



Agenda Report

20-401

Agenda Date: 5/12/2020

REPORT TO COUNCIL

SUBJECT

Action on Monthly Financial Status and Investment Reports for February 2020 and Approve the Related Budget Amendments [Council Pillar: Enhance Community Engagement and Transparency]

BACKGROUND

In compliance with the Charter of the City of Santa Clara and the adopted Investment Policy, the following reports for February 2020 are submitted for your information. The financial review as of February 29, 2020 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 February 29, 2020 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 includes this information monthly in the financial status report.

DISCUSSION

Monthly Investment Report (Attachment 1)

All securities held by the City of Santa Clara as of February 29, 2020 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 February 2020 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 1.97%.

Monthly Financial Status Report (Attachment 2)

The attached report summarizes the City's financial performances as of February 29, 2020. Financial

analysis for the report is provided for the General Fund, select Special Revenue Funds, Enterprise Operating Funds, and Capital Improvement Funds.

With eight months or 66.7% of the fiscal year complete, General Fund revenues are trending slightly below budget at 62.5%, largely due to the change in budgeting methodology, moving the City from a cash basis to a modified accrual basis. General Fund departmental expenditures are at 60.7% of budget which is within budgeted expectations. Total revenues for Enterprise Funds (Electric, Water, Sewer, Cemetery, Solid Waste, and Water Recycling) are at 53.4% while total expenses are at 57.8%.

In the month of February, the City received \$150 in donations, bringing the year-to-date donations total to \$123,359.

It should be noted that the COVID-19 response and the current economic downturn are expected to significantly impact the City's revenue collections, particularly transient occupancy tax, sales tax, and fees for services and classes. On a national level, economic conditions have worsened in a very short period of time and many economists are now projecting one of the worst recessions in generations.

While there is very limited data available, the decline in revenues could result in a General Fund shortfall of approximately \$8 million - \$10 million in FY 2019/20 and over \$20 million in FY 2020/21. In response to this projected drop in revenues, several cost savings/budget balancing measures were implemented April 1, 2020 to generate current year savings as well as ongoing savings that will be used in FY 2020/21 and in the development of the FY 2021/22 and FY 2022/23 Biennial Operating Budget. These actions include a hiring freeze and controls around overtime, as-needed staff, marketing, travel, technology and vehicle purchases.

While actions are being taken to reduce the General Fund impact in FY 2019/20, the General Fund may end the year in a negative position and, in that case, would have to draw on the Budget Stabilization Reserve to balance the budget in 2019/20. The City has \$80 million in this reserve to address any negative balance. Further discussion is included in Attachment 2.

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

Approval of the FY 2019/20 Budget Amendments included in Attachment 3 is recommended in this report. From time to time, adjustments to the FY 2019/20 Adopted Budget are required to correct for budgets based on actual tracking, more appropriately align budgets with actual charges and correct for inadvertent errors. Attachment 3 details amendments trueing up various project costs in the capital funds and reconciling items in operating funds.

Also included in the budget amendments are appropriations for the food distribution program. The reallocation of funds from the City Manager's Office (\$70,000) and Non-Departmental (\$550,000) operating budgets for the food distribution program is included to set aside funds to cover Food

Distribution Program costs related to COVID-19 while the City seeks FEMA Reimbursements. The Food Distribution Program was conducted to ensure the health and safety of our residents who are at risk of needing meals in light of the COVID-19 pandemic. In addition, anticipated donations from the Mission City Community Fund is included for the food distribution program to cover costs not reimbursed by FEMA.

Net Budget Change – FY 2019/20 Budget Amendments		
Fund	Source of Funds	Use of Funds
General Fund	\$0	\$0
Electric Utility Fund	\$0	\$0
Other City Departments Operating Grant Trust Fund	\$726,500	\$726,500
Parks and Recreation Operating Grant Trust Fund	\$0	\$0
Street Lighting Capital Fund	\$9,415	\$9,415
Storm Drain Capital Fund	\$0	\$0
Electric Utility Capital Fund	\$1,206,339	\$1,206,339
Solid Waste Capital Fund	\$7,588	\$7,588
Total Net Budget Change	\$1,949,842	\$1,949,842

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>>.

RECOMMENDATION

Note and file the Monthly Financial Status and Investment Reports for February 2020 as presented and Approve Related Budget Amendments.

Reviewed by: Kenn Lee, Director of Finance
 Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Monthly Investment Report February 2020
2. Monthly Financial Status Report February 2020
3. FY 2019/20 Budget Amendments



**City of
Santa Clara**
The Center of What's Possible

MONTHLY INVESTMENT REPORT

February 2020

City of Santa Clara

Monthly Investment Report

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**CITY OF SANTA CLARA
SUMMARY OF INVESTMENT PORTFOLIO**

All securities held by the City of Santa Clara as of February 29, 2020 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 following table provides the breakdown of the total portfolio among the City, the Sports and Open Space Authority (SOSA), and the Housing Authority (HA) as of February 29, 2020.

	<u>BOOK VALUE</u>	<u>PERCENTAGE</u>
City	\$756,893,829	99.56%
SOSA	(131,904)	-0.02%
HA	<u>3,483,487</u>	<u>0.46%</u>
Unrestricted	\$760,245,412	<u>100.00%</u>
Restricted Bond Proceeds	<u>2,143,782</u>	
Total Investments	<u>\$762,389,194</u>	

On February 29, 2020 the book value and market value of the City's unrestricted pooled investment portfolio were \$760,245,412 and \$777,425,171, respectively.

Investment Strategy and Market Update

The City's investment strategy for February 2020 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 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.

