58,183,000	\$ 4,518,915	7.77%	\$ 5,034,322	\$ (515,407)	-10.24%
Property Tax	71,559,000	71,559,000	68,943	0.10%	178,531	(109,588)	-61.38%
Transient Occupancy Tax	9,000,000	9,000,000	609,122	6.77%	81,500	527,622	647.39%
Other Taxes	6,080,000	6,080,000	430,224	7.08%	476,563	(46,339)	-9.72%
Total Taxes	144,822,000	144,822,000	5,627,204	3.89%	5,770,916	(143,712)	-2.49%
LICENSES & PERMITS							
Business Licenses	900,000	900,000	231,667	25.74%	236,378	(4,711)	-1.99%
Fire Operation Permits	2,200,000	2,200,000	527,956	24.00%	475,882	52,074	10.94%
Building Permits	-	-	128,139	N/A	2,543,483	(2,415,344)	-94.96%
Electric Permits	-	-	-	N/A	512,233	(512,233)	-100.00%
Plumbing Permits	-	-	-	N/A	342,754	(342,754)	-100.00%
Mechanical Permits	-	-	-	N/A	392,055	(392,055)	-100.00%
Miscellaneous Permits	60,000	60,000	13,613	22.69%	18,619	(5,006)	-26.89%
Total Licenses & Permits	3,160,000	3,160,000	901,375	28.52%	4,521,404	(3,620,029)	-80.06%
FINES & PENALTIES	1,496,135	1,496,135	69,625	4.65%	126,430	(56,805)	-44.93%
INTERGOVERNMENTAL	26,205,801	26,535,801	59,675	0.22%	47,810	11,865	24.82%
CHARGES FOR SERVICES	30,003,443	30,003,443	6,637,428	22.12%	7,249,378	(611,951)	-8.44%
CONTRIBUTION IN LIEU	24,700,000	24,700,000	6,443,344	26.09%	6,085,872	357,472	5.87%
USE OF MONEY & PROPERTY							
Interest	2,600,000	2,600,000	217,331	8.36%	(430,323)	647,654	-150.50%
Rent	9,115,722	9,298,022	2,508,239	26.98%	2,172,987	335,252	15.43%
Total Use of Money & Property	11,715,722	11,898,022	2,725,570	22.91%	1,742,664	982,906	56.40%
MISCELLANEOUS REVENUES	198,000	198,000	153,805	77.68%	92,928	60,877	65.51%
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%	1,460,000	(6,000)	-0.41%
Operating Transfer In - Reserves	32,390,871	32,390,871	32,390,871	100.00%	39,248,833	(6,857,962)	-17.47%
Operating Transfer In - Fund Balances ⁽²⁾	-	4,817,658	4,817,658	100.00%	4,273,692	543,966	12.73%
Operating Transfer In - Miscellaneous	5,005,399	5,177,399	5,177,399	100.00%	2,547,419	2,629,980	103.24%
Total Other Financing Sources	38,850,270	43,839,928	43,839,928	100.00%	47,529,944	(3,690,016)	-7.76%
STADIUM OPERATION							
Charges for Services	7,466,069	7,466,069	200,196	2.68%	163,145	37,051	22.71%
Rent and Licensing	717,500	717,500	-	0.00%	-	-	N/A
Total Stadium Operation	8,183,569	8,183,569	200,196	2.45%	163,145	37,051	22.71%
TOTAL GENERAL FUND	\$ 289,334,940	\$ 294,836,898	\$ 66,658,150	22.61%	\$ 73,330,491	\$ (6,672,341)	-9.10%

(1) Negative sales tax revenue resulting from accrual of revenue that has not yet been received. Revenue is anticipated in August 2021.

(2) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2021 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 September 30, 2021, \$4.5 million has been collected. Given the timing of payments, the sales tax payments received in September reflect activity from July 2021. Growth of 3.6% is needed to meet the budgeted estimate of \$58.2 million.

Property Tax: Through September, 0.1% 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 initial information from the County of Santa Clara, property tax receipts are projected to end the year close to the Adopted Budget estimate of \$71.6 million.

