



# **City of Santa Clara**

The Center of What's Possible

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## **MONTHLY FINANCIAL STATUS REPORT**

**August 2021**

This report summarizes the City's financial performance for the month ended August 31, 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.

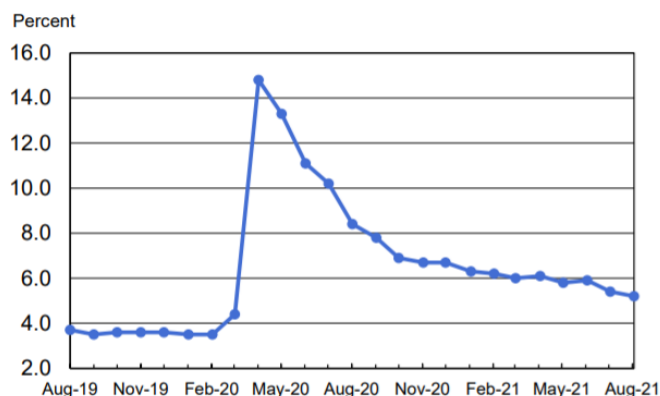
### General Fund

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 \$294.1 million to reflect carryover appropriations from fiscal year 2020/21 and various budget amendments approved by the City Council through August 2021.

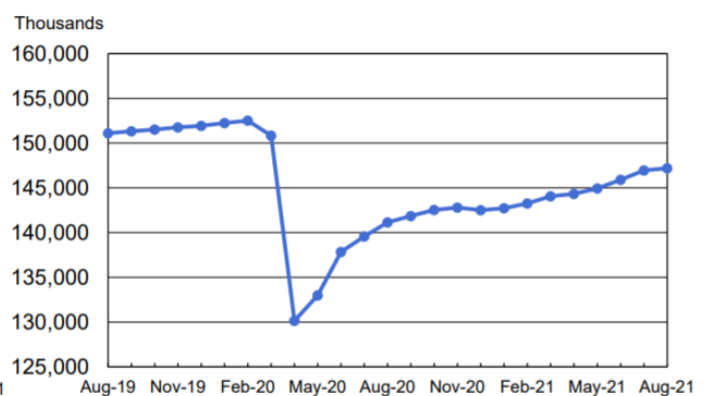
While it is very early in the fiscal year and limited data is available, General Fund revenues are currently tracking within estimated levels. However, concerns remain regarding continued impacts of COVID-19 as the Delta variant and vaccine hesitancy may impact the speed of recovery. Through August, 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 slightly from 5.4% in July 2021 to 5.2% in August 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 August, the number of unemployed persons fell to 8.4 million from 8.7 million in July. This unemployment figure remains well above the pre-pandemic level of 5.7 million.<sup>1</sup>

