



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

October 2020

This report summarizes the City's financial performance for the month ended October 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 \$292.9 million to reflect carryover appropriations from fiscal year 2019/20 and various budget amendments approved by the City Council through October 2020.

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 of \$20+ million are expected to be necessary.

The lower collection level is expected to be partially offset by General Fund expenditure savings. Through October, departmental 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 continue to improve.

On a national level, the unemployment rate remains high at 6.6% in October 2020. This rate, however, was well below the record setting high of 14.7% in April 2020 and lower than the September 2020 rate of 7.9%. In October, the number of unemployed persons fell by 1.6 million to 11.0 million.

While both measures have improved for sixth consecutive months, they remain close to double the pre-COVID levels

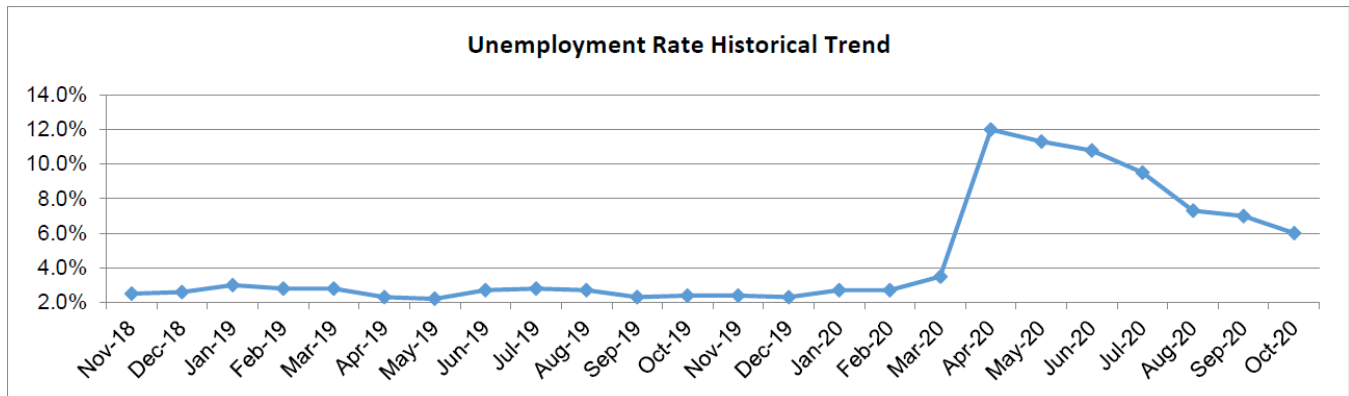


experienced in February 2020 in which the unemployment rate was 3.5% and the number of unemployed totaled 5.8 million.¹

In the third quarter 2020, the Gross Domestic Product (GDP) increased by approximately 33%, following a GDP decrease of 31% in the second quarter 2020. The increase in the third quarter reflected efforts to reopen businesses and resume some activities amidst COVID-19 safety precautions. It is important to note that the real GDP for the third quarter 2020 remains 3.5% below the level experienced in the fourth quarter of 2019 (the last quarter prior to the onset of COVID-19).²

Significant impacts have also been experienced at 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 9.3% by October 2020. California has now regained nearly 44% of the 2.6 million jobs lost due to COVID-19 in March and April 2020.³

As shown in the chart below, the unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 6.0% in October 2020, down from a revised 7.0% in September 2020 but significantly higher than the October 2019 level of 2.4%. Between October 2019 and October 2020, employment in this region dropped by 69,000 jobs, or 5.9%.⁴



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. This budget was solved with the use of the Budget Stabilization Reserve. Additional downward revenue adjustments and budget balancing actions will be necessary this 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

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

² https://www.bea.gov/sites/default/files/2020-11/tech3q20_2nd.pdf

³ <https://www.edd.ca.gov/newsroom/unemployment-november-2020.htm>

⁴ [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 October 31, 2020

Monthly Financial Reports. There are other General Fund Reserves that amount to \$46 million, but these reserves are designated for specific purposes. These reserves can be used by an act of Council.

General Fund Revenues

As of October 31, 2020, \$41.6 million or 17% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$47.5 million have occurred as budgeted.