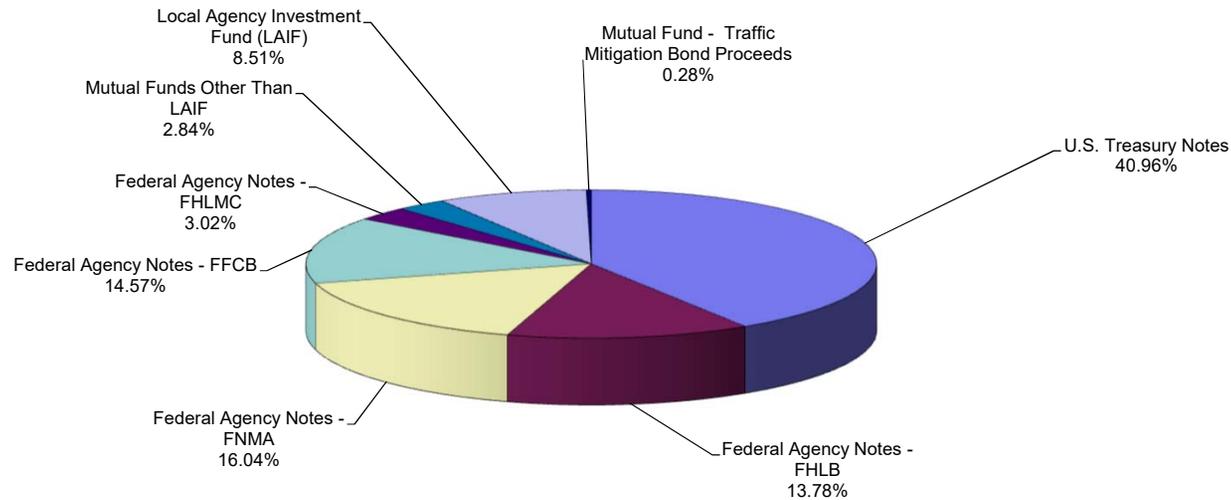
As of February 29, 2020, 47.41% of the City's portfolio consists of securities issued by four different Federal Agencies. In addition, City bond proceeds are invested in separate funds and are not included in the calculation of the City's portfolio yield. The average maturity of the City's portfolio was 2.14 years and the City's portfolio yield vs. the 24-month moving average yield of two-year Treasury Notes (Benchmark Yield*) was as follows:

<u>PERIOD</u>	<u>CITY'S PORTFOLIO YIELD</u>	<u>BENCHMARK YIELD*</u>	<u>AVERAGE MATURITY (YEARS)</u>
February 2020	1.97%	2.13%	2.14
January 2020	1.94%	2.19%	2.19
February 2019	2.08%	2.08%	2.09

*Beginning March 2019, the Benchmark Yield was revised from a 12-month moving average yield of two-year Treasury Notes to a 24-month moving average yield of two-year Treasury Notes to provide for a better measurement of the portfolio's performance by more closely approximating the benchmark with the portfolio's target weighted average maturity of less than three years. The February 2019 Benchmark Yield has been updated to reflect a 24-month moving average yield.

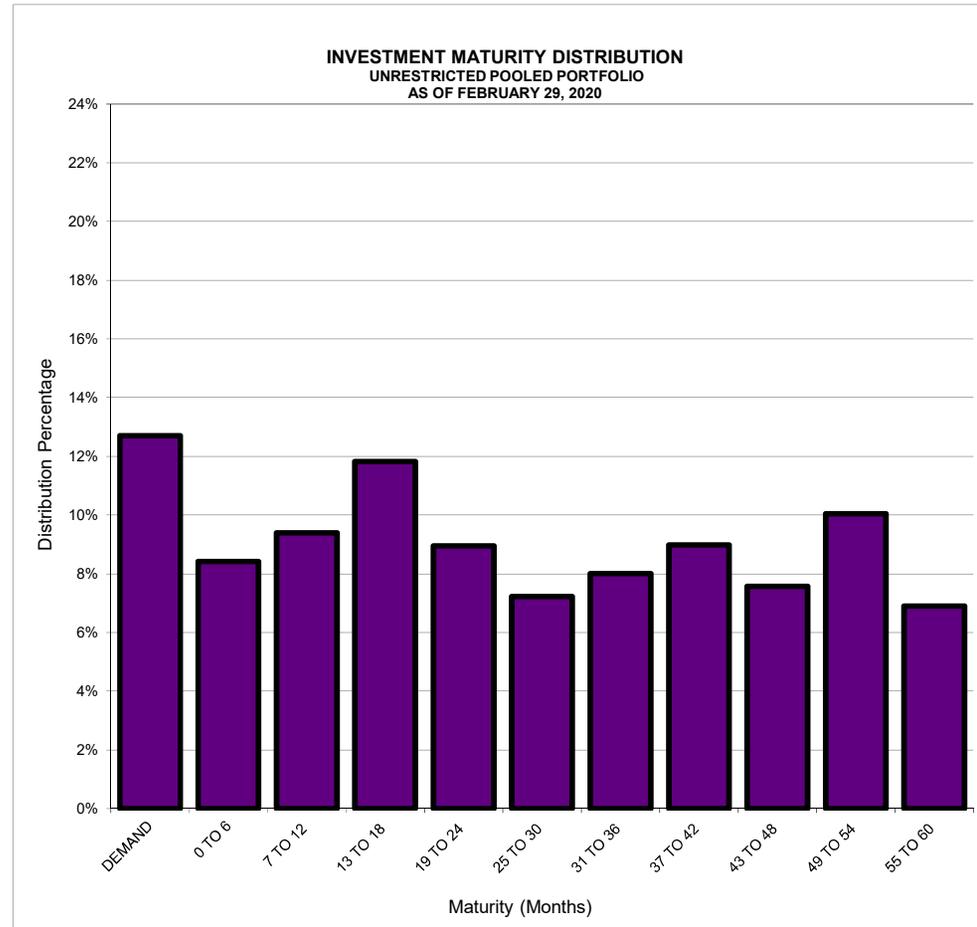
**CITY OF SANTA CLARA
SUMMARY OF INVESTMENTS FEBRUARY 29, 2020**

<u>INVESTMENT TYPE</u>	<u>BOOK VALUE</u>	<u>% OF PORTFOLIO</u>	<u>PER INVESTMENT POLICY</u>
U.S. Treasury Notes	312,276,736	40.96%	No Limit
Federal Agency Notes - FHLB	105,000,339	13.78%	40%
Federal Agency Notes - FNMA	122,300,527	16.04%	40%
Federal Agency Notes - FFCB	111,099,861	14.57%	40%
Federal Agency Notes - FHLMC	23,037,373	3.02%	40%
Mutual Funds Other Than LAIF	21,649,823	2.84%	10% Per Fund
Local Agency Investment Fund (LAIF)	64,880,753	8.51%	\$65 M
Mutual Fund - Traffic Mitigation Bond Proceeds	2,143,782	0.28%	10% Per Fund
TOTAL INVESTMENTS	\$ 762,389,194	100.00%	



**INVESTMENT MATURITY DISTRIBUTION
AS OF FEBRUARY 29, 2020
UNRESTRICTED POOLED PORTFOLIO**

<u>MATURITY (IN MONTHS)</u>	<u>BOOK VALUE</u>	<u>NUMBER OF INVESTMENTS</u>	<u>DISTRIBUTION</u>
DEMAND	\$ 96,548,579 (a)	4	12.70%
0 TO 6	64,019,061	9	8.42%
7 TO 12	71,357,998	9	9.39%
13 TO 18	89,842,429	16	11.82%
19 TO 24	68,049,231	13	8.95%
25 TO 30	54,911,052	10	7.22%
31 TO 36	60,906,133	11	8.01%
37 TO 42	68,262,103	11	8.98%
43 TO 48	57,541,759	11	7.57%
49 TO 54	76,336,335	15	10.04%
55 TO 60	52,470,732	8	6.90%
TOTAL	\$ 760,245,412	117	100.00%



Average Maturity of Unrestricted Pool: 2.14 Years

(a) \$20 million is earmarked for the City's Electric Utility power-trading.

