



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

July 2020

This report summarizes the City's financial performance for the month ended July 31, 2020. 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 2020/21 was \$286.9 million. The amended budget for revenues and expenditures was amended to \$291.4 million to reflect carryover appropriations from fiscal year 2019/20 and various budget amendments approved by the City Council through July 2020.

While it is very early in the fiscal year, General Fund revenues are currently expected to end the year below budget due to the COVID-19 impacts. When the FY 2020/21 budget was adopted, there was limited data regarding the COVID-19 impacts and significant uncertainty regarding the length and depth of the associated shutdowns. The budget did assume reductions in various categories to account for the anticipated COVID-19 impacts, with the largest reductions in the transient occupancy tax and sales tax categories. With a few months of additional data and the continued implementation of COVID-19 safety precautions, further downward adjustments are expected to be brought forward.

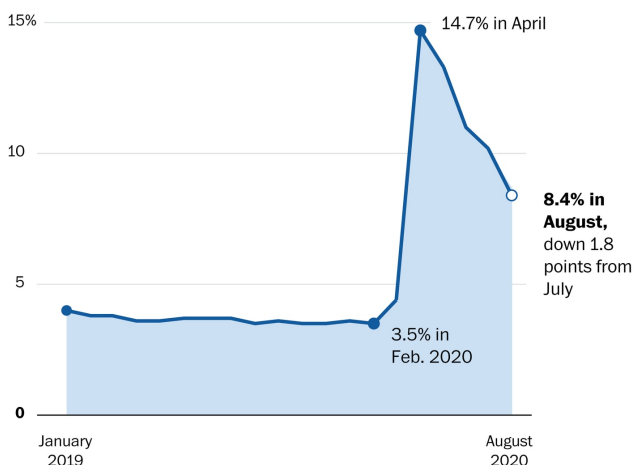
The lower collection level is expected to be partially offset by General Fund expenditure savings. Through July, expenditures are tracking below budget and this trend is expected to continue as departments continue to control expenditures through various cost control measures. Some departments have also significantly changed their operations to comply with the COVID-19 safety measures.

With the shelter-in-place and other actions residents and businesses have been taking to reduce the spread of the virus, economic activity in this region and throughout the country has experienced a significant decline. This is evidenced in various economic indicators, some of which have begun to show some improvement.

On a national level, the unemployment rate remains high at 8.4% in August 2020. This rate, however, was well below the record setting high of 14.7% in April 2020.

The drop brings the unemployment rate below the peak of the last recession a decade ago, when unemployment briefly hit 10 percent, but joblessness is still higher than the peak of many past recessions.