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 10/31/2020	Percentage Received	Actual Through 10/31/2019	Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 55,600,000	\$ 55,600,000	\$ 10,714,871	19.27%	\$ 10,143,778	\$ 571,093	5.63%
Property Tax	66,982,000	66,982,000	2,864,757	4.28%	2,695,592	169,165	6.28%
Transient Occupancy Tax	17,625,000	17,625,000	651,429	3.70%	5,032,623	(4,381,194)	-87.06%
Other Taxes	5,938,000	5,938,000	803,992	13.54%	623,295	180,697	28.99%
Total Taxes	146,145,000	146,145,000	15,035,049	10.29%	18,495,288	(3,460,239)	-18.71%
LICENSES & PERMITS							
Business Licenses	934,000	934,000	303,092	32.45%	294,619	8,473	2.88%
Fire Operation Permits	2,375,000	2,375,000	617,814	26.01%	802,764	(184,950)	-23.04%
Building Permits	5,700,000	5,700,000	2,865,023	50.26%	2,042,946	822,077	40.24%
Electric Permits	475,000	475,000	583,977	122.94%	169,449	414,528	244.63%
Plumbing Permits	428,000	428,000	387,982	90.65%	155,238	232,744	149.93%
Mechanical Permits	380,000	380,000	445,085	117.13%	139,620	305,465	218.78%
Miscellaneous Permits	92,000	92,000	20,528	22.31%	28,462	(7,934)	-27.88%
Total Licenses & Permits	10,384,000	10,384,000	5,223,501	50.30%	3,633,098	1,590,403	43.78%
FINES & PENALTIES	1,570,000	1,570,000	157,375	10.02%	468,952	(311,577)	-66.44%
INTERGOVERNMENTAL	226,000	226,000	70,916	31.38%	5,256,701	(5,185,785)	-98.65%
CHARGES FOR SERVICES	37,174,855	37,174,855	9,988,668	26.87%	10,246,969	(258,301)	-2.52%
CONTRIBUTION IN LIEU	23,699,830	23,699,830	8,114,495	34.24%	8,111,091	3,404	0.04%
USE OF MONEY & PROPERTY							
Interest	5,246,000	5,501,000	(234,317)	-4.26%	570,504	(804,821)	-141.07%
Rent	9,407,909	9,407,909	2,832,350	30.11%	3,072,248	(239,898)	-7.81%
Total Use of Money & Property	14,653,909	14,908,909	2,598,033	17.43%	3,642,752	(1,044,719)	-28.68%
MISCELLANEOUS REVENUES	350,000	534,696	114,188	21.36%	908,416	(794,228)	-87.43%
LAND PROCEED	-	-	-	N/A	164,606	(164,606)	-100.00%
OTHER FINANCING SOURCES							
Operating Transfer In - Storm Drain	1,460,000	1,460,000	1,460,000	100.00%	1,398,145	61,855	4.42%
Operating Transfer In - Reserves	38,952,083	39,248,833	39,248,833	100.00%	11,290,582	27,958,251	247.62%
Operating Transfer In - Fund Balances ⁽¹⁾	-	4,273,692	4,273,692	100.00%	5,338,670	(1,064,978)	-19.95%
Operating Transfer In - Miscellaneous	2,527,419	3,547,419	2,547,419	71.81%	277,350	2,270,069	818.49%
Total Other Financing Sources	42,939,502	48,529,944	47,529,944	97.94%	18,304,747	29,225,197	159.66%
STADIUM OPERATION							
Charges for Services	9,102,263	9,102,263	256,217	2.81%	2,237,810	(1,981,593)	-88.55%
Rent and Licensing	647,500	647,500	-	0.00%	419,669	(419,669)	-100.00%
Total Stadium Operation	9,749,763	9,749,763	256,217	2.63%	2,657,479	(2,401,262)	-90.36%
TOTAL GENERAL FUND	\$ 286,892,859	\$ 292,922,997	\$ 89,088,386	30.41%	\$ 71,890,099	\$ 17,198,287	23.92%

(1) Negative sales tax revenue resulting from accrual of revenue that has not yet been received.

(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.

Revenues (excluding reserves) are tracking approximately 24% lower than collections through the same period last fiscal year. Revenues were below the prior year primarily due to lower activity levels this fiscal year in certain areas, such as transient occupancy tax and fines and penalties, and a one-time settlement payment of \$5.0 million that was received last year. Revenues are currently expected to end the year below budget by \$20+ million as a result of the COVID-19 impacts as discussed below.