CITY OF SANTA CLARA

**List of Securities Brokers and Primary Dealers
in U.S. Government Securities and Mutual Funds**

Raymond James

Higgins Capital, Inc.

Wedbush Securities

Mutual Securities, Inc.

UnionBanc Investment Services, LLC.

Ladenburg Thalmann & Co. Inc.

UBS Financial Services

All individuals securities purchased by the City of Santa Clara from Securities Brokers/Primary Dealers are delivered to the City's safekeeping account with Wells Fargo Bank, N.A..



Market Inventory

As Of Date: 02/29/2020

Date Basis: Settlement

ATTACHMENT A

Run: 03/02/2020 03:14:24 PM

Reporting Currency: Local

City of Santa Clara

INV	CUSIP	Description	Purchase	Maturity	Coupon	Yield TM	Current Par	Current Book	Market Value	Market Price	Unrealized G/L	PRC Source
Inv Type: 12 TREASURY NOTES												
17383	912828XH8	TREASURY NOTES	01/29/2020	06/30/2020	1.625000	1.529489	10,000,000.00	10,016,852.68	10,009,800.00	100.098000	5,893.75	IDC-FIS
17356	9128282J8	TREASURY NOTES	07/09/2019	07/15/2020	1.500000	1.999197	5,000,000.00	4,987,836.02	5,003,500.00	100.070000	15,663.98	IDC-FIS
17296	912828Q37	TREASURY NOTES	02/14/2017	03/31/2021	1.250000	1.803695	5,000,000.00	4,960,202.55	5,009,950.00	100.199000	49,747.45	IDC-FIS
17322	9128284G2	TREASURY NOTES	06/19/2018	04/15/2021	2.375000	2.662058	5,000,000.00	4,979,378.90	5,072,850.00	101.457000	93,471.10	IDC-FIS
17343	912828WR7	TREASURY NOTES	02/19/2019	06/30/2021	2.125000	2.496231	5,000,000.00	4,973,154.28	5,074,400.00	101.488000	101,245.72	IDC-FIS
17369	912828WY2	TREASURY NOTES	10/24/2019	07/31/2021	2.250000	1.621904	10,000,000.00	10,092,113.73	10,177,300.00	101.773000	85,186.27	IDC-FIS
17338	9128285F3	TREASURY NOTES	01/17/2019	10/15/2021	2.875000	2.543204	5,000,000.00	5,031,731.46	5,154,300.00	103.086000	122,568.54	IDC-FIS
17321	912828U65	TREASURY NOTES	05/22/2018	11/30/2021	1.750000	2.805608	10,000,000.00	9,800,523.46	10,141,800.00	101.418000	341,276.54	IDC-FIS
17306	912828U81	TREASURY NOTES	11/09/2017	12/31/2021	2.000000	1.914991	5,000,000.00	5,008,104.24	5,096,700.00	101.934000	88,595.76	IDC-FIS
17312	912828V72	TREASURY NOTES	02/26/2018	01/31/2022	1.875000	2.530589	5,000,000.00	4,938,000.87	5,091,200.00	101.824000	153,199.13	IDC-FIS
17297	912828J43	TREASURY NOTES	03/03/2017	02/28/2022	1.750000	2.067799	5,000,000.00	4,962,520.57	5,083,200.00	101.664000	120,679.43	IDC-FIS
17334	912828J43	TREASURY NOTES	12/14/2018	02/28/2022	1.750000	2.763338	5,000,000.00	4,879,760.83	5,083,200.00	101.664000	203,439.17	IDC-FIS
17309	912828W89	TREASURY NOTES	01/25/2018	03/31/2022	1.875000	2.368364	5,000,000.00	4,941,636.63	5,100,000.00	102.000000	158,363.37	IDC-FIS
17308	912828X47	TREASURY NOTES	01/22/2018	04/30/2022	1.875000	2.361028	5,000,000.00	4,942,592.28	5,104,500.00	102.090000	161,907.72	IDC-FIS
17300	912828XD7	TREASURY NOTES	06/09/2017	05/31/2022	1.875000	1.772818	5,000,000.00	5,012,156.03	5,109,400.00	102.188000	97,243.97	IDC-FIS
17335	912828XG0	TREASURY NOTES	12/21/2018	06/30/2022	2.125000	2.638411	5,000,000.00	4,939,169.34	5,142,200.00	102.844000	203,030.66	IDC-FIS
17375	912828XG0	TREASURY NOTES	11/25/2019	06/30/2022	2.125000	1.596160	10,000,000.00	10,128,755.03	10,284,400.00	102.844000	155,644.97	IDC-FIS
17315	9128282P4	TREASURY NOTES	03/27/2018	07/31/2022	1.875000	2.591504	5,000,000.00	4,915,912.25	5,117,600.00	102.352000	201,687.75	IDC-FIS
17303	912828L24	TREASURY NOTES	09/29/2017	08/31/2022	1.875000	1.913317	5,000,000.00	4,994,525.00	5,121,500.00	102.430000	126,975.00	IDC-FIS
17304	912828L57	TREASURY NOTES	10/06/2017	09/30/2022	1.750000	1.958257	5,000,000.00	4,970,387.62	5,110,750.00	102.215000	140,362.38	IDC-FIS
17318	9128282W9	TREASURY NOTES	04/20/2018	09/30/2022	1.875000	2.739970	5,000,000.00	4,878,712.02	5,127,150.00	102.543000	248,437.98	IDC-FIS
17305	912828M49	TREASURY NOTES	10/31/2017	10/31/2022	1.875000	2.071694	5,000,000.00	4,972,124.65	5,129,900.00	102.598000	157,775.35	IDC-FIS
17307	912828M80	TREASURY NOTES	12/18/2017	11/30/2022	2.000000	2.168858	5,000,000.00	4,976,105.55	5,150,600.00	103.012000	174,494.45	IDC-FIS
17320	912828N30	TREASURY NOTES	05/15/2018	12/31/2022	2.125000	2.835579	10,000,000.00	9,801,689.09	10,346,900.00	103.469000	545,210.91	IDC-FIS
17311	912828P38	TREASURY NOTES	02/14/2018	01/31/2023	1.750000	2.566484	5,000,000.00	4,885,748.65	5,124,800.00	102.496000	239,051.35	IDC-FIS
17314	912828P79	TREASURY NOTES	02/28/2018	02/28/2023	1.500000	2.682776	10,000,000.00	9,615,662.65	10,182,400.00	101.824000	566,737.35	IDC-FIS
17317	912828Q29	TREASURY NOTES	04/11/2018	03/31/2023	1.500000	2.624318	10,000,000.00	9,633,638.20	10,187,100.00	101.871000	553,461.80	IDC-FIS
17319	912828R28	TREASURY NOTES	05/09/2018	04/30/2023	1.625000	2.824390	10,000,000.00	9,611,564.39	10,230,100.00	102.301000	618,535.61	IDC-FIS
17323	912828R69	TREASURY NOTES	07/17/2018	05/31/2023	1.625000	2.763323	10,000,000.00	9,629,874.58	10,233,200.00	102.332000	603,325.42	IDC-FIS
17339	912828S35	TREASURY NOTES	01/17/2019	06/30/2023	1.375000	2.549274	5,000,000.00	4,807,066.35	5,079,100.00	101.582000	272,033.65	IDC-FIS
17378	912828S35	TREASURY NOTES	12/18/2019	06/30/2023	1.375000	1.682342	5,000,000.00	4,948,031.13	5,079,100.00	101.582000	131,068.87	IDC-FIS
17326	912828Y61	TREASURY NOTES	09/18/2018	07/31/2023	2.750000	2.899455	5,000,000.00	4,975,737.29	5,310,750.00	106.215000	335,012.71	IDC-FIS
17328	912828Y61	TREASURY NOTES	09/28/2018	07/31/2023	2.750000	2.961654	5,000,000.00	4,965,698.92	5,310,750.00	106.215000	345,051.08	IDC-FIS
17324	9128282D1	TREASURY NOTES	09/13/2018	08/31/2023	1.375000	2.867264	5,000,000.00	4,723,808.95	5,082,400.00	101.648000	358,591.05	IDC-FIS
17330	912828T26	TREASURY NOTES	11/14/2018	09/30/2023	1.375000	3.011415	7,500,000.00	7,046,808.11	7,625,700.00	101.676000	578,891.89	IDC-FIS
17340	912828T91	TREASURY NOTES	01/28/2019	10/31/2023	1.625000	2.579465	5,000,000.00	4,821,551.61	5,131,250.00	102.625000	309,698.39	IDC-FIS