U.S. unemployment rate

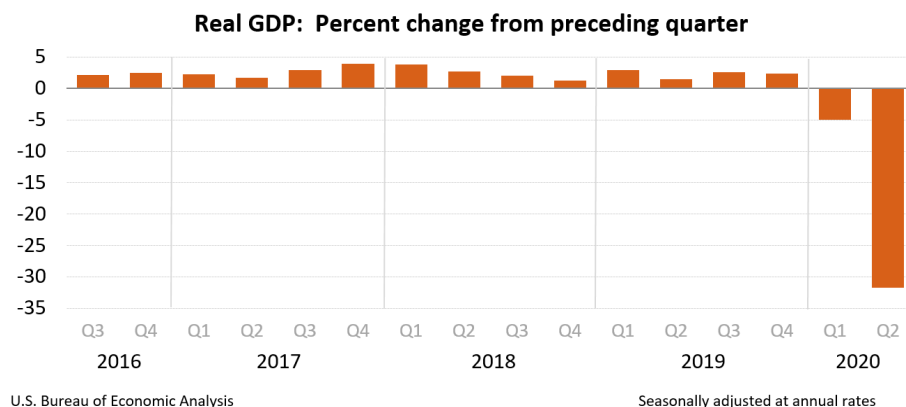


Note: Seasonally adjusted
Source: Labor Department

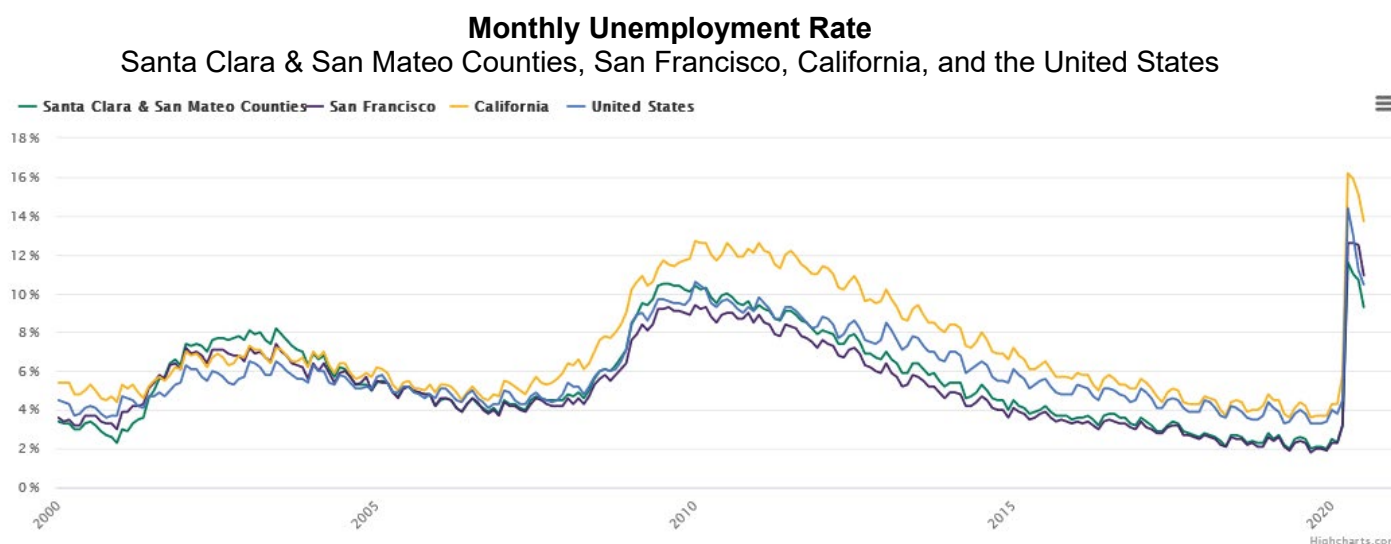
THE WASHINGTON POST

“We still have a long way to go,” said Beth Ann Bovino, chief U.S. economist for S&P Global.¹

In the second quarter 2020, the Gross Domestic Product (GDP) declined by almost 32% as a result of the COVID-19 safety precautions. This is the largest contraction ever experienced, pushing the economy into a recession. The recovery will depend on the capacity of the county to control the pandemic and avoid more waves of infection.²



Significant impacts are also expected on the State and local level. After the State's largest increase in the unemployment rate in April 2020, the California unemployment rate has continued to improve to 13.3% by July 2020. The unadjusted unemployment rate in the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 9.4% in July 2020, down from a revised 10.8% in June 2020 but significantly higher than the July 2019 level of 2.8%.³



¹ <https://www.nytimes.com/live/2020/09/04/business/stock-market-today-coronavirus>

² <https://tradingeconomics.com/united-states/gdp-growth>

³ [https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sjos\\$pds.pdf](https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sjos$pds.pdf)

Santa Clara's General Fund revenues have been significantly impacted and this impact is expected to continue over the longer term based on the current economic situation. In FY 2020/21, a General Fund shortfall of almost \$23 million was addressed in the revised FY 2020/21 budget approved in June 2020 with the use of the Budget Stabilization Reserve. Additional downward revenue adjustments and budget balancing actions are expected to be brought forward during the year.

The City currently has \$57 million in the Budget Stabilization Reserve to address any negative balance after factoring in the use of \$22.7 million of this reserve in the FY 2020/21 budget. Staff will closely monitor the City's financial performance during this uncertain time and provide updates as part of future Monthly Financial Reports.