Transient Occupancy Tax (TOT): TOT is calculated as a percentage of City hotel/motel room charges. The City's current TOT rate is 9.5%. This rate is scheduled to increase to 11.5% in January 2022. Through September 30, 2021, approximately \$0.6 million has been received, which is significantly higher than receipts through the same period last fiscal year of only \$81,500. However, receipts remain 62% below the pre-COVID 19 level of \$1.6 million received through September 2019. As businesses continue to reopen and travel restrictions lifted, it is anticipated that TOT will continue to increase compared to last fiscal year. To meet the budgeted estimate, collections will need to triple from just under \$3.0 million in FY 2020/21 to \$9.0 million in FY 2021/22.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$0.4 million through September, which is approximately 9.7% lower than prior year collection levels. While receipts in the documentary transfer tax remain consistent with levels collected through the same period last fiscal year, receipts in the franchise tax category are lower than prior year levels. Growth of 4.4% is needed to meet the budgeted estimate of \$6.1 million.

Licenses & Permits: Includes business licenses, fire operation permits, and miscellaneous permits and fees. Effective FY 2021/22, building, electric, plumbing and mechanical permits have all been budgeted in the new Building Development Services Fund, which will be reflected in the Special Revenue section of this report. Excluding the development revenues that have been erroneously booked in this category, licenses and permits revenue collections are tracking slightly above par with receipts totaling \$0.8 million, or 24.5% of the budget of \$3.2 million. Receipts are tracking within estimated levels through September.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue of \$70,000 collected in this category through September is tracking to end the year well below the budgeted estimate of \$1.5 million largely due to the waiving of late fees on utility billing in response to COVID-19. The City will be applying for the California Arrearage Payment Program in order to alleviate the arrearages accrued as a result of the City's bill relief period.

Intergovernmental: Includes federal stimulus funds, motor vehicle fees, state homeowner tax relief, state mandated reimbursement and redistribution of land sale proceeds and ground leases from the

Successor Agency. Through September 30, 2021, \$59,600 has been received, which is higher than receipts through the same period last year and reflects differences in planned payments.

Charges for Services: Includes various engineering fees, administrative fees, and community service revenue from various recreational activities. Through September 30, 2021, collections totaled approximately \$6.6 million or 22.1% of the budget. This reflects a 8.4% decrease compared to last year's collections through the same period of \$7.2 million. The decrease is mainly attributable to the plan check and sign fees now being recorded in the newly established Building Development Services Fund. This decrease is partially offset by higher collections in the planning and zoning fees, fire construction permits, and miscellaneous charges for services categories. Collections are tracking close to the budgeted estimate.

Contribution in Lieu: In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues for services rendered. As of September 30, 2021, \$6.4 million has been received which is on par for this time of year. This collection level, however, is based on the budgeted estimate and will be trued up at the end of the fiscal year.

Use of Money & Property: Includes realized investment income and rental income. Interest income and rent revenue collections totaled \$2.7 million, or 23% of the budget. This reflects a \$1.0 million increase from prior year collection levels. The largest increase was in the interest income category that was \$0.6 million above the prior year due to accounting adjustments last fiscal year that resulted in lower collections in that year.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through September 30, 2021, collections of \$153,000 are tracking at 78% of the budgeted estimate and are approximately 65% higher than collections through the same period last year.

Stadium Operation: As of September 30, 2021, charges for services collected through the Stadium totaled \$0.2 million, which is well below par for this time of year. However, this is approximately 22.7% higher than collections through the same period last year resulting from the reopening of Stadium for events.