Market Inventory

ATTACHMENT A

As Of Date: 02/29/2020

Date Basis: Settlement

Run: 03/02/2020 03:14:24 PM

Reporting Currency: Local

City of Santa Clara

INV	CUSIP	Description	Purchase	Maturity	Coupon	Yield TM	Current Par	Current Book	Market Value	Market Price	Unrealized G/L	PRC Source
17345	912828U57	TREASURY NOTES	02/28/2019	11/30/2023	2.125000	2.496362	5,000,000.00	4,930,353.54	5,224,600.00	104.492000	294,246.46	IDC-FIS
17346	912828V23	TREASURY NOTES	03/14/2019	12/31/2023	2.250000	2.437027	5,000,000.00	4,964,863.80	5,253,150.00	105.063000	288,286.20	IDC-FIS
17342	912828V80	TREASURY NOTES	02/14/2019	01/31/2024	2.250000	2.524589	5,000,000.00	4,948,697.06	5,257,800.00	105.156000	309,102.94	IDC-FIS
17347	912828W48	TREASURY NOTES	03/20/2019	02/29/2024	2.125000	2.440257	5,000,000.00	4,933,620.31	5,237,700.00	104.754000	304,079.69	IDC-FIS
17352	912828W71	TREASURY NOTES	04/30/2019	03/31/2024	2.125000	2.319173	5,000,000.00	4,958,927.86	5,243,150.00	104.863000	284,222.14	IDC-FIS
17353	912828X70	TREASURY NOTES	05/17/2019	04/30/2024	2.000000	2.202374	5,000,000.00	4,957,121.47	5,221,300.00	104.426000	264,178.53	IDC-FIS
17359	912828WJ5	TREASURY NOTES	08/16/2019	05/15/2024	2.500000	1.428853	5,000,000.00	5,231,925.40	5,326,550.00	106.531000	94,624.60	IDC-FIS
17367	912828WJ5	TREASURY NOTES	10/11/2019	05/15/2024	2.500000	1.498657	5,000,000.00	5,216,732.63	5,326,550.00	106.531000	109,817.37	IDC-FIS
17361	912828XX3	TREASURY NOTES	08/30/2019	06/30/2024	2.000000	1.414330	5,000,000.00	5,126,755.83	5,230,450.00	104.609000	103,694.17	IDC-FIS
17376	9128286Z8	TREASURY NOTES	12/13/2019	06/30/2024	1.750000	1.739161	7,250,000.00	7,253,359.57	7,505,997.50	103.531000	252,637.93	IDC-FIS
17364	9128282N9	TREASURY NOTES	09/11/2019	07/31/2024	2.125000	1.556000	5,000,000.00	5,122,635.55	5,261,350.00	105.227000	138,714.45	IDC-FIS
17370	9128282Y5	TREASURY NOTES	10/28/2019	09/30/2024	2.125000	1.630859	5,000,000.00	5,124,534.67	5,269,150.00	105.383000	152,743.75	IDC-FIS
17373	9128283D0	TREASURY NOTES	11/19/2019	10/31/2024	2.250000	1.636035	10,000,000.00	10,302,369.51	10,604,300.00	106.043000	313,675.00	IDC-FIS
17379	9128283J7	TREASURY NOTES	01/07/2020	11/30/2024	2.125000	1.617525	5,000,000.00	5,129,976.73	5,277,950.00	105.559000	159,004.69	IDC-FIS
17380	9128283P3	TREASURY NOTES	01/08/2020	12/31/2024	2.250000	1.618632	10,000,000.00	10,305,726.30	10,623,400.00	106.234000	322,618.75	IDC-FIS
Subtotal					1.937233	2.232356	314,750,000.00	312,276,736.14	324,283,147.50	103.028800	12,055,207.19	