**Chart 1. Unemployment rate, seasonally adjusted, August 2019 – August 2021**

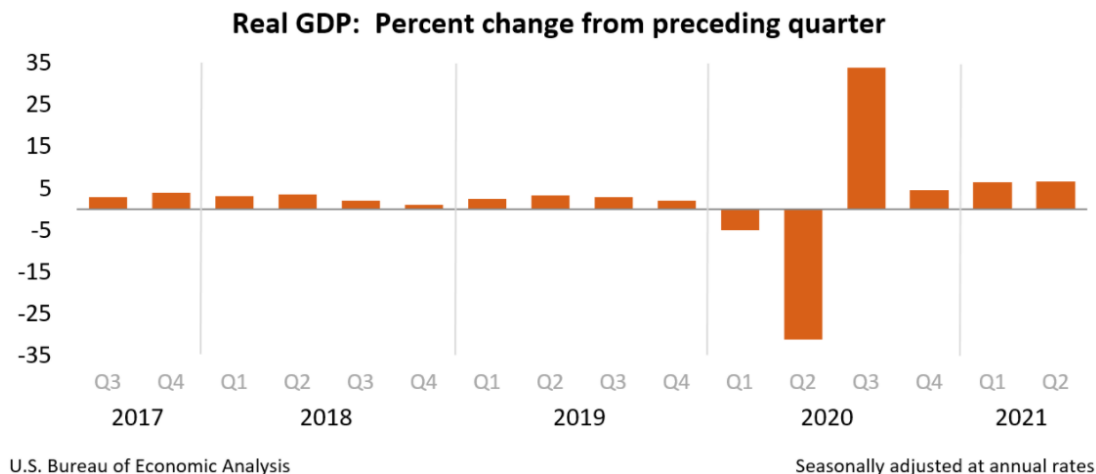


**Chart 2. Nonfarm payroll employment, seasonally adjusted, August 2019 – August 2021**



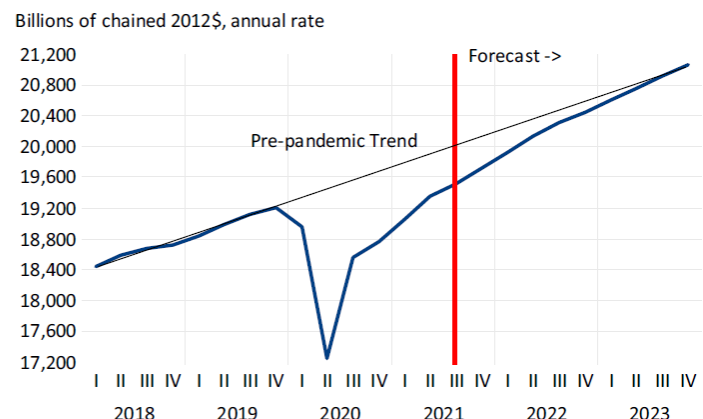
<sup>1</sup> <https://www.bls.gov/news.release/pdf/empsit.pdf>

In the second quarter 2021 second estimate, the Gross Domestic Product (GDP) increased by 6.6%, 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 0.8% above the level experienced in the fourth quarter of 2019.<sup>2</sup>



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

<sup>2</sup> [https://www.bea.gov/sites/default/files/2021-08/tech2q21\\_2nd.pdf](https://www.bea.gov/sites/default/files/2021-08/tech2q21_2nd.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.<sup>3</sup>

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 dropped to 7.5% in August 2021. This is slightly lower compared to the 7.6% rate in July 2021. With the decrease in the unemployment rate between February and August, California has now regained nearly 62.1% of the 2.7 million jobs lost due to COVID-19 in March and April 2020.<sup>4</sup>

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 4.8% in August 2021, down from a revised 5.0% in July 2021 and the August 2020 level of 8.2% but higher than the February 2020 level of 2.6%. Between August 2020 and August 2021, employment in this region increase by 41,700 jobs, or 3.9%.<sup>5</sup> The largest increases were in leisure and hospitality (up 14,900 jobs), private educational and health services (up 7,000 jobs), and professional and business services (up 6,800 jobs).

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

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<sup>3</sup> September 2021 UCLA Anderson Forecast

<sup>4</sup> <https://edd.ca.gov/newsroom/unemployment-august-2021.htm>

<sup>5</sup> [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 August 31, 2021

### General Fund Revenues

As of August 31, 2021, \$11.6 million or 4.6% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$43.7 million have occurred as budgeted. This very low collection level through August is largely due to the timing of payments. In some categories, the revenues received through August account for activity that occurred in FY 2020/21 and those revenues are accrued back to that year. In other cases, such as property tax, most payments are scheduled to occur later in the fiscal year.