General Fund Revenues

As of July 31, 2020, \$2.1 million or 1.0% of the General Fund estimated revenue was received. This very low collection level through July is largely due to the timing of payments. In some categories, the revenues received in July account for activity that occurred in FY 2019/20 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. Revenues were below the prior year due to a one-time settlement payment of \$5.0 million that was received last year. While there is limited data available, revenues are currently expected to end the year below budget as a result of the COVID-19 impacts as discussed below.

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

Function	FISCAL YEAR 2020/21				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 7/31/2020	Percentage Received	Actual Through 7/31/2019	\$ Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 55,600,000	\$ 55,600,000	\$ (59,873)	-0.11%	\$ -	\$ (59,873)	N/A
Property Tax	66,982,000	66,982,000	-	0.00%	(32)	32	-100.00%
Transient Occupancy Tax	17,625,000	17,625,000	(225,789)	-1.28%	(14,341)	(211,448)	1474.43%
Other Taxes	5,938,000	5,938,000	203,263	3.42%	(198,484)	401,747	-202.41%
Total Taxes	146,145,000	146,145,000	(82,399)	-0.06%	(212,857)	130,458	-61.29%
LICENSES & PERMITS							
Business Licenses	934,000	934,000	91,148	9.76%	65,378	25,770	39.42%
Fire Operation Permits	2,375,000	2,375,000	174,292	7.34%	188,505	(14,213)	-7.54%
Building Permits	5,700,000	5,700,000	500,004	8.77%	337,238	162,766	48.26%
Electric Permits	475,000	475,000	54,058	11.38%	24,520	29,538	120.46%
Plumbing Permits	428,000	428,000	38,125	8.91%	22,239	15,886	71.43%
Mechanical Permits	380,000	380,000	38,645	10.17%	19,890	18,755	94.29%
Miscellaneous Permits	92,000	92,000	8,827	9.59%	12,003	(3,176)	-26.46%
Total Licenses & Permits	10,384,000	10,384,000	905,099	8.72%	669,773	235,326	35.14%
FINES & PENALTIES	1,570,000	1,570,000	4,978	0.32%	34,642	(29,664)	-85.63%
INTERGOVERNMENTAL	226,000	226,000	(25,079)	-11.10%	4,999,293	(5,024,372)	-100.50%
CHARGES FOR SERVICES	37,174,855	37,174,855	1,597,639	4.30%	1,452,909	144,730	9.96%
CONTRIBUTION IN LIEU	23,699,830	23,699,830	-	0.00%	-	-	N/A
USE OF MONEY & PROPERTY							
Interest	5,246,000	5,501,000	(941,418)	-17.11%	512,413	(1,453,831)	-283.72%
Rent	9,407,909	9,407,909	602,974	6.41%	663,134	(60,160)	-9.07%
Total Use of Money & Property	14,653,909	14,908,909	(338,444)	-2.27%	1,175,547	(1,513,991)	-128.79%
MISCELLANEOUS REVENUES	350,000	350,000	8,250	2.36%	31,755	(23,505)	-74.02%
LAND PROCEED	-	-	-	N/A	-	-	N/A
OTHER FINANCING SOURCES							
Operating Transfer In - Storm Drain	1,460,000	1,460,000	1,460,000	100.00%	-	1,460,000	N/A
Operating Transfer In - Reserves	38,952,083	38,952,083	38,952,083	100.00%	-	38,952,083	N/A
Operating Transfer In - Fund Balances ⁽¹⁾	-	4,273,692	4,273,692	100.00%	-	4,273,692	N/A
Operating Transfer In - Miscellaneous	2,527,419	2,547,419	2,547,419	100.00%	-	2,547,419	N/A
Total Other Financing Sources	42,939,502	47,233,194	47,233,194	100.00%	-	47,233,194	N/A
STADIUM OPERATION							
Charges for Services	9,102,263	9,102,263	24,156	0.27%	83,398	(59,242)	-71.04%
Rent and Licensing	647,500	647,500	-	0.00%	-	-	N/A
Total Stadium Operation	9,749,763	9,749,763	24,156	0.25%	83,398	(59,242)	-71.04%
TOTAL GENERAL FUND	\$ 286,892,859	\$ 291,441,551	\$ 49,327,394	16.93%	\$ 8,234,460	\$ 41,092,934	499.04%

(1) Negative sales tax revenue resulting from accrual of revenue that has not yet been received. Revenue is anticipated in August 2020.