Inv Type: 21 FHLB MEDIUM TERM NOTES

17280	313378J77	FHLB MEDIUM TERM NO	11/09/2016	03/13/2020	1.875000	1.123916	5,000,000.00	5,018,233.52	5,000,650.00	100.013000	-17,583.52	IDC-FIS
17256	313370US5	FHLB MEDIUM TERM NO	07/22/2016	09/11/2020	2.875000	1.175915	5,000,000.00	5,082,547.45	5,042,200.00	100.844000	-40,347.45	IDC-FIS
17282	3130A1W95	FHLB MEDIUM TERM NO	11/18/2016	06/11/2021	2.250000	1.696591	5,000,000.00	5,039,728.09	5,079,350.00	101.587000	39,621.91	IDC-FIS
17387	3130A1W95	FHLB MEDIUM TERM NO	02/26/2020	06/11/2021	2.250000	1.258135	5,000,000.00	5,086,737.50	5,079,350.00	101.587000	16,050.00	IDC-FIS
17286	3130A8QS5	FHLB MEDIUM TERM NO	11/29/2016	07/14/2021	1.125000	1.814259	5,000,000.00	4,950,753.26	5,010,050.00	100.201000	59,296.74	IDC-FIS
17277	313378JP7	FHLB MEDIUM TERM NO	11/01/2016	09/10/2021	2.375000	1.428993	5,000,000.00	5,091,023.68	5,105,150.00	102.103000	14,126.32	IDC-FIS
17341	3130AFFN2	FHLB MEDIUM TERM NO	02/11/2019	12/10/2021	3.000000	2.497201	5,000,000.00	5,048,124.88	5,177,400.00	103.548000	129,275.12	IDC-FIS
17333	313383WD9	FHLB MEDIUM TERM NO	12/13/2018	09/09/2022	3.125000	2.898026	5,000,000.00	5,031,904.10	5,274,850.00	105.497000	242,945.90	IDC-FIS
17363	3130A3DL5	FHLB MEDIUM TERM NO	09/06/2019	09/08/2023	2.375000	1.527008	5,000,000.00	5,163,798.43	5,243,300.00	104.866000	79,501.57	IDC-FIS
17336	3130A0F70	FHLB MEDIUM TERM NO	01/09/2019	12/08/2023	3.375000	2.727479	5,000,000.00	5,120,340.13	5,440,450.00	108.809000	320,109.87	IDC-FIS
17350	3130AB3H7	FHLB MEDIUM TERM NO	04/12/2019	03/08/2024	2.375000	2.380001	5,000,000.00	4,998,895.86	5,271,900.00	105.438000	273,004.14	IDC-FIS
17374	3130A1XJ2	FHLB MEDIUM TERM NO	11/21/2019	06/14/2024	2.875000	1.641007	5,000,000.00	5,266,314.83	5,398,300.00	107.966000	131,985.17	IDC-FIS
17365	3130AGWK7	FHLB MEDIUM TERM NO	09/19/2019	08/15/2024	1.500000	1.644760	5,000,000.00	4,968,845.98	5,116,300.00	102.326000	147,454.02	IDC-FIS
17368	3130A2UW4	FHLB MEDIUM TERM NO	10/17/2019	09/13/2024	2.875000	1.656994	5,000,000.00	5,299,326.39	5,408,000.00	108.160000	122,250.00	IDC-FIS
Subtotal					2.453159	1.817656	70,000,000.00	71,166,574.10	72,647,250.00	103.781786	1,517,689.79	

Inv Type: 22 FHLB COUPON NOTES

17253	3130A8NS8	FHLB COUPON NOTES	07/13/2016	07/13/2020	1.240000	1.282449	5,000,000.00	4,998,977.93	5,000,000.00	100.000000	1,022.07	IDC-FIS
17235	3130A7CT0	FHLB COUPON NOTES	02/26/2016	08/26/2020	1.560000	1.566931	10,000,000.00	9,999,669.51	10,008,400.00	100.084000	8,730.49	IDC-FIS
17278	3130A9MG3	FHLB COUPON NOTES	11/01/2016	09/30/2021	1.500000	1.550827	5,000,000.00	4,995,117.06	5,000,150.00	100.003000	5,032.94	IDC-FIS



Market Inventory

As Of Date: 02/29/2020

Date Basis: Settlement

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Reporting Currency: Local

City of Santa Clara

INV	CUSIP	Description	Purchase	Maturity	Coupon	Yield TM	Current Par	Current Book	Market Value	Market Price	Unrealized G/L	PRC Source
17354	3130AGMK8	FHLB COUPON NOTES	06/28/2019	06/28/2024	2.220000	2.220000	5,000,000.00	5,000,000.00	5,058,450.00	101.169000	58,450.00	IDC-FIS
17360	3130AGXF7	FHLB COUPON NOTES	08/26/2019	08/26/2024	1.650000	1.650000	5,000,000.00	5,000,000.00	5,038,850.00	100.777000	38,850.00	IDC-FIS
17371	3130AHGL1	FHLB COUPON NOTES	11/04/2019	11/04/2024	1.875000	1.875000	3,840,000.00	3,840,000.00	3,878,284.80	100.997000	38,284.80	IDC-FIS
Subtotal					1.650449	1.666273	33,840,000.00	33,833,764.50	33,984,134.80	100.425930	150,370.30	