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

Function	FISCAL YEAR 2021/22				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2021	Percentage Received	Actual Through 8/31/2020	Change From Prior Year	Percentage Change
<b>TAXES</b>							
Sales Tax	\$ 58,183,000	\$ 58,183,000	\$ -	0.00%	\$ -	\$ -	N/A
Property Tax	71,559,000	71,559,000	46,714	0.07%	73,189	(26,475)	-36.17%
Transient Occupancy Tax	9,000,000	9,000,000	459,117	5.10%	29,315	429,802	1466.15%
Other Taxes	6,080,000	6,080,000	212,787	3.50%	197,668	15,119	7.65%
<b>Total Taxes</b>	<b>144,822,000</b>	<b>144,822,000</b>	<b>718,618</b>	<b>0.50%</b>	<b>300,172</b>	<b>418,446</b>	<b>139.40%</b>
<b>LICENSES &amp; PERMITS</b>							
Business Licenses	900,000	900,000	159,930	17.77%	162,015	(2,085)	-1.29%
Fire Operation Permits	2,200,000	2,200,000	394,129	17.91%	314,792	79,337	25.20%
Building Permits	-	-	191,067	N/A	1,532,853	(1,341,786)	-87.54%
Electric Permits	-	-	45,302	N/A	257,272	(211,970)	-82.39%
Plumbing Permits	-	-	28,957	N/A	174,768	(145,811)	-83.43%
Mechanical Permits	-	-	35,417	N/A	209,155	(173,738)	-83.07%
Miscellaneous Permits	60,000	60,000	12,983	21.64%	13,031	(48)	-0.37%
<b>Total Licenses &amp; Permits</b>	<b>3,160,000</b>	<b>3,160,000</b>	<b>867,785</b>	<b>27.46%</b>	<b>2,663,886</b>	<b>(1,796,101)</b>	<b>-67.42%</b>
<b>FINES &amp; PENALTIES</b>	<b>1,496,135</b>	<b>1,496,135</b>	<b>24,131</b>	<b>1.61%</b>	<b>28,174</b>	<b>(4,043)</b>	<b>-14.35%</b>
<b>INTERGOVERNMENTAL</b>	<b>26,205,801</b>	<b>26,205,801</b>	<b>1,770</b>	<b>0.01%</b>	<b>29,892</b>	<b>(28,122)</b>	<b>-94.08%</b>
<b>CHARGES FOR SERVICES</b>	<b>30,003,443</b>	<b>30,003,443</b>	<b>4,332,894</b>	<b>14.44%</b>	<b>2,578,811</b>	<b>1,754,083</b>	<b>68.02%</b>
<b>CONTRIBUTION IN LIEU</b>	<b>24,700,000</b>	<b>24,700,000</b>	<b>4,295,563</b>	<b>17.39%</b>	<b>-</b>	<b>4,295,563</b>	<b>N/A</b>
<b>USE OF MONEY &amp; PROPERTY</b>							
Interest	2,600,000	2,600,000	(567,735)	-21.84%	(702,795)	135,060	-19.22%
Rent	9,115,722	9,115,722	1,774,697	19.47%	907,004	867,693	95.67%
<b>Total Use of Money &amp; Property</b>	<b>11,715,722</b>	<b>11,715,722</b>	<b>1,206,962</b>	<b>10.30%</b>	<b>204,209</b>	<b>1,002,753</b>	<b>491.04%</b>
<b>MISCELLANEOUS REVENUES</b>	<b>198,000</b>	<b>198,000</b>	<b>52,734</b>	<b>26.63%</b>	<b>73,545</b>	<b>(20,811)</b>	<b>-28.30%</b>
<b>LAND PROCEED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>OTHER FINANCING SOURCES</b>							
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 <sup>(2)</sup>	-	4,817,658	4,817,658	100.00%	4,273,692	543,966	12.73%
Operating Transfer In - Miscellaneous	5,005,399	5,005,399	5,005,399	100.00%	2,547,419	2,457,980	96.49%
<b>Total Other Financing Sources</b>	<b>38,850,270</b>	<b>43,667,928</b>	<b>43,667,928</b>	<b>100.00%</b>	<b>47,529,944</b>	<b>(3,862,016)</b>	<b>-8.13%</b>
<b>STADIUM OPERATION</b>							
Charges for Services	7,466,069	7,466,069	137,323	1.84%	115,576	21,747	18.82%
Rent and Licensing	717,500	717,500	-	0.00%	-	-	N/A
<b>Total Stadium Operation</b>	<b>8,183,569</b>	<b>8,183,569</b>	<b>137,323</b>	<b>1.68%</b>	<b>115,576</b>	<b>21,747</b>	<b>18.82%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 289,334,940</b>	<b>\$ 294,152,598</b>	<b>\$ 55,305,709</b>	<b>18.80%</b>	<b>\$ 53,524,209</b>	<b>\$ 1,781,500</b>	<b>3.33%</b>

(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 August 31, 2021, no sales tax has been collected. Given the timing of payments, the sales tax payments received through August accounted for activity in the prior fiscal year and those funds were accrued to last year.