(2) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2020 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 July 31, 2020, no sales tax revenue has been booked. Given the timing of payments, the sales tax payments received in July accounted for activity in the prior fiscal year and those funds were accrued to last year. The negative amount shown in the table above represents a small accrual of sales tax revenue to the prior year. While no sales tax receipts are reflected through July, the City recently received information on the City's Sales Tax receipts for the second quarter of 2020. Collections in that

quarter declined 15.4% when compared to the second quarter of 2019 and reflects the first full quarter impacted by COVID-19. This follows a decline of 10.9% in the first quarter of 2020. In the second quarter of 2020, the county pool, which accounts for internet sales, was up 7.4% from the same quarter in the prior year. However, the City's portion of the pool, totaling \$2.6 million, was down 5.9% as a result of a City of San Jose online retail agreement that resulted in a larger share of internet sales allocated to that City. In the second quarter 2020, all economic sectors in Santa Clara also experienced declines when compared to the second quarter 2019, with the largest drops in the Food Products (down 47.0%), General Retail (down 46.5%), and Transportation (down 41.5%) sectors. Smaller declines were also experienced in the Construction (down 20.6%) and Business-to-Business (down 8.2%) sectors. Based on lower actual collections and the continuation of the COVID-19 safety precautions, it is anticipated that revenues may fall below the budgeted estimate of \$55.6 million by approximately \$5.0 million. Data for the third quarter 2020 will be available in November 2020.

Property Tax: No property tax receipts were received in July 2020. The majority of property tax revenue is collected in January and April each year. Based on initial information from the County of Santa Clara, property tax receipts would fall approximately \$1.0 million below the budgeted estimate of \$67.0 million if the City does not receive excess Education Revenue Augmentation Fund (ERAF) revenues in FY 2020/21 that are budgeted at \$2.0 million. Beginning in 1992, agencies have been required to reallocate a portion of property tax receipts to the ERAF, which offsets the State's General Fund contributions to school districts under Proposition 98. However, once there are sufficient funds in ERAF to fulfill obligations, the remainder is to be returned to the taxing entities that contributed to it. The State of California is challenging the calculation of the excess ERAF revenue distribution to local jurisdictions. If excess ERAF funds are received, receipts would slightly exceed the budgeted estimate. The secured property tax growth is expected to reach approximately 7.5% in FY 2020/21.

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%. Through July 31, 2020, no revenue has been received in this category. Similar to the sales tax, the negative year-to-date amount reflects an accrual amount. TOT has been impacted severely by COVID-19. To meet the budgeted estimate of \$17.6 million, collections would need to reach almost \$1.5 million per month. Actual collections have been tracking well below this level with monthly receipts averaging \$0.2 million in the last quarter when adjusted for the timing of payments. Assuming receipts improve from this extremely low collection level, TOT revenues may fall below the budgeted estimate by approximately \$11 million.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$0.2 million through July, which is 3.4% of the budgeted estimate of \$5.9 million. Receipts through July reflect franchise tax collections. This is an increase in collections compared to the same period last fiscal year, primarily due to differences in the revenue accruals. No documentary transfer tax revenue is reflected through July as the receipts received in July were accrued to the prior fiscal year. Growth of approximately 1% from the prior year is needed to meet the revenue estimate.

Licenses & Permits: Includes business licenses, building permits, and other building and planning permits and fees. Overall licenses and permits revenue collections are slightly above par and totaled

\$0.9 million, or 8.7% of the budget of \$10.4 million. These collections are 35.1% higher than the collection level experienced through the same period last fiscal year. For the building development revenues, any excess revenues over expenditures will be placed in the Building Inspection Reserve. This reserve is also available to cover any difference if revenues fall below the expenditure level.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue collected in this category through July of \$5,000 is lower than the prior year actual collection level of \$35,000 as a result of lower activity levels in the collection charges and library and traffic fines accounts. Given restricted activity levels as a result of COVID-19, collections in this category are anticipated to come in lower than the budgeted estimate of \$1.6 million.