Inv Type: 23 FNMA COUPON NOTE

17275	3135G0Q63	FNMA COUPON NOTE	10/24/2016	03/30/2020	1.300000	1.309489	5,000,000.00	4,999,768.87	4,999,550.00	99.991000	-218.87	IDC-FIS
17273	3136G4DC4	FNMA COUPON NOTE	10/13/2016	06/30/2020	1.300000	1.313939	5,000,000.00	4,999,664.45	5,001,450.00	100.029000	1,785.55	IDC-FIS
17258	3136G3S89	FNMA COUPON NOTE	07/27/2016	07/27/2020	1.420000	1.420000	4,025,000.00	4,025,000.00	4,027,978.50	100.074000	2,978.50	IDC-FIS
17259	3136G3T39	FNMA COUPON NOTE	07/28/2016	07/28/2020	1.350000	1.350000	5,000,000.00	5,000,000.00	5,002,200.00	100.044000	2,200.00	IDC-FIS
17251	3136G3WY7	FNMA COUPON NOTE	06/30/2016	09/30/2020	1.270000	1.270000	10,000,000.00	10,000,000.00	10,002,700.00	100.027000	2,700.00	IDC-FIS
17270	3136G4BD4	FNMA COUPON NOTE	09/29/2016	03/29/2021	1.350000	1.350000	5,540,000.00	5,540,000.00	5,560,387.20	100.368000	20,387.20	IDC-FIS
17266	3136G33W3	FNMA COUPON NOTE	08/30/2016	05/28/2021	1.500000	1.500000	5,800,000.00	5,800,000.00	5,804,872.00	100.084000	4,872.00	IDC-FIS
17267	3136G33W3	FNMA COUPON NOTE	08/30/2016	05/28/2021	1.500000	1.500000	4,200,000.00	4,200,000.00	4,203,528.00	100.084000	3,528.00	IDC-FIS
17262	3136G3T21	FNMA COUPON NOTE	07/27/2016	07/27/2021	1.600000	1.600000	5,000,000.00	5,000,000.00	5,004,450.00	100.089000	4,450.00	IDC-FIS
17276	3136G4CY7	FNMA COUPON NOTE	11/01/2016	09/30/2021	1.500000	1.542332	3,400,000.00	3,397,233.00	3,400,884.00	100.026000	3,651.00	IDC-FIS
17272	3136G4EV1	FNMA COUPON NOTE	10/28/2016	10/28/2021	1.625000	1.625000	5,000,000.00	5,000,000.00	5,004,050.00	100.081000	4,050.00	IDC-FIS
Subtotal					1.412392	1.416894	57,965,000.00	57,961,666.32	58,012,049.70	100.081169	50,383.38	

Inv Type: 24 FNMA MEDIUM TERM NOTE

17226	3135G0D75	FNMA MEDIUM TERM NO	10/23/2015	06/22/2020	1.500000	1.428035	10,000,000.00	10,003,449.88	10,005,400.00	100.054000	1,950.12	IDC-FIS
17238	3135G0F73	FNMA MEDIUM TERM NO	03/17/2016	11/30/2020	1.500000	1.601110	10,000,000.00	9,990,296.39	10,024,200.00	100.242000	33,903.61	IDC-FIS
17279	3135G0H55	FNMA MEDIUM TERM NO	11/16/2016	12/28/2020	1.875000	1.584161	5,000,000.00	5,014,012.31	5,026,700.00	100.534000	12,687.69	IDC-FIS
17248	3136G02F7	FNMA MEDIUM TERM NO	06/03/2016	05/07/2021	1.600000	1.474085	2,000,000.00	2,003,617.74	2,012,680.00	100.634000	9,062.26	IDC-FIS
17268	3135G0N82	FNMA MEDIUM TERM NO	08/25/2016	08/17/2021	1.250000	1.298063	10,000,000.00	9,993,062.38	10,043,100.00	100.431000	50,037.62	IDC-FIS
17271	3135G0Q89	FNMA MEDIUM TERM NO	10/11/2016	10/07/2021	1.375000	1.450052	5,000,000.00	4,992,788.14	5,031,550.00	100.631000	38,761.86	IDC-FIS
17329	3135G0S38	FNMA MEDIUM TERM NO	10/11/2018	01/05/2022	2.000000	3.012476	5,000,000.00	4,904,303.30	5,094,750.00	101.895000	190,446.70	IDC-FIS
17310	3135G0T78	FNMA MEDIUM TERM NO	01/29/2018	10/05/2022	2.000000	2.496939	5,000,000.00	4,930,041.67	5,125,950.00	102.519000	195,908.33	IDC-FIS
17377	3135G0V75	FNMA MEDIUM TERM NO	12/18/2019	07/02/2024	1.750000	1.732000	5,000,000.00	5,003,862.12	5,161,650.00	103.233000	157,787.88	IDC-FIS
17382	3135G0X24	FNMA MEDIUM TERM NO	01/23/2020	01/07/2025	1.625000	1.627706	7,500,000.00	7,503,426.04	7,711,350.00	102.818000	212,325.00	IDC-FIS
Subtotal					1.594256	1.699641	64,500,000.00	64,338,859.97	65,237,330.00	101.143147	902,871.07	

Inv Type: 26 FFCB MEDIUM TERM NOTES

17234	3133EFY24	FFCB MEDIUM TERM NO	02/18/2016	02/10/2021	1.375000	1.490028	10,000,000.00	9,988,963.72	10,029,800.00	100.298000	40,836.28	IDC-FIS
17386	3133EGYS8	FFCB MEDIUM TERM NO	02/05/2020	04/14/2022	1.400000	1.451035	5,000,000.00	5,016,068.33	5,051,700.00	101.034000	57,215.00	IDC-FIS
17357	3133EKVE3	FFCB MEDIUM TERM NO	07/19/2019	07/19/2022	1.850000	1.889266	5,000,000.00	4,995,262.14	5,111,650.00	102.233000	116,387.86	IDC-FIS
17358	3133EKYJ9	FFCB MEDIUM TERM NO	08/14/2019	08/05/2022	1.850000	1.643841	5,000,000.00	5,024,974.98	5,113,850.00	102.277000	88,875.02	IDC-FIS