Financial Status Report as of September 30, 2021

General Fund Expenditures

As of September 30, 2021, \$99.3 million or 33.7% of the General Fund operating budget had been expended. Overall, expenditures in the General Fund are within budgeted levels through September. Departmental expenditures totaled \$55.6 million, or 22.7% of the budget, which is slightly below the par level of 25% of the budget. Several cost-control measures that were implemented in FY 2019/20 remain in place to generate expenditure savings to partially offset the drop in revenues associated with COVID-19. 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 2021/22				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2021	Percentage Used	Actual Through 9/30/2020	Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 6,824,333	\$ 6,941,924	\$ 920,065	13.25%	\$ 1,063,946	\$ (143,881)	-13.52%
City Council	829,205	829,205	202,831	24.46%	161,626	41,205	25.49%
City Clerk	1,470,231	1,718,169	306,119	17.82%	420,870	(114,751)	-27.27%
City Manager	5,442,069	6,276,486	1,195,965	19.05%	1,388,269	(192,304)	-13.85%
City Attorney	3,097,380	3,119,380	598,923	19.20%	540,863	58,060	10.73%
Human Resources	4,133,810	4,389,886	844,476	19.24%	824,415	20,061	2.43%
Finance	17,439,442	17,805,818	3,864,022	21.70%	3,777,564	86,458	2.29%
Total General Government	39,236,470	41,080,868	7,932,401	19.31%	8,177,553	(245,152)	-3.00%
PUBLIC WORKS	23,201,356	24,198,161	5,538,357	22.89%	5,794,386	(256,029)	-4.42%
COMMUNITY DEVELOPMENT	5,070,207	6,560,663	1,311,009	19.98%	3,408,872	(2,097,863)	-61.54%
PARKS AND RECREATION	20,982,990	21,433,077	4,322,067	20.17%	4,130,940	191,127	4.63%
PUBLIC SAFETY							
Fire	60,581,403	61,011,002	15,779,040	25.86%	14,847,116	931,924	6.28%
Police	79,870,137	79,983,531	18,676,179	23.35%	18,292,732	383,447	2.10%
Total Public Safety	140,451,540	140,994,533	34,455,219	24.44%	33,139,848	1,315,371	3.97%
LIBRARY	10,764,727	10,895,605	2,022,068	18.56%	2,212,705	(190,637)	-8.62%
DEPARTMENTAL TOTAL	239,707,290	245,162,907	55,581,121	22.67%	56,864,304	(1,283,183)	-2.26%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	23,250,142	23,250,142	23,250,142	100.00%	1,010,445	22,239,697	2200.98%
Operating Transfer Out - Debt Services	2,501,439	2,501,439	2,501,439	100.00%	2,500,344	1,095	0.04%
Operating Transfer Out - Maintenance Dtrct	771,349	771,349	771,349	100.00%	990,929	(219,580)	-22.16%
Operating Transfer Out - Cemetery	850,000	850,000	850,000	100.00%	771,769	78,231	10.14%
Operating Transfer Out - CIP	11,773,925	11,773,925	11,773,925	100.00%	19,678,672	(7,904,747)	-40.17%
Operating Transfer Out - Reserves	3,309,009	3,309,009	3,309,009	100.00%	924,654	2,384,355	257.86%
Total Other Financing Uses	42,455,864	42,455,864	42,455,864	100.00%	25,876,813	16,579,051	64.07%
STADIUM OPERATION	7,171,786	7,218,126	1,308,222	18.12%	440,244	867,978	197.16%
TOTAL GENERAL FUND	\$ 289,334,940	\$ 294,836,898	\$ 99,345,208	33.69%	\$ 83,181,361	\$ 16,163,847	19.43%

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 September 30, 2021, expenditures totaled \$.9 million, or 13.3% of the budget. These expenditures are well below the par level of 25% and the prior year level expenditures.

City Attorney: As of September 30, 2021, actual expenditures totaled approximately \$0.6 million, which is 19.2% of the budget, which is below par. Spending is above the total expenditures through the same time last fiscal year by 10% due to higher salary and benefits costs as well as the timing of internal service fund allocation charges. Last fiscal year, these charges were not recorded in the departmental expenditures until October.

City Clerk: Through September, actual expenditures were tracking below budget at \$0.3 million or approximately 17.8% of the budget. This reflects a decrease of 27.3% over last year's spending through the same period. The primary driver for the decrease in spending is the Granicus costs which are paid every other year.

City Council: Through September, expenditures were at 24.5% of budget, which is at par. Compared to the same period through last fiscal year, this reflects a spending increase of approximately 25%, which is primarily the result of the timing of internal service fund allocation charges. Last fiscal year, these charges were not recorded in the departmental expenditures until October. Additionally, as-needed expenditures are higher than last fiscal year.

City Manager: The actual expenditures through September 30, 2021 totaled \$1.2 million, or 19% of the budget, which is below par for this time of the year. Expenditures are 13.9% lower compared with the spending level through the same period last fiscal year. This decrease in expenditures is related to the reallocation of City memberships and mandated costs from the City Manager's Office budget to Non-Departmental.