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 July 31, 2020, the negative balance of \$25,000 reflects an accrual of miscellaneous revenue items.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through July 31, 2020, collections totaled \$1.6 million or 4.3% of the budget. This reflects a slight increase compared to last year's collections through the same period of \$1.5 million, particularly in the fire construction permits and plan check and sign fees. However, as a result of the COVID-19 safety precautions, the revenues from various recreational activities are expected to fall well below the budget.

Contribution in Lieu: In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues as contribution-in-lieu of taxes. These revenues provide funding for general government services such as public safety, public works, parks and recreation, library, and administration. Through July, no revenues have been received. Growth of 4% from the prior year is needed to meet the budgeted estimate of \$23.7 million.

Use of Money & Property: Includes realized investment income and rental income. Interest income and rent revenue collections totaled a negative \$0.3 million, reflecting an accrual in the interest accounts. The collections through July 31, 2020 are significantly lower than prior year collections primarily due to the timing of payments.

Miscellaneous Revenues: Includes various sources, such donations, damage recovery, sale of scrap, and one-time miscellaneous revenues. As of July 31, 2020, collections of \$8,250 were 74% lower than collections through the same period last fiscal year. Collections in this category can vary significantly from year to year.

Stadium Operation: The revenue for Stadium Operations totaled approximately \$24,000 through July 31, 2020, which reflects charges for services.

General Fund Expenditures

As of July 31, 2020, \$41.2 million or 14.1% of the General Fund operating budget had been expended. Overall, expenditures in the General Fund are within budgeted levels through July. Departmental expenditures totaled \$16.1 million, or 6.2% of the budget, which is below the par level of 8.3% of the budget. Several cost-control measures that were implemented last fiscal year 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 and restricted activity levels due to COVID-19, expenditures are expected to end the year below budget.

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

Function	FISCAL YEAR 2020/21				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 7/31/2020	Percentage Used	Actual Through 7/31/2019	Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 7,849,688	\$ 8,148,783	\$ 109,810	1.35%	\$ 429,841	\$ (320,031)	-74.45%
City Council	834,241	834,241	44,081	5.28%	71,287	(27,206)	-38.16%
City Clerk	2,070,555	2,091,412	86,491	4.14%	93,338	(6,847)	-7.34%
City Manager	6,125,034	6,415,938	463,864	7.23%	379,668	84,196	22.18%
City Attorney	2,716,125	2,730,674	175,166	6.41%	162,360	12,806	7.89%
Human Resources	4,477,933	4,695,273	228,114	4.86%	307,094	(78,980)	-25.72%
Finance	17,456,419	17,951,242	1,010,036	5.63%	1,210,770	(200,734)	-16.58%
Total General Government	41,529,995	42,867,563	2,117,562	4.94%	2,654,358	(536,796)	-20.22%
PUBLIC WORKS	24,287,567	24,893,684	1,695,798	6.81%	1,746,675	(50,877)	-2.91%
COMMUNITY DEVELOPMENT	17,233,763	18,464,507	901,108	4.88%	1,103,189	(202,081)	-18.32%
PARKS AND RECREATION	22,987,124	23,738,192	1,053,894	4.44%	1,432,924	(379,030)	-26.45%
PUBLIC SAFETY							
Fire	58,731,539	59,195,497	4,146,213	7.00%	4,615,170	(468,957)	-10.16%
Police	78,033,073	78,118,360	5,498,407	7.04%	5,688,740	(190,333)	-3.35%
Total Public Safety	136,764,612	137,313,857	9,644,620	7.02%	10,303,910	(659,290)	-6.40%
LIBRARY	11,905,848	11,968,930	669,913	5.60%	749,794	(79,881)	-10.65%
DEPARTMENTAL TOTAL	254,708,909	259,246,733	16,082,895	6.20%	17,990,850	(1,907,955)	-10.61%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	10,445	10,445	10,445	100.00%	-	10,445	N/A
Operating Transfer Out - Debt Services	2,500,344	2,500,344	2,500,344	100.00%	-	2,500,344	N/A
Operating Transfer Out - Maintenance Dtrct	990,929	990,929	990,929	100.00%	-	990,929	N/A
Operating Transfer Out - Cemetery	771,769	771,769	771,769	100.00%	-	771,769	N/A
Operating Transfer Out - CIP	19,678,672	19,678,672	19,678,672	100.00%	-	19,678,672	N/A
Operating Transfer Out - Reserves	924,654	924,654	924,654	100.00%	-	924,654	N/A
Total Other Financing Uses	24,876,813	24,876,813	24,876,813	100.00%	-	24,876,813	N/A
STADIUM OPERATION	7,307,137	7,318,006	214,616	2.93%	413,488	(198,872)	-48.10%
TOTAL GENERAL FUND	\$ 286,892,859	\$ 291,441,552	\$ 41,174,324	14.13%	\$ 18,404,338	\$ 22,769,986	123.72%