General Fund Revenues

Sales Tax: The City of Santa Clara sales tax rate is 9.0%, of which the City receives 1.0%. As of October 31, 2020, \$10.7 million has been collected. This reflects slightly higher collections than through the same period last fiscal year by about \$0.6 million and is based on estimated payments from the State for July and August 2020 (true-up payments are received once per quarter). While not reflected in the data through October, true-up information for the third quarter of 2020 was received from the State in November and reflected a decline of 6.4%. This figure, however, included a large positive adjustment for periods prior to 2020. Without that adjustment, receipts would have dropped almost 15% in the third quarter 2020. This drop in the third quarter followed a decline of 15.4% in the second quarter 2020. In the second quarter 2020, all economic sectors in Santa Clara 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. Detailed data for the third quarter is not yet available and will be included in future reports. Based on lower actual collections and the continuation of the COVID-19 safety precautions, it is anticipated that revenues will fall below the budgeted estimate of \$55.6 million by approximately \$3 million - \$5 million.

Property Tax: A small portion of property tax receipts were received in October 2020, totaling under \$2.9 million, which is above collections through the same period last year. The majority of property tax revenue is collected in January and April each year. Based on the latest estimates from the County of Santa Clara, property tax receipts would fall approximately \$4.0 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. 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 meet the budgeted estimate. Collections in FY 2020/21 have also been negatively impacted by a recent court decision that changes how residual tax increment from former redevelopment agencies is distributed. This resulted in a retroactive negative adjustment of \$2.1 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%. Through October 31, 2020, approximately \$0.7 million has been received in this category, which is well below the \$5.0 million received through the same period last fiscal year. TOT has been impacted severely by COVID-19. To meet the budgeted estimate

of \$17.6 million, collections would need to come in over \$2.1 million in the remaining months. 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. If the current collection trend continues, receipts may end the year \$11 million - \$14 million below the budgeted estimate.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$0.8 million through October, which is 13.5% of the budgeted estimate of \$5.9 million. Overall, receipts are tracking above the prior year collection level of \$0.6 million due the higher collections in documentary transfer tax, partially offset by slightly lower franchise tax receipts. 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 well above par and totaled \$5.2 million, or 50.3% of the budget of \$10.4 million. These collections are significantly higher than the collection level experienced through the same period last fiscal year. Activity in the building, electric, plumbing, and mechanical permit accounts have seen the highest growth compared to last 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 October of \$0.2 million is lower than the prior year actual collection level of \$0.3 million as a result of lower activity levels in the collection charges, traffic fines, and library fines accounts. Given restricted activity levels as a result of COVID-19, collections in this category are anticipated to fall below 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 October 31, 2020, approximately \$71,000 has been collected. This collection level is well below the prior fiscal year level of \$5.3 million due to a one-time settlement payment of \$5.0 million received last year.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through October 31, 2020, collections totaled approximately \$10.0 million or 26.9% of the budget. This reflects a 3% decrease compared to last year's collections through the same period of \$10.2 million, particularly in the planning and zoning fees, engineering fees, fire construction permits, interdepartmental services and miscellaneous charges for services (includes parks and recreation fees). The lower collections in these areas were partially offset by higher receipts in the plan check and sign fee category. 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 October, \$8.1 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. 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 \$2.6 million, or 17.4% of the budget. The collections through October 31, 2020 are below the prior year collections of \$3.6 million, reflecting accrual differences, the timing of payments, and lower interest earnings yields.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of scrap, and one-time miscellaneous revenues. As of October 31, 2020, collections of \$114,188 were 87% lower than collections through the same period last fiscal year.

Stadium Operation: The revenue for Stadium Operations totaled approximately \$0.2 million through October 31, 2020, which is much lower than collections through the same period last fiscal year. The budget for charges for services includes public safety cost reimbursement for NFL and Non-NFL events, reimbursement for general and administrative staff time, and parking revenue. Due to the COVID-19 pandemic, events at the Stadium have either been cancelled or rescheduled causing the decline in parking permit revenue and reimbursement for public safety costs. Lease revenue, specifically Senior and Youth Fees and Tasman Lot parking revenue, is projected to fall under budget this fiscal year and is also related to the cancellation or rescheduling of Stadium Events.