**Property Tax:** Through August, 0.07% 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%. Through August 31, 2021, approximately \$0.5 million has been received, which is significantly higher than receipts through the same period last fiscal year of only \$29,000. 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 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 \$0.2 million through August, which is approximately 7.6% higher than prior year collection levels. Receipts through August reflect higher collections in both the franchise tax and documentary transfer tax categories.

**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 erroneously been booked in this category, licenses and permits revenue collections are tracking slightly above par with receipts totaling \$0.6 million, or 17.9% of the budget of \$3.2 million.

**Fines & Penalties:** Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue of \$24,000 collected in this category through August 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 August 31, 2021, \$1,770 has been received, which is well below receipts through the same period last year and reflects differences in planned payments.

**Charges for Services:** Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through August 31, 2021, collections totaled approximately \$4.3 million or 14.4% of the budget. This reflects a

68% increase compared to last year's collections through the same period of \$2.6 million. This large increase is a result of the timing of when interdepartmental charges, directly related to the cost allocation plan, were booked. This fiscal year, these charges started to be received in the General Fund in July, whereas last fiscal year, they were not recorded until October. In addition, the miscellaneous charges for services were tracking above the prior year, while the Plan Check and Sign Fees were tracking well below the prior year.

**Contribution in Lieu:** In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues for services rendered. As of August 31, 2021, \$4.3 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 \$1.2 million, or 10.3% of the budget. Similar to the transient occupancy tax collection, the negative amount under the interest category reflects an accrual to the prior year.

**Miscellaneous Revenues:** Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through August 31, 2021, collections of \$53,000 are lower than collections through the same period last fiscal year by approximately 28%. This decrease is primarily attributable to the level of donations received compared to last fiscal year.

**Stadium Operation:** As of August 31, 2021, charges for services collected through the Stadium totaled \$0.1 million, which is well below par for this time of year. However, this is approximately 18.8% higher than collections through the same period last year resulting from the reopening of Stadium for events.

## Financial Status Report as of August 31, 2021

### General Fund Expenditures

As of August 31, 2021, \$81.1 million or 27.6% of the General Fund operating budget had been expended. Overall, expenditures in the General Fund are within budgeted levels through August. Departmental expenditures totaled \$37.7 million, or 15.4% of the budget, which is slightly below the par level of 16.7% 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 8/31/2021	Percentage Used	Actual Through 8/31/2020	Change From Prior Year	Percentage Change
<b>GENERAL GOVERNMENT</b>							
Non-Departmental	\$ 6,824,333	\$ 6,941,924	\$ 552,144	7.95%	\$ 347,628	\$ 204,516	58.83%
City Council	829,205	829,205	139,207	16.79%	90,328	48,879	54.11%
City Clerk	1,470,231	1,584,169	209,620	13.23%	305,611	(95,991)	-31.41%
City Manager	5,442,069	5,858,186	824,047	14.07%	832,826	(8,779)	-1.05%
City Attorney	3,097,380	3,119,380	435,670	13.97%	332,008	103,662	31.22%
Human Resources	4,133,810	4,257,886	570,591	13.40%	476,332	94,259	19.79%
Finance	17,439,442	17,805,818	2,606,321	14.64%	2,237,018	369,303	16.51%
<b>Total General Government</b>	<b>39,236,470</b>	<b>40,396,568</b>	<b>5,337,600</b>	<b>13.21%</b>	<b>4,621,751</b>	<b>715,849</b>	<b>15.49%</b>
<b>PUBLIC WORKS</b>	<b>23,201,356</b>	<b>24,198,161</b>	<b>3,911,605</b>	<b>16.16%</b>	<b>3,375,831</b>	<b>535,774</b>	<b>15.87%</b>
<b>COMMUNITY DEVELOPMENT</b>	<b>5,070,207</b>	<b>6,560,663</b>	<b>886,012</b>	<b>13.50%</b>	<b>2,079,654</b>	<b>(1,193,642)</b>	<b>-57.40%</b>
<b>PARKS AND RECREATION</b>	<b>20,982,990</b>	<b>21,433,077</b>	<b>2,988,349</b>	<b>13.94%</b>	<b>2,521,990</b>	<b>466,359</b>	<b>18.49%</b>
<b>PUBLIC SAFETY</b>							
Fire	60,581,403	61,011,002	10,537,598	17.27%	8,694,486	1,843,112	21.20%
Police	79,870,137	79,983,531	12,639,429	15.80%	10,990,560	1,648,869	15.00%
<b>Total Public Safety</b>	<b>140,451,540</b>	<b>140,994,533</b>	<b>23,177,027</b>	<b>16.44%</b>	<b>19,685,046</b>	<b>3,491,981</b>	<b>17.74%</b>
<b>LIBRARY</b>	<b>10,764,727</b>	<b>10,895,605</b>	<b>1,391,424</b>	<b>12.77%</b>	<b>1,313,320</b>	<b>78,104</b>	<b>5.95%</b>
<b>DEPARTMENTAL TOTAL</b>	<b>239,707,290</b>	<b>244,478,607</b>	<b>37,692,017</b>	<b>15.42%</b>	<b>33,597,592</b>	<b>4,094,425</b>	<b>12.19%</b>
<b>OTHER FINANCING USES</b>							
Operating Transfer Out - Miscellaneous	23,250,142	23,250,142	23,250,142	100.00%	10,445	23,239,697	222495.90%
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%
<b>Total Other Financing Uses</b>	<b>42,455,864</b>	<b>42,455,864</b>	<b>42,455,864</b>	<b>100.00%</b>	<b>24,876,813</b>	<b>17,579,051</b>	<b>70.66%</b>
<b>STADIUM OPERATION</b>	<b>7,171,786</b>	<b>7,218,126</b>	<b>956,189</b>	<b>13.25%</b>	<b>300,045</b>	<b>656,144</b>	<b>218.68%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 289,334,940</b>	<b>\$ 294,152,598</b>	<b>\$ 81,104,070</b>	<b>27.57%</b>	<b>\$ 58,774,450</b>	<b>\$ 22,329,620</b>	<b>37.99%</b>