General Fund Expenditures

Below is an explanation of certain budget to actual expenditure variances by program. Other program expenditures not described below are within expectations.

Non-Departmental: Includes expenditures that are not attributable to a single department, but a function of the City in general. Through July 31, 2020, expenditures were \$0.1 million, or 1.4% of the budget. This low expenditure level is 74.5% below the prior fiscal year.

City Council: Through July 31, 2020, expenditures were 5.3% of the budget, which is below par for this time of year. This spend level is also 38% lower than that of last year through the same period. As a result of the cost reduction measures taken by the City in April of last fiscal year, departments, citywide, eliminated or reduced as-needed staffing. The decrease in the City Council actuals is a result of that reduction.

City Manager: The actual expenditures through July 31, 2020 were at 7% of the budget, which is close to par for this time of the year. Through the same period last fiscal year, expenditures are higher by 22%. This reflects higher spending related to the Small Business Assistance Program.

City Attorney: Actual expenditures through July totaled \$0.2 million, which is below par. Compared to last year; however, expenditures are approximately 7% higher. This reflects higher costs in the salary and benefits categories due to one additional position approved by the City Council for FY 2020/21.

City Clerk: Through July 31, 2020, actual expenditures were \$0.1 million or 4% of the budget. This is slightly lower than last year's spending through the same period, primarily due to lower spending in the materials, services, and supplies categories.

Community Development: This department consists of three divisions: Planning, Building, and Housing and Community Services. Through July, departmental expenditures of \$0.9 million were at 5% of the budget, which is below par for this time of year.

Fire Department: Through July, actual expenditures totaled \$4.1 million, or 7% of the budget, which is on the par with the budget. These expenditures reflect an 11% decrease from expenditures through the same period last fiscal year. All COVID-19 related expenditures have been charged centrally to the Other City Department Operating Grant Trust Fund. The Fire Department has charged approximately \$0.2 million to this fund. Combined with the \$4.1 million charged in the General Fund, total Fire Department expenditures through July totaled \$4.3 million, or 7.2% of budget.

Police Department: Expenditures through July 31, 2020 are tracking at expected levels at \$5.5 million, or 7% of the budget; this is 4% lower than prior year expenditures through the same period. Similar to the Fire Department, Police Department expenditures related to COVID-19 have also been charged to the Other City Department Operating Grant Trust Fund. Through July, charges totaled approximately \$34,000.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled \$0.2 million through July 31, 2020 and are tracking below budgeted levels. Due to COVID-19, events at the Stadium have been cancelled or postponed causing a decrease in salary costs for public safety personnel and outside agency public safety costs.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of July 31, 2020. The amended budget for both reflects carryover appropriations from fiscal year 2019/20 in addition to various budget amendments approved by the City Council through July 2020. The revenues and expenditures through the end of July each totaled approximately \$0.3 million.

