



## Legislation Details (With Text)

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**Title:** Action on Monthly Financial Status and Investment Reports for September 2019

**Sponsors:**

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**Attachments:** 1. Monthly Financial Status Report September 2019, 2. Monthly Investment Report September 2019

Date	Ver.	Action By	Action	Result
11/19/2019	1	Council and Authorities Concurrent Meeting	Approved	

## REPORT TO COUNCIL

### SUBJECT

Action on Monthly Financial Status and Investment Reports for September 2019

### BACKGROUND

In compliance with the Charter of the City of Santa Clara and the adopted Investment Policy, the following reports for September 2019 are submitted for your information. The financial review as of September 30, 2019 provides a year-to-date financial update to the City Council for the current fiscal year. Analysis of the revenues collected and all expenditures through September 30, 2019 measures the level of adherence to the established resource allocation plan and allows the City to monitor and project revenues and expenditures throughout the year.

The Adopted Budget incorporates the estimated revenues and planned expenditures for all funds. The attached Financial Status Report provides the budget to actual revenue and expenditure summaries for the General Fund, Special Revenue Funds and Enterprise Operating Funds, as well as expenditure summary for Capital Improvement Funds and Fund Reserve Balances. Any significant variances are explained in the report.

In accordance with City Council Policy 051 - Donations to the City, included in this report is a monthly activity and annual summary of donations received by department. Although the requirement of the policy is to report quarterly, in its ongoing effort to streamline reporting, the City will include this information monthly in the financial status report.

### DISCUSSION

#### Monthly Financial Status Report (Attachment 1)

The attached report summarizes the City's financial performances as of September 30, 2019. Financial analysis for the report is provided for the General Fund, select Special Revenue Funds,

Enterprise Operating Funds, and Capital Improvement Funds.

With three months or 25% of the fiscal year complete, General Fund revenues are trending below budget at 18.5 %, largely due to the change in the budgeting basis for reporting revenue and expenditures, moving the City from a cash basis to a modified accrual basis. General Fund expenditures are at 26.1% of budget which is slightly higher than budgeted expectations, due to the recording of all one-time transfers from the General Fund to various other funds. Total revenues for Enterprise Funds (Electric, Water, Sewer, Cemetery, Solid Waste, and Water Recycling) are at 17.8% while total expenses are at 22.1%.

In the month of September, the City received \$92,059 in donations increasing the amount for the fiscal year to \$108,359.

### **Monthly Investment Report (Attachment 2)**

All securities held by the City of Santa Clara as of September 30, 2019 were in compliance with the City's Investment Policy Statement regarding current market strategy and long-term goals and objectives. All securities held are rated "A" or higher by two nationally recognized rating agencies. There is adequate cash flow and maturity of investments to meet the City's needs for the next six months.

The City's investment strategy for September 2019 was to invest funds not required to meet current obligations, in securities listed in the prevailing Investment Policy Statement, with maturities not to exceed five years from the date of purchase. This strategy ensures safety of the City's funds, provides liquidity to meet the City's cash needs, and earns a reasonable portfolio return of 1.98%.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

### **FISCAL IMPACT**

There is no fiscal impact for this report.

### **COORDINATION**

This report has been coordinated with the City Attorney's Office.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

### **RECOMMENDATION**

Note and file the Monthly Financial Status and Investment Reports for September 2019 as presented.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Monthly Financial Status Report September 2019
2. Monthly Investment Report September 2019