Community Development Department: This department consists of three divisions: Planning, Building, and Housing and Community Services. Effective this fiscal year, the Building division of this department has been moved to the newly established Building Development Services Fund, which falls under the special revenue section of this report. Through September, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$1.3 million, or approximately 20%, which is below the par level of 25%. Expenditures were also well below the spending through the same period last fiscal year due to the change in funding for the Building Division.

Finance Department: Through September, the Department's expenditures totaled \$3.9 million, or 21.7% of the budget, which is below par. This expenditure level was approximately 2.3% higher than through the same period last year. Similar to other departments, the timing of when the internal service fund allocations charges being recorded is a factor in the variance between last fiscal year.

Fire Department: As of September 30, 2021, actual expenditures in the General Fund totaled \$15.8 million, or 25.9% of the budget, which is slightly above par. These expenditures reflect a 6.3% increase from expenditures through the same period last fiscal year. This is mainly attributable to the internal service fund allocation charges and higher salary and benefits expenses. All COVID-19 related expenditures have been charged centrally to the Other City Departments Operating Grant Trust Fund. The Fire Department has charged approximately \$0.1 million to this fund, bringing total expenditures, including the General Fund, to \$15.9 million. Overtime expenditures are tracking at 61.2%, 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 September, actual expenditures totaled \$2.0 million, or 18.6% of the budget, which is below par and lower than expenditure levels through the same period last fiscal year. COVID-19 precautions have continued to impact Library operations this year, resulting in lower expenditures. A phased reopening is in progress, with full operations currently anticipated by the start of calendar year 2022.

Parks and Recreation Department: Through September, actual expenditures totaled approximately \$4.3 million, or 20.2% of the budget, which is below par, but slightly above the prior year actuals of \$4.1 million. This is due to the internal service fund allocation charges which were recorded in October last fiscal year as well as an increase in activity levels. The department is resuming activities that were previously impacted by COVID-19 restrictions, which will result in higher expenditures this fiscal year.

Police Department: Expenditures as of September 30, 2021 are tracking slightly below expected levels at \$18.7 million, or 23.4% of the budget. This reflects a slight increase in spending of 2.1% when compared to last fiscal year. Similar to the Fire Department, Police Department expenditures related to COVID-19 have also been charged to the Other City Departments Operating Grant Trust Fund. Through September, charges to this fund totaled approximately \$0.03 million. Accounting for the General Fund and Other City Departments Operating Grant Trust Fund, department expenditures are still tracking slightly below par.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled \$1.3 million through September and are tracking below budgeted levels. However, this is significantly higher than expenditures through the same period last year, as a direct result of the reopening of the Stadium for events.

Financial Status Report as of September 30, 2021

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of September 30, 2021. The amended budget for both reflects carryover appropriations from fiscal year 2021/22 in addition to budget amendments approved by the City Council through September 2021. Effective July 1, 2021, all Building Division revenues and expenditures are now budgeted and accounted for in the new Building Development Services Fund, which is included in the table below. Revenues totaled approximately \$5.4 million, while expenditures totaled approximately \$3.9 million through the end of September. While revenues are tracking above par, expenditures are tracking below.

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

Fund Description	REVENUES - FISCAL YEAR 2021/22				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2021	Percentage received	Actual Through 9/30/2020	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 261,000	\$ 261,000	\$ 197,578	75.70%	\$ 126,583	\$ 70,995	56.09%
City Affordable Housing Fund	657,000	657,000	136,759	20.82%	43,864	92,895	211.78%
Housing Successor Fund	350,000	350,000	222,669	63.62%	302,742	(80,073)	-26.45%
Housing and Urban Development	1,957,103	1,957,103	1,214,582	62.06%	536,933	677,649	126.21%
Building Development Services Fee Fund	13,630,000	13,630,000	3,676,564	26.97%	0	3,676,564	100.00%
TOTAL	\$ 16,855,103	\$ 16,855,103	\$ 5,448,152	32.32%	\$ 1,010,122	\$ 4,438,030	439.36%