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

Fund Description	REVENUES - FISCAL YEAR 2020/21				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 7/31/2020	Percentage received	Actual Through 7/31/2019	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 285,000	\$ 285,000	\$ 8,357	2.93%	\$ 56,101	\$ (47,744)	-85.10%
City Affordable Housing Fund	781,703	781,703	13,235	1.69%	3,250	9,985	307.23%
Housing Successor Fund	531,000	531,000	111,788	21.05%	27,179	84,609	311.30%
Housing and Urban Development	5,150,000	5,150,000	129,162	2.51%	35,404	93,758	264.82%
TOTAL	\$ 6,747,703	\$ 6,747,703	\$ 262,542	3.89%	\$ 121,934	\$ 140,608	115.31%

Fund Description	EXPENDITURES - FISCAL YEAR 2020/21				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 7/31/2020	Percentage used	Actual through 7/31/2019	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 552,222	\$ 587,822	\$ 23,251	3.96%	\$ 8,004	\$ 15,247	190.49%
City Affordable Housing Fund	1,556,772	2,017,150	23,645	1.17%	89,670	(66,025)	-73.63%
Housing Successor Fund	5,964,944	6,162,712	109,110	1.77%	19,675	89,435	454.56%
Housing and Urban Development	5,150,000	5,897,929	117,064	1.98%	364,277	(247,213)	-67.86%
TOTAL	\$13,223,938	\$ 14,665,613	\$ 273,070	1.86%	\$ 481,626	\$ (208,556)	-43.30%

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 July 2020. As of July 31, 2020, these capital fund expenditures totaled \$1.2 million, or 1% of the amended budget. As part of the adoption of the FY 2020/21 and FY 2021/22 budget, capital funds were carried over from the prior fiscal year for those projects that have not yet been completed. Any necessary adjustments to the capital carryover amounts based on actual year-end expenditures will be completed as part of the FY 2019/20 year-end reconciliation process.

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.

CITY OF SANTA CLARA GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENDITURES

EXPENDITURES - FISCAL YEAR 2020/21					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 7/31/2020	Percentage Used
Parks & Recreation	\$ 5,758,558	\$ 15,741,394	\$ 21,499,952	\$ 1,025,304	4.77%
Streets & Highways	24,360,764	39,525,658	63,886,422	54,792	0.09%
Storm Drain	4,489,447	7,220,645	11,710,092	25,469	0.22%
Fire	290,796	715,373	1,006,169	-	0.00%
Library	123,681	190,107	313,788	-	0.00%
Public Buildings	1,737,751	9,975,548	11,713,299	37,050	0.32%
General Gov't - Other	4,098,669	11,203,108	15,301,777	2,314	0.02%
Related Santa Clara Developer	562,062	-	562,062	11,239	2.00%
TOTAL	\$ 41,421,728	\$ 84,571,833	\$ 125,993,561	\$ 1,156,168	0.92%

Financial Status Report as of July 31, 2020

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of July 31, 2020. Overall, revenues and expenditures are tracking below budgeted levels.

Effective fiscal year 2019/20, the City switched from a cash basis budgetary reporting to an accrual basis, which is reflected in the tables of this report. At the end of July 2020, revenue and expenditures are tracking lower than through the same period last fiscal year.

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

Fund Description	REVENUES - FISCAL YEAR 2020/21				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 7/31/2020	Percentage received	Actual Through 7/31/2019	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 515,406,680	\$ 515,406,680	\$ 6,459,634	1.25%	\$ 13,117,922	\$ (6,658,288)	-50.76%
Water Utility Fund	57,220,287	57,220,287	1,492,242	2.61%	2,140,800	(648,558)	-30.30%
Sewer Utility Fund	45,495,100	45,495,100	881,332	1.94%	521,478	359,854	69.01%
Cemetery Fund	600,000	600,000	41,642	6.94%	47,048	(5,406)	-11.49%
Solid Waste Utility Fund	31,219,000	31,219,000	952,342	3.05%	469,303	483,039	102.93%
Water Recycling Fund	7,064,710	7,064,710	(272,084)	-3.85%	(38,203)	(233,881)	612.21%
TOTAL REVENUE	\$ 657,005,777	\$ 657,005,777	\$ 9,555,108	1.45%	\$ 16,258,348	\$ (6,703,240)	-41.23%