### 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. As of August 31, 2021, expenditures totaled \$0.5 million, or 8.0% of the budget. These expenditures are well below the par level of 16.7% but are significantly above the prior year level, primarily as a result of higher expenditures in the mandated program costs for Silicon Valley Animal Control. Last fiscal year, this payment was not recorded until September.

**City Attorney:** As of August 31, 2021, actual expenditures totaled approximately \$0.4 million, which is 14% of the budget, which is below par. Spending is above the total expenditures through the same time last fiscal year by 31% 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 August, actual expenditures were tracking below budget at \$0.2 million or approximately 13.2% of the budget. This reflects a decrease of 31% 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 August, expenditures were at 16.8% of budget, which at par. Compared to the same period through last fiscal year, this reflects a spending increase of approximately 54%, 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 August totaled \$0.8 million, or 14.0% of the budget, which is below par for this time of the year. Expenditures are slightly lower compared with the spending level through the same period last fiscal year.

**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 August, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$0.9 million, or 13.5%, which is below the par level of 16.7%. 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 August, the Department's expenditures totaled \$2.6 million, or 14.6% of the budget, which is below par. This expenditure level was approximately 16.5% 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 large increase.

**Fire Department:** As of August 31, 2021, actual expenditures in the General Fund totaled \$10.5 million, or 17.3% of the budget, which is slightly above par. These expenditures reflect a 21.2% increase from expenditures through the same period last fiscal year. This is mainly attributable to the timing of internal service fund allocation charges. Last fiscal year, these charges were not recorded in the departmental expenditures until October. All COVID-19 related expenditures have been charged centrally to the Other City Departments Operating Grant Trust Fund. The Fire Department has charged approximately \$0.07 million to this fund, bringing total expenditures, including the General Fund, to \$10.6 million. Overtime expenditures are tracking at 39.8%, 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 August, actual expenditures totaled \$1.4 million, or 12.8% of the budget, which is below par and consistent with expenditure levels 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 August, actual expenditures totaled approximately \$3.0 million, or 13.9% of the budget, which is below par, but above the prior year actuals of \$2.5 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 August 31, 2021 are tracking at expected levels at \$12.6 million, or 15.8% of the budget; this is 15% above prior year spending. Again, this is also a result of the timing of internal service fund allocation charges. Last fiscal year, these charges were not recorded in the departmental expenditures until October. 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 August, charges to this fund totaled approximately \$0.02 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 \$0.9 million through August 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 August 31, 2021

### Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of August 31, 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 August 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 \$2.4 million, while expenditures totaled approximately \$2.7 million through the end of August. Overall, both revenues and expenditures are tracking slightly below par.