Financial Status Report as of October 31, 2020

General Fund Expenditures

As of October 31, 2020, \$103.2 million or 35.2% of the General Fund operating budget had been expended. Overall, expenditures in the General Fund appear slightly above budgeted levels through October. This is a result of all transfers being booked in their entirety early in the year. Departmental expenditures totaled \$76.5 million, or 29.5% of the budget, which is below the par level of 33.33% of the budget. Stadium expenditures also totaled only 9.8% 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 10/31/2020	Percentage Used	Actual Through 10/31/2019	Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 7,849,688	\$ 8,295,532	\$ 1,349,039	16.26%	\$ 1,380,440	\$ (31,401)	-2.27%
City Council	834,241	834,241	219,523	26.31%	307,672	(88,149)	-28.65%
City Clerk	2,070,555	2,091,412	537,344	25.69%	456,799	80,545	17.63%
City Manager	6,125,034	6,450,938	1,805,367	27.99%	1,774,078	31,289	1.76%
City Attorney	2,716,125	2,730,674	707,830	25.92%	653,843	53,987	8.26%
Human Resources	4,477,933	4,745,273	1,079,007	22.74%	1,252,437	(173,430)	-13.85%
Finance	17,456,419	17,959,742	5,034,473	28.03%	4,746,136	288,337	6.08%
Total General Government	41,529,995	43,107,812	10,732,583	24.90%	10,571,405	161,178	1.52%
PUBLIC WORKS	24,287,567	24,893,684	7,592,108	30.50%	7,841,267	(249,159)	-3.18%
COMMUNITY DEVELOPMENT	17,233,763	18,564,507	4,556,983	24.55%	4,507,635	49,348	1.09%
PARKS AND RECREATION	22,987,124	23,738,192	5,785,226	24.37%	8,063,190	(2,277,964)	-28.25%
PUBLIC SAFETY							
Fire	58,731,539	59,195,497	20,150,603	34.04%	18,661,898	1,488,705	7.98%
Police	78,033,073	78,118,360	24,672,845	31.58%	25,473,410	(800,565)	-3.14%
Total Public Safety	136,764,612	137,313,857	44,823,448	32.64%	44,135,308	688,140	1.56%
LIBRARY	11,905,848	11,968,930	3,004,603	25.10%	3,599,182	(594,579)	-16.52%
DEPARTMENTAL TOTAL	254,708,909	259,586,982	76,494,951	29.47%	78,717,987	(2,223,036)	-2.82%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	10,445	1,010,445	1,010,445	100.00%	428,445	582,000	135.84%
Operating Transfer Out - Debt Services	2,500,344	2,500,344	2,500,344	100.00%	1,710,474	789,870	46.18%
Operating Transfer Out - Maintenance Dtrct	990,929	990,929	990,929	100.00%	917,331	73,598	8.02%
Operating Transfer Out - Cemetery	771,769	771,769	771,769	100.00%	703,490	68,279	9.71%
Operating Transfer Out - CIP	19,678,672	19,678,672	19,678,672	100.00%	11,643,676	8,034,996	69.01%
Operating Transfer Out - Reserves	924,654	1,065,850	1,065,850	100.00%	-	1,065,850	N/A
Total Other Financing Uses	24,876,813	26,018,009	26,018,009	100.00%	15,403,416	10,614,593	68.91%
STADIUM OPERATION	7,307,137	7,318,006	715,854	9.78%	2,056,783	(1,340,929)	-65.20%
TOTAL GENERAL FUND	\$ 286,892,859	\$ 292,922,997	\$ 103,228,814	35.24%	\$ 96,178,186	\$ 7,050,628	7.33%

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 October 31, 2020, expenditures were \$1.3 million, or 16.3% of the budget. Lower expenditures are primarily attributable to the contractual services category.

City Council: Through October 31, 2020, expenditures totaled \$0.2 million, or 26.3% of budget, which is below par. Compared to the same period through last fiscal year, this reflects a spending decrease of approximately 29% due primarily to lower as needed and overtime staffing costs. As a result of the cost reduction measures implemented city-wide, these costs have been reduced.

City Manager: The actual expenditures through October 31, 2020 were at 28% of the budget, which is below par for this time of the year. When compared to the prior year, expenditures are slightly higher by approximately 2% due to spending related to the Small Business Assistance Program. These higher expenditures are partially offset by lower spending in the salary, training and travel, and contractual services categories.

City Attorney: Actual expenditures through October totaled \$0.7 million, which is 26% of the budget. Spending is above the total expenditures through the same time last fiscal year by 8%. 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 October 31, 2020, actual expenditures were \$0.5 million or approximately 25.7% of the budget. This reflects an increase of 17.6% over last year's spending through the same period. The higher spending level is a result of Granicus contract costs that are paid every other year.