Fund Description	EXPENDITURES - FISCAL YEAR 2021/22				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 9/30/2021	Percentage used	Actual through 9/30/2020	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 363,099	\$ 483,099	\$ 36,491	7.55%	\$ 50,796	\$ (14,305)	-28.16%
City Affordable Housing Fund	1,431,111	2,852,650	243,559	8.54%	134,616	108,943	80.93%
Housing Successor Fund	915,640	1,260,001	288,244	22.88%	222,329	65,915	29.65%
Housing and Urban Development	3,684,839	5,430,472	1,079,073	19.87%	699,962	379,111	54.16%
Building Development Services Fee Fund	12,256,059	12,256,059	2,247,776	18.34%	0	2,247,776	100.00%
TOTAL	\$ 18,650,748	\$ 22,282,281	\$ 3,895,143	17.48%	\$ 1,107,703	\$ 2,787,440	251.64%

Governmental Capital Improvement Funds

The table below lists the total amended budget amounts for the Capital Improvement Funds, which consist of current year appropriations, prior year carryover balances in Governmental Capital Improvement Funds, and budget amendments approved through September 2021. As of September 30, 2021, these capital fund expenditures totaled just under \$5.0 million, or 3.4% of the amended budget. As part of the adoption of the FY 2021/22 and FY 2022/23 operating budget, some capital funds were carried over for projects that were not anticipated to be completed by June 30, 2021. Necessary additional adjustments to the capital carryover amounts will be brought forward as part of the Budgetary Year-End Report for FY 2020/21, expected to go to Council in December 2021.

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 SUMMARY OF EXPENDITURES

Fund Description	EXPENDITURES - FISCAL YEAR 2021/22				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 9/30/2021	Percentage Used
Parks & Recreation	\$ 7,085,289	\$ 15,478,055	\$ 22,563,344	\$ 515,366	2.28%
Streets & Highways	26,414,803	62,313,089	88,727,892	3,209,117	3.62%
Storm Drain	592,169	10,471,505	11,063,674	769,767	6.96%
Fire	837,110	1,017,587	1,854,697	24,982	1.35%
Library	7,872	246,601	254,473	13,264	5.21%
Public Buildings	397,953	7,547,118	7,945,071	124,252	1.56%
General Gov't - Other	1,555,000	10,228,593	11,783,593	189,033	1.60%
Related Santa Clara Developer	968,103	1,326,191	2,294,294	115,613	5.04%
Tasman East Specific Infrastructure Improvement Fund	23,757	-	23,757	-	0.00%
TOTAL	\$ 37,882,056	\$ 108,628,739	\$ 146,510,795	\$ 4,961,394	3.39%

Financial Status Report as of September 30, 2021

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of September 30, 2021. Overall, revenues and expenditures are tracking below budgeted levels with revenues tracking at 18.7% of the budget and expenditures tracking at 21.6% of the budget.

Both revenues and expenditures are tracking above last fiscal year levels reflecting current activity levels. The increase in expenditures is primarily due to the higher debt retirement costs as well as higher resource costs related to transmission and wheeling (transportation of electric energy from within an electrical grid to an electrical load outside the grid boundaries). Electric Utility expenditures, however, are tracking within budget through September.

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

Fund Description	REVENUES - FISCAL YEAR 2021/22				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2021	Percentage received	Actual Through 9/30/2020	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 555,810,147	\$ 555,810,147	\$ 104,566,267	18.81%	\$ 91,550,784	\$ 13,015,483	14.22%
Water Utility Fund	49,489,630	49,489,630	10,850,866	21.93%	11,283,196	(432,330)	-3.83%
Sewer Utility Fund	58,344,697	58,344,697	7,722,796	13.24%	8,250,491	(527,695)	-6.40%
Cemetery Fund	600,000	600,000	191,196	31.87%	120,781	70,415	58.30%
Solid Waste Utility Fund	33,610,000	33,610,000	6,619,822	19.70%	5,390,549	1,229,273	22.80%
Water Recycling Fund	5,703,831	5,703,831	1,601,782	28.08%	1,261,530	340,252	26.97%
TOTAL REVENUE	\$ 703,558,305	\$ 703,558,305	\$ 131,552,729	18.70%	\$ 117,857,331	\$ 13,695,398	11.62%