Market Inventory

As Of Date: 02/29/2020

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Reporting Currency: Local

City of Santa Clara

INV	CUSIP	Description	Purchase	Maturity	Coupon	Yield TM	Current Par	Current Book	Market Value	Market Price	Unrealized G/L	PRC Source
17366	3133EHM91	FFCB MEDIUM TERM NO	10/08/2019	11/01/2022	2.080000	1.440040	1,800,000.00	1,833,630.19	1,854,306.00	103.017000	20,675.81	IDC-FIS
17316	3133EJGU7	FFCB MEDIUM TERM NO	03/29/2018	12/16/2022	2.710000	2.638022	5,000,000.00	5,010,127.00	5,244,100.00	104.882000	233,973.00	IDC-FIS
17332	3133EJSD2	FFCB MEDIUM TERM NO	11/29/2018	06/19/2023	2.890000	2.983126	5,000,000.00	4,984,834.19	5,314,600.00	106.292000	329,765.81	IDC-FIS
17381	3133ELHZ0	FFCB MEDIUM TERM NO	01/17/2020	07/17/2023	1.600000	1.610620	5,000,000.00	4,998,200.00	5,108,000.00	102.160000	109,800.00	IDC-FIS
17327	3133EJWV7	FFCB MEDIUM TERM NO	09/18/2018	08/14/2023	2.900000	3.000958	5,000,000.00	4,983,649.25	5,330,300.00	106.606000	346,650.75	IDC-FIS
17331	3133EJD48	FFCB MEDIUM TERM NO	11/28/2018	10/02/2023	3.050000	3.024022	7,575,000.00	7,582,114.59	8,133,807.75	107.377000	551,693.16	IDC-FIS
17355	3133EHN25	FFCB MEDIUM TERM NO	06/27/2019	11/01/2023	2.200000	1.866116	2,965,000.00	3,002,782.46	3,097,891.30	104.482000	95,108.84	IDC-FIS
17348	3133EKBW5	FFCB MEDIUM TERM NO	03/21/2019	02/27/2024	2.610000	2.466241	5,000,000.00	5,026,828.71	5,317,900.00	106.358000	291,071.29	IDC-FIS
17362	3133EKHV1	FFCB MEDIUM TERM NO	09/05/2019	07/22/2024	2.450000	1.384069	5,000,000.00	5,230,958.08	5,311,350.00	106.227000	80,391.92	IDC-FIS
17372	3133EK4Y9	FFCB MEDIUM TERM NO	11/12/2019	11/01/2024	1.650000	1.806956	5,000,000.00	4,965,370.83	5,132,550.00	102.651000	169,700.00	IDC-FIS
Subtotal					2.166770	2.074992	72,340,000.00	72,643,764.47	75,151,805.05	103.886930	2,532,144.74	

Inv Type: 27 FFCB COUPON NOTES

17255	3133EGLG8	FFCB COUPON NOTES	07/15/2016	10/13/2020	1.370000	1.407888	10,000,000.00	9,996,352.35	10,000,200.00	100.002000	3,847.65	IDC-FIS
17254	3133EGLH6	FFCB COUPON NOTES	07/12/2016	01/12/2021	1.420000	1.438423	10,000,000.00	9,998,224.92	10,000,100.00	100.001000	1,875.08	IDC-FIS
17245	3133EGAZ8	FFCB COUPON NOTES	05/19/2016	02/17/2021	1.580000	1.620022	6,290,000.00	6,287,600.94	6,290,125.80	100.002000	2,524.86	IDC-FIS
17250	3133EFX36	FFCB COUPON NOTES	06/23/2016	04/05/2021	1.680000	1.619839	7,175,000.00	7,181,178.02	7,175,215.25	100.003000	-5,962.77	IDC-FIS
17283	3133EGEV3	FFCB COUPON NOTES	11/18/2016	06/14/2021	1.620000	1.721070	5,000,000.00	4,992,740.53	5,000,100.00	100.002000	7,359.47	IDC-FIS
Subtotal					1.507681	1.530750	38,465,000.00	38,456,096.76	38,465,741.05	100.001927	9,644.29	

Inv Type: 28 FHLMC MEDIUM TERM NOTES

17233	3137EADR7	FHLMC MEDIUM TERM N	12/07/2015	05/01/2020	1.375000	1.635015	10,000,000.00	9,987,610.45	9,998,800.00	99.988000	11,189.55	IDC-FIS
17388	3134G9M20	FHLMC MEDIUM TERM N	02/26/2020	07/26/2021	1.875000	1.275218	5,000,000.00	5,049,762.50	5,058,650.00	101.173000	16,700.00	IDC-FIS
Subtotal					1.542907	1.514190	15,000,000.00	15,037,372.95	15,057,450.00	100.383000	27,889.55	

Inv Type: 29 FHLMC COUPON NOTES

17269	3134GANV2	FHLMC COUPON NOTES	09/30/2016	12/30/2020	1.500000	1.500000	5,000,000.00	5,000,000.00	5,000,850.00	100.017000	850.00	IDC-FIS
17351	3134GTKG7	FHLMC COUPON NOTES	05/03/2019	05/03/2024	2.600000	2.600000	3,000,000.00	3,000,000.00	3,048,360.00	101.612000	48,360.00	IDC-FIS
Subtotal					1.912500	1.912500	8,000,000.00	8,000,000.00	8,049,210.00	100.615125	49,210.00	

Inv Type: 99 LOCAL AGENCY INVESTMENT FUND

16059		STATE OF CA DEMAND	09/30/1997	03/01/2020	2.250031	2.250031	64,880,753.40	64,880,753.40	64,880,753.40	100.000000	0.00	BOOK
Subtotal					2.250031	2.250031	64,880,753.40	64,880,753.40	64,880,753.40	100.000000	0.00	

Inv Type: 305 MUTUAL FUNDS-FIDELITY

17385		FIDELITY PRIME MMKT	12/13/2019	03/01/2020	1.692973	1.687083	21,643,313.25	21,649,822.88	21,656,299.24	100.060000	6,476.36	USERPR
Subtotal					1.692973	1.687083	21,643,313.25	21,649,822.88	21,656,299.24	100.060000	6,476.36	



Market Inventory

As Of Date: 02/29/2020

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Reporting Currency: Local

City of Santa Clara

INV	CUSIP	Description	Purchase	Maturity	Coupon	Yield TM	Current Par	Current Book	Market Value	Market Price	Unrealized G/L	PRC Source
Inv Type: 315 MUTUAL FUNDS-DREYFUS												
16064		DREYFUS TREASURY CA	10/31/1997	03/01/2020	1.495387	1.495387	2,143,782.02	2,143,782.02	2,143,782.02	100.000000	0.00	BOOK
				Subtotal	1.495387	1.495387	2,143,782.02	2,143,782.02	2,143,782.02	100.000000	0.00	
Grand Total				Count 118	1.914428	1.977612	763,527,848.67	762,389,193.51	779,568,952.76	102.100919	17,301,886.67	



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

February 2020

This report summarizes the City's financial performance for the month ended February 29, 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 of the City. The adopted budget for both operating revenues and expenditures for fiscal year 2019/20 was \$263.2 million. The amended budget for both was revised to \$274.5 million to reflect carryover appropriations from fiscal year 2018/19 and various budget amendments approved by the City Council through February 2020.

At the end of fiscal year 2018/19, the City implemented an accounting change that switched from a cash basis to a modified-accrual basis, which is reflected in the tables of this report. As a result of this change, a number of revenues are tracking lower than prior year collections and appear below par through February due to the timing of payments. Factoring out these timing differences, revenues were tracking to slightly exceed the budgeted estimate by year end. Expenditures were also tracking within budgeted expectations through February. While overall departmental expenditures were within expected levels, personnel-related costs for a few departments were tracking above budgeted levels. Based on performance through February, the General Fund was tracking to end in a positive operating position. However, the General Fund is now expected to be significantly impacted in the last few months of the fiscal year by actions associated with the novel coronavirus, also known as COVID-19.