Community Development: This department consists of three divisions: Planning, Building, and Housing and Community Services. Through October, departmental expenditures of \$4.6 million were at 24.5% of the budget, which is below par. This reflects slightly lower personnel costs as well as lower actual non-personnel costs.

Finance Department: Through October 31, 2020, the Department's expenditures totaled \$5.0 million, or 28% of the budget. This expenditure level was approximately 6% higher than through the same period last year due primarily to higher spending related to two additional positions that were approved by the City Council in March 2020.

Fire Department: Through October, actual expenditures totaled \$20.1 million, or 34% of the budget, which is slightly above par (33.3%). These expenditures reflect an 8% increase from expenditures through the same period last fiscal year. All COVID-19 related expenditures have been charged centrally to the Other City Departments Operating Grant Trust Fund. The Fire Department has charged approximately \$0.5 million to this fund. Combined with the \$20.1 million charged in the General Fund, total Fire Department expenditures through October totaled \$20.6 million, or 34.8% of budget. Mutual aid overtime costs, which are reimbursable, account for \$1.3 million of the higher expenditure level.

After adjusting for those mutual aid costs, total expenditures (including COVID costs), were tracking at 34% of the budget. Expenditures tracked slightly above budget due primarily to higher overtime, which was 87% expended through October. Taking the mutual aid into account, overtime spending drops to 61% of budgeted levels. While this overtime figure appears very high, it is important to note that overtime is used to backfill for vacant positions and the vacancy savings offset overtime costs.

Police Department: Expenditures through October 31, 2020 are tracking slightly below expected levels at \$24.7 million, or 31.6% of the budget; this is 3% 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 Departments Operating Grant Trust Fund. Through October, charges to this fund totaled approximately \$0.1 million. Accounting for the General Fund and Other City Departments Operating Grant Trust Fund, department expenditures totaled \$24.8 million or 31.7% of budget, which is 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 \$0.7 million through October 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 October 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 October 2020. Both revenues and expenditures totaled approximately \$1.4 million through the end of October.

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 10/31/2020	Percentage Received	Actual Through 10/31/2019	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 285,000	\$ 5,485,000	\$ 307,138	5.60%	\$ 95,625	\$ 211,513	221.19%
City Affordable Housing Fund	781,703	781,703	55,702	7.13%	68,804	(13,102)	-19.04%
Housing Successor Fund	531,000	6,531,000	498,421	7.63%	328,564	169,857	51.70%
Housing and Urban Development	5,150,000	5,150,000	539,033	10.47%	475,107	63,926	13.46%
TOTAL	\$ 6,747,703	\$ 17,947,703	\$ 1,400,294	7.80%	\$ 968,100	\$ 432,194	44.64%

Fund Description	EXPENDITURES - FISCAL YEAR 2020/21				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 10/31/2020	Percentage Used	Actual through 10/31/2019	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 552,222	\$ 7,287,822	\$ 57,575	0.79%	\$ 42,556	\$ 15,019	35.29%
City Affordable Housing Fund	1,556,772	3,517,150	254,981	7.25%	261,294	(6,313)	-2.42%
Housing Successor Fund	5,964,944	6,162,712	251,606	4.08%	94,886	156,720	165.17%
Housing and Urban Development	5,150,000	5,897,929	830,773	14.09%	741,753	89,020	12.00%
TOTAL	\$13,223,938	\$ 22,865,613	\$ 1,394,935	6.10%	\$ 1,140,489	\$ 254,446	22.31%

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 October 2020. As of October 31, 2020, these capital fund expenditures totaled \$11.4 million, or 8.8% 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. Adjustments to the capital carryover amounts based on actual year-end expenditures will be brought forward 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 10/31/2020	Percentage Used	
Parks & Recreation	\$ 5,758,558	\$ 15,741,394	\$ 21,499,952	\$ 3,117,259	14.50%	
Streets & Highways	26,260,764	39,525,658	65,786,422	6,549,232	9.96%	
Storm Drain	4,489,447	7,220,645	11,710,092	624,996	5.34%	
Fire	290,796	715,373	1,006,169	5,027	0.50%	
Library	123,681	190,107	313,788	5,899	1.88%	
Public Buildings	1,737,751	9,975,548	11,713,299	157,856	1.35%	
General Gov't - Other	4,098,669	11,203,108	15,301,777	409,993	2.68%	
Related Santa Clara Developer	2,958,063	-	2,958,063	563,276	19.04%	
TOTAL	\$ 45,717,729	\$ 84,571,833	\$ 130,289,562	\$ 11,433,538	8.78%	