Fund Description	EXPENSES - FISCAL YEAR 2020/21				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 7/31/2020	Percentage Used	Actual through 7/31/2019	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 474,259,218	\$ 475,468,120	\$ 23,994,909	5.05%	\$ 30,049,398	\$ (6,054,489)	-20.15%
Water Utility Fund	49,106,767	49,322,081	1,195,778	2.42%	3,098,467	(1,902,689)	-61.41%
Sewer Utility Fund	28,338,164	28,509,889	638,937	2.24%	4,926,958	(4,288,021)	-87.03%
Cemetery Fund	1,412,953	1,412,953	65,336	4.62%	65,836	(500)	-0.76%
Solid Waste Utility Fund	32,563,421	33,013,675	480,157	1.45%	96,779	383,378	396.14%
Water Recycling Fund	5,867,938	5,871,208	37,201	0.63%	46,797	(9,596)	-20.51%
TOTAL - Operating Appropriations	\$ 591,548,461	\$ 593,597,926	\$ 26,412,318	4.45%	\$ 38,284,235	\$ (11,871,917)	-31.01%

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.

Financial Status Report as of July 31, 2020

A summary of expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actuals through July 2020 totaled \$7.7 million, or 2.9% 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 2020/21 budget adoption process for those projects that have not yet been completed. Any necessary adjustments to the capital carryover amounts based on actual year-end expenditures will be completed as part of the FY 2019/20 year-end reconciliation process.

CITY OF SANTA CLARA ENTERPRISE CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENSES

Fund Description	EXPENSES - FISCAL YEAR 2020/21					Prior Year
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 7/31/2020	Percentage Used	Actual Through 7/31/2019
Electric Utility Fund	\$ 64,592,602	\$ 112,296,667	\$ 176,889,269	\$ 7,028,613	3.97%	\$ -
Street Lighting ⁽¹⁾	125,000	5,867,109	5,992,109	271	0.00%	216
Water Utility Fund	4,610,000	15,010,726	19,620,726	116,391	0.59%	188,136
Sewer Utility Fund	42,114,351	24,817,115	66,931,466	589,861	0.88%	4,824,859
Cemetery Fund	300,000	-	300,000	-	-	-
Solid Waste Utility Fund	882,000	150,000	1,032,000	-	0.00%	-
Water Recycling Fund	550,000	-	550,000	-	-	-
TOTAL - CIP Appropriations	\$ 113,173,952	\$ 158,141,618	\$ 271,315,570	\$ 7,735,136	2.85%	\$ 5,013,211

(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 2020/21, 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:

- Building Inspection Reserve accounts for surplus funds from user fees in the Community Development Department's Building Inspection Division and is restricted to fund Building Division costs.
- 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
July 31, 2020**

DETAIL OF SELECTED FUND RESERVE BALANCES:

	GENERAL FUND	ELECTRIC	WATER	SEWER
Budget Stabilization Reserve	\$ 57,709,688			
Capital Projects Reserve	1,958,983			
Land Sale Reserve	24,488,392			
Building Inspection Reserve	12,284,067			
Technology Fee Reserve	485,129			
Rate Stabilization Fund Reserve		\$ 25,000,000		
Cost Reduction Fund Reserve		98,947,182		
DVR Power Plant Contracts Reserve		78,163		
Replacement & Improvement			\$ 303,090	
TOTALS	\$ 96,926,259	\$ 124,025,345	\$ 303,090	\$ -

City of Santa Clara

Financial Status Report as of July 31, 2020

Long-Term Interfund Advances

The funds below have made advances/loans which are not expected to be repaid within the next year. The loan from the General Fund to for 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	\$ 7,111,149
Santa Clara Golf & Tennis Club	General Fund	Advance	4,224,134
Parks and Recreation Facilities	General Fund	Loan	9,033,044
TOTALS			\$ 20,368,327

Donations to the City of Santa Clara

Donations received by department during the month of July 2020 and for fiscal year 2020/21 are shown in the table below.

Department	Jul-20	Fiscal Year 2020/21 Year To Date	Donor	Designated Use
City Manager's Office	\$ 460	\$ 460	Various	Help Your Neighbor
Non-Departmental	\$ 14,331	\$ 14,331	Various	COVID-19
TOTALS	\$ 14,791	\$ 14,791		