#### 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 8/31/2021	Percentage received	Actual Through 8/31/2020	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 261,000	\$ 261,000	\$ 14,011	5.37%	\$ 15,166	\$ (1,155)	-7.62%
City Affordable Housing Fund	657,000	657,000	31,694	4.82%	27,859	3,835	13.77%
Housing Successor Fund	350,000	350,000	66,494	19.00%	226,784	(160,290)	-70.68%
Housing and Urban Development	1,957,103	1,957,103	87,192	4.46%	228,339	(141,147)	-61.81%
Building Development Services Fee Fund	13,630,000	13,630,000	2,155,647	15.82%	0	2,155,647	100.00%
<b>TOTAL</b>	<b>\$ 16,855,103</b>	<b>\$ 16,855,103</b>	<b>\$ 2,355,038</b>	<b>13.97%</b>	<b>\$ 498,148</b>	<b>\$ 1,856,890</b>	<b>372.76%</b>

Fund Description	EXPENDITURES - FISCAL YEAR 2021/22				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 8/31/2021	Percentage used	Actual through 8/31/2020	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 363,099	\$ 483,099	\$ 31,440	6.51%	\$ 28,912	\$ 2,528	8.74%
City Affordable Housing Fund	1,431,111	2,852,650	176,890	6.20%	92,099	84,791	92.07%
Housing Successor Fund	915,640	1,260,001	128,342	10.19%	184,870	(56,528)	-30.58%
Housing and Urban Development	3,684,839	5,430,472	888,910	16.37%	515,802	373,108	72.34%
Building Development Services Fee Fund	12,256,059	12,256,059	1,482,855	12.10%	0	1,482,855	100.00%
<b>TOTAL</b>	<b>\$ 18,650,748</b>	<b>\$ 22,282,281</b>	<b>\$ 2,708,437</b>	<b>12.16%</b>	<b>\$ 821,683</b>	<b>\$ 1,886,754</b>	<b>229.62%</b>

### 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 August 2021. As of August 31, 2021, these capital fund expenditures totaled \$2.0 million, or 1.3% 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

EXPENDITURES - FISCAL YEAR 2021/22						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2021	Percentage Used	
Parks & Recreation	\$ 7,085,289	\$ 15,478,055	\$ 22,563,344	\$ 411,598	1.82%	
Streets & Highways	26,414,803	62,313,089	88,727,892	1,068,092	1.20%	
Storm Drain	592,169	10,471,505	11,063,674	103,492	0.94%	
Fire	837,110	1,017,587	1,854,697	22,669	1.22%	
Library	7,872	246,601	254,473	12,608	4.95%	
Public Buildings	397,953	7,547,118	7,945,071	114,788	1.44%	
General Gov't - Other	1,555,000	10,228,593	11,783,593	114,158	0.97%	
Related Santa Clara Developer	968,103	1,326,191	2,294,294	113,863	4.96%	
Tasman East Specific	23,757	-	23,757	-	0.00%	
Infrastructure Improvement Fund						
<b>TOTAL</b>	<b>\$ 37,882,056</b>	<b>\$ 108,628,739</b>	<b>\$ 146,510,795</b>	<b>\$ 1,961,268</b>	<b>1.34%</b>	

## Financial Status Report as of August 31, 2021

### Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of August 31, 2021. Overall, revenues and expenditures are tracking below budgeted levels.

While revenues are tracking below last fiscal year levels, expenditures are tracking significantly higher than prior year levels, primarily in the Electric Utility Fund. 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 August.