Financial Status Report as of October 31, 2020

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of October 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 October 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 10/31/2020	Percentage Received	Actual Through 10/31/2019	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 515,406,680	\$ 515,406,680	\$ 135,059,322	26.20%	\$ 139,056,118	\$ (3,996,796)	-2.87%
Water Utility Fund	57,220,287	57,220,287	16,297,177	28.48%	18,009,150	(1,711,973)	-9.51%
Sewer Utility Fund	45,495,100	45,495,100	11,885,221	26.12%	11,933,104	(47,883)	-0.40%
Cemetery Fund	600,000	600,000	147,852	24.64%	134,912	12,940	9.59%
Solid Waste Utility Fund	31,219,000	31,219,000	7,024,118	22.50%	7,372,635	(348,517)	-4.73%
Water Recycling Fund	7,064,710	7,064,710	2,208,060	31.25%	2,557,633	(349,573)	-13.67%
TOTAL REVENUE	\$ 657,005,777	\$ 657,005,777	\$ 172,621,750	26.27%	\$ 179,063,552	\$ (6,441,802)	-3.60%

Fund Description	EXPENSES - FISCAL YEAR 2020/21				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 10/31/2020	Percentage Used	Actual through 10/31/2019	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 474,259,218	\$ 475,468,120	\$ 119,962,906	25.23%	\$ 145,334,100	\$ (25,371,194)	-17.46%
Water Utility Fund	49,106,767	49,322,081	13,236,307	26.84%	14,559,762	(1,323,455)	-9.09%
Sewer Utility Fund	28,338,164	28,509,889	7,215,527	25.31%	11,449,301	(4,233,774)	-36.98%
Cemetery Fund	1,412,953	1,412,953	447,855	31.70%	451,899	(4,044)	-0.89%
Solid Waste Utility Fund	32,563,421	34,013,675	6,948,983	20.43%	6,331,123	617,860	9.76%
Water Recycling Fund	5,867,938	5,871,208	1,540,421	26.24%	1,323,394	217,027	16.40%
TOTAL - Operating Appropriations	\$ 591,548,461	\$ 594,597,926	\$ 149,351,999	25.12%	\$ 179,449,579	\$ (30,097,580)	-16.77%

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 October 31, 2020

A summary of expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actuals through October 2020 totaled \$21.9 million, or 8% 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. 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 10/31/2020	Percentage Used	Actual Through 10/31/2019
Electric Utility Fund	\$ 65,592,602	\$ 112,296,667	\$ 177,889,269	\$ 15,510,812	8.72%	\$ 9,105,630
Street Lighting ⁽¹⁾	125,000	5,867,109	5,992,109	6,584	0.11%	9,423
Water Utility Fund	4,610,000	15,010,726	19,620,726	2,547,085	12.98%	638,473
Sewer Utility Fund	42,114,351	24,817,115	66,931,466	3,744,195	5.59%	16,033,621
Cemetery Fund	300,000	-	300,000	-	-	-
Solid Waste Utility Fund	882,000	1,497,716	2,379,716	54,548	2.29%	101,102
Water Recycling Fund	550,000	-	550,000	-	-	-
TOTAL - CIP Appropriations	\$ 114,173,952	\$ 159,489,334	\$ 273,663,286	\$ 21,863,224	7.99%	\$ 25,888,249

(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
October 31, 2020**

DETAIL OF SELECTED FUND RESERVE BALANCES:

	GENERAL FUND	ELECTRIC	WATER	SEWER
Budget Stabilization Reserve	\$ 57,547,414			
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		
DVR Power Plant Contracts Reserve		78,163		
Replacement & Improvement			\$ 303,090	
TOTALS	\$ 96,763,985	\$ 25,078,163	\$ 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 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 October 2020 and for fiscal year 2020/21 are shown in the table below.

Department	Oct-20	Fiscal Year 2020/21 Year To Date	Donor	Designated Use
City Manager's Office	\$ 1,260	\$ 2,120	Various	Help Your Neighbor
Non-Departmental	-	27,571	Various	COVID-19
Parks and Recreation	-	17,871	Various	Case Management
TOTALS	\$ 1,260	\$ 47,562		