Fund Description	EXPENSES - FISCAL YEAR 2021/22				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 9/30/2021	Percentage Used	Actual through 9/30/2020	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 511,251,732	\$ 513,782,550	\$ 114,347,053	22.26%	\$ 88,327,846	\$ 26,019,207	29.46%
Water Utility Fund	47,197,617	47,580,260	7,518,579	15.80%	11,101,348	(3,582,769)	-32.27%
Sewer Utility Fund	30,565,333	30,707,268	7,406,202	24.12%	6,570,672	835,530	12.72%
Cemetery Fund	1,480,235	1,480,235	337,054	22.77%	321,411	15,643	4.87%
Solid Waste Utility Fund	33,323,675	36,981,208	6,150,712	16.63%	4,694,938	1,455,774	31.01%
Water Recycling Fund	5,709,582	5,709,582	1,318,800	23.10%	1,435,060	(116,260)	-8.10%
TOTAL - Operating Appropriations	\$ 629,528,174	\$ 636,241,103	\$ 137,078,400	21.55%	\$ 112,451,275	\$ 24,627,125	21.90%

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

A summary of expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actuals through September 2021 totaled approximately \$10.8 million, or 4.5% 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 2021/22 and FY 2022/23 budget adoption process for those projects that have not yet been completed. Adjustments to the capital carryover amounts based on actual year-end expenditures will be brought forward in December 2021, as part of the FY 2020/21 year-end reconciliation process.

CITY OF SANTA CLARA ENTERPRISE CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENSES

Fund Description	EXPENSES - FISCAL YEAR 2021/22					Prior Year
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 9/30/2021	Percentage Used	Actual Through 9/30/2020
Electric Utility Fund	\$ 49,143,989	\$ 94,324,423	\$ 143,468,412	\$ 3,457,707	2.41%	\$ 13,079,539
Street Lighting ⁽¹⁾	-	5,953,560	5,953,560	47,707	0.80%	990
Water Utility Fund	6,285,000	5,815,672	12,100,672	1,352,644	11.18%	-
Sewer Utility Fund	47,536,944	25,449,390	72,986,334	5,460,280	7.48%	3,642,228
Cemetery Fund	8,409	351,635	360,044	5,902	1.64%	-
Solid Waste Utility Fund	623,700	46,677	670,377	120,479	17.97%	50,002
Water Recycling Fund	50,000	-	50,000	-	0.00%	-
Convention Center Capital Fund		3,500,000	3,460,000	376,437	10.88%	-
TOTAL - CIP Appropriations	\$ 103,648,042	\$ 135,441,357	\$ 239,049,399	\$ 10,821,156	4.53%	\$ 16,772,759

(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 2021/22, 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 Reserve assures sufficient operating cash is available to 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
September 30, 2021**

DETAIL OF SELECTED FUND RESERVE BALANCES:			
	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 52,963,235		
Capital Projects Reserve	5,361,215		
Land Sale Reserve	25,766,610		
Technology Fee Reserve	1,474,371		
Rate Stabilization Fund Reserve		\$ 44,898,011	
Cost Reduction Fund Reserve		112,838,357	
DVR Power Plant Contracts Reserve		78,163	
Replacement & Improvement			\$ 303,090
TOTALS	\$ 85,565,430	\$ 157,814,531	\$ 303,090

Long-Term Interfund Advances

The funds below have made advances/loans which are not expected to be repaid within the next year. The balances reflected in the table are through September 2021. The loan from the General Fund to Parks and Recreation Facilities reflects proceeds from the Land Sale Reserve for the purchase of property at the Reed and Grant Sports Park. This loan is anticipated to be repaid by 25% of future Mitigation Fee Act revenue until the loan is paid in full.

DETAIL OF LONG TERM INTERFUND ADVANCE BALANCES:

Fund Receiving Advance/Loan	Fund Making Advance/Loan	Type	Amount of Advance/Commitment
Cemetery	General Fund	Advance	\$ 7,961,149
Parks and Recreation Facilities	General Fund	Loan	6,618,748
TOTALS			\$ 14,579,897

Donations to the City of Santa Clara

Donations received by department during the month of September 2021 and for fiscal year 2021/22 are shown in the table below.

Department	Sep-21	Fiscal Year 2021/22 Year To Date	Designated Use
City Manager's Office	\$ 45	\$ 95	Help Your Neighbor
Parks & Recreation	0	12,550	Case Management
Parks & Recreation	0	625	Wade Brummal
Police	0	75,000	PD Team 200
TOTALS	\$ 45	\$ 88,270	