### 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 8/31/2021	Percentage received	Actual Through 8/31/2020	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 555,810,147	\$ 555,810,147	\$ 53,823,384	9.68%	\$ 48,301,982	\$ 5,521,402	11.43%
Water Utility Fund	49,489,630	49,489,630	6,069,678	12.26%	6,953,968	(884,290)	-12.72%
Sewer Utility Fund	58,344,697	58,344,697	4,095,652	7.02%	5,325,917	(1,230,265)	-23.10%
Cemetery Fund	600,000	600,000	132,408	22.07%	80,829	51,579	63.81%
Solid Waste Utility Fund	33,610,000	33,610,000	3,785,465	11.26%	3,195,828	589,637	18.45%
Water Recycling Fund	5,703,831	5,703,831	1,097,574	19.24%	631,015	466,559	73.94%
<b>TOTAL REVENUE</b>	<b>\$ 703,558,305</b>	<b>\$ 703,558,305</b>	<b>\$ 69,004,161</b>	<b>9.81%</b>	<b>\$ 64,489,539</b>	<b>\$ 4,514,622</b>	<b>7.00%</b>

Fund Description	EXPENSES - FISCAL YEAR 2021/22				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 8/31/2021	Percentage Used	Actual through 8/31/2020	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 511,251,732	\$ 513,122,550	\$ 77,898,641	15.18%	\$ 52,656,020	\$ 25,242,621	47.94%
Water Utility Fund	47,197,617	47,580,260	5,119,682	10.76%	4,507,876	611,806	13.57%
Sewer Utility Fund	30,565,333	30,707,268	6,576,816	21.42%	5,249,651	1,327,165	25.28%
Cemetery Fund	1,480,235	1,480,235	237,326	16.03%	176,481	60,845	34.48%
Solid Waste Utility Fund	33,323,675	36,981,208	4,517,524	12.22%	2,092,687	2,424,837	115.87%
Water Recycling Fund	5,709,582	5,709,582	1,251,718	21.92%	1,310,473	(58,755)	-4.48%
<b>TOTAL - Operating Appropriations</b>	<b>\$ 629,528,174</b>	<b>\$ 635,581,103</b>	<b>\$ 95,601,707</b>	<b>15.04%</b>	<b>\$ 65,993,188</b>	<b>\$ 29,608,519</b>	<b>44.87%</b>

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 August 31, 2021

A summary of expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actuals through August 2021 totaled approximately \$7.6 million, or 3.2% 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 8/31/2021	Percentage Used	Actual Through 8/31/2020
Electric Utility Fund	\$ 45,406,027	\$ 94,324,423	\$ 139,730,450	\$ 1,700,186	1.22%	\$ 11,618,228
Street Lighting <sup>(1)</sup>	-	5,953,560	5,953,560	43,022	0.72%	720
Water Utility Fund	6,285,000	5,815,672	12,100,672	441,284	3.65%	851,997
Sewer Utility Fund	47,296,944	25,449,390	72,746,334	5,078,831	6.98%	3,331,638
Cemetery Fund	8,409	351,635	360,044	1,401	0	-
Solid Waste Utility Fund	623,700	46,677	670,377	112,790	16.82%	2,719
Water Recycling Fund	50,000	-	50,000	-	-	-
Convention Center Capital Fund		3,500,000	3,500,000	207,237		
<b>TOTAL - CIP Appropriations</b>	<b>\$ 99,670,080</b>	<b>\$ 135,441,357</b>	<b>\$ 235,111,437</b>	<b>\$ 7,584,751</b>	<b>3.23%</b>	<b>\$ 15,805,302</b>

(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  
August 31, 2021**

**DETAIL OF SELECTED FUND RESERVE BALANCES:**

	<b>GENERAL FUND</b>	<b>ELECTRIC</b>	<b>WATER</b>
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
<b>TOTALS</b>	<b>\$ 85,565,430</b>	<b>\$ 157,814,531</b>	<b>\$ 303,090</b>



# City of Santa Clara

## Financial Status Report as of August 31, 2021

### 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 August 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:

<b>Fund Receiving Advance/Loan</b>	<b>Fund Making Advance/Loan</b>	<b>Type</b>	<b>Amount of Advance/Commitment</b>
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 August 2021 and for fiscal year 2021/22 are shown in the table below.

<b>Department</b>	<b>Aug-21</b>	<b>Fiscal Year 2021/22 Year To Date</b>	<b>Designated Use</b>
City Manager's Office	\$ -	\$ 50	Help Your Neighbor
Parks & Recreation	2,550	12,550	Case Management
Parks & Recreation	625	625	Wade Brummal
Police	0	75,000	PD Team 200
<b>TOTALS</b>	<b>\$ 3,175</b>	<b>\$ 88,225</b>	