The virus and associated safety precautions and market reactions will impact revenue collections in areas such as transient occupancy tax, sales tax, fees for services and classes, and interest earnings as well as impact City costs. With the actions residents and businesses have been taking to reduce the spread of the virus and the latest order of the County Health Officer of the County of Santa Clara for residents to shelter in place, it is anticipated that economic activity will experience a significant decline.

On a national level, economic conditions have worsened in a very short period of time and many economists are now projecting one of the worst recessions in generations. In its Global Economic Outlook – Coronavirus Crisis Update on April 2, 2020, Fitch Ratings now assumes a deep global recession as its baseline forecast. According to Brian Coulton, Fitch's chief economist, "The forecast fall in global GDP for the year as a whole is on par with the global financial crisis but the immediate hit to activity and jobs in the first half of the year will be worse. He also indicated that "Our baseline forecast does not see GDP reverting to its pre-virus levels until late 2021 in the US and Europe".¹

The International Monetary Fund (IMF) also warns that the recession could extend into 2021 without a coordinated global response to the virus. It expects a 3% GDP contraction in 2020, a far worse recession than the one experienced in 2008, and a complete reversal from its growth projection of 3.3%

¹ <https://www.fitchratings.com/research/sovereigns/deep-global-recession-in-2020-as-coronavirus-crisis-escalates-02-04-2020>

that was forecasted in January. "The Great Lockdown, as one might call it, is projected to shrink global growth dramatically. A partial recovery is projected for 2021 ... but the level of GDP will remain below the pre-virus trend, with considerable uncertainty about the strength of the rebound," the IMF said. "Much worse growth outcomes are possible and maybe even likely," it added.²

The City's General Fund revenues will be significantly impacted immediately and over the longer term based on the declining economic situation. While there is very limited data available, the decline in revenues is projected to result in a General Fund shortfall of approximately \$8 million - \$10 million in FY 2019/20 and over \$20 million in FY 2020/21.

Several cost savings/budget balancing measures were implemented April 1, 2020 to generate current year savings as well as ongoing savings that will be used in FY 2020/21 and in the development of the FY 2021/22 and FY 2022/23 Biennial Operating Budget. These actions include a hiring freeze and controls around overtime, as-needed staff, marketing, travel, technology and vehicle purchases. In the current year, the goal will be to generate \$5 million to \$10 million in General Fund savings to help offset anticipated revenue reductions resulting from COVID-19.

² <https://www.cnn.com/2020/04/14/business/imf-world-economic-outlook/index.html>

General Fund Revenues

As of February 29, 2020, \$171.6 million or 62.5% of the General Fund estimated revenue was received. Revenue is currently tracking below par of 66.7% and below the prior year. As mentioned above, the change in budgeting methodology to an accrual basis impacted the timing of revenue receipts when compared to FY 2018/19. Factoring out these timing differences, revenues through February were tracking to slightly exceed the budget. However, the actions associated with COVID-19 are expected to have a significant impact on certain revenue categories as discussed below.

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

Function	FISCAL YEAR 2019/20				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 02/29/2020	Percentage Received	Actual Through 02/28/2019	\$ Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 58,200,400	\$ 58,200,400	\$ 30,903,475	53.10%	\$ 40,800,711	\$ (9,994,845)	-24.50%
Property Tax	64,438,315	64,438,315	34,283,440	53.20%	32,834,141	1,449,299	4.41%
Transient Occupancy Tax	23,002,500	23,002,500	11,896,879	51.72%	15,931,218	(4,034,339)	-25.32%
Other Taxes	6,080,151	6,080,151	2,756,983	45.34%	3,907,569	(1,150,586)	-29.45%
Total Taxes	151,721,366	151,721,366	79,840,777	52.62%	93,473,639	(13,730,471)	-14.69%
LICENSES & PERMITS							
Business Licenses	959,500	959,500	569,188	59.32%	624,750	(55,562)	-8.89%
Fire Operation Permits	2,250,000	2,250,000	1,395,195	62.01%	-	1,395,195	100.00%
Building Permits	4,657,500	4,657,500	3,894,621	83.62%	5,344,121	(1,449,500)	-27.12%
Electric Permits	517,500	517,500	435,604	84.17%	499,879	(64,275)	-12.86%
Plumbing Permits	310,500	310,500	382,497	123.19%	418,096	(35,599)	-8.51%
Mechanical Permits	258,750	258,750	316,236	122.22%	396,377	(80,141)	-20.22%
Miscellaneous Permits	46,575	46,575	46,054	98.88%	69,942	(23,888)	0.00%
Total Licenses & Permits	9,000,325	9,000,325	7,039,395	78.21%	7,353,165	(313,770)	-4.27%
FINES & PENALTIES	1,689,225	1,689,225	964,816	57.12%	1,323,176	(358,360)	-27.08%
INTERGOVERNMENTAL	168,755	5,239,529	5,640,695	107.66%	1,746,645	3,894,050	222.94%
CHARGES FOR SERVICES	33,144,722	33,180,892	24,792,920	74.72%	28,036,797	(3,243,877)	-11.57%
CONTRIBUTION IN LIEU	24,333,275	24,333,275	16,222,183	66.67%	15,396,393	825,790	5.36%
USE OF MONEY & PROPERTY							
Interest	5,697,500	5,697,500	2,073,543	36.39%	3,022,313	(948,770)	-31.39%
Rent	8,658,991	8,658,991	5,957,798	68.80%	5,648,201	309,597	5.48%
Total Use of Money & Property	14,356,491	14,356,491	8,031,341	55.94%	8,670,514	(639,173)	-7.37%
MISCELLANEOUS REVENUES	100,001	100,001	1,136,037	1136.03%	389,259	746,778	191.85%
LAND PROCEEDS	4,050,000	4,050,000	164,606	4.06%	-	-	0.00%
OTHER FINANCING SOURCES							
Operating Transfer In - Storm Drain	1,398,145	1,398,145	1,398,145	100.00%	1,447,000	(48,855)	-3.38%
Operating Transfer In - Reserves	11,290,582	13,685,582	13,685,582	100.00%	4,116,125	9,569,457	232.49%
Operating Transfer In - Fund Balances ⁽¹⁾		5,338,670	5,338,670	100.00%	10,459,221	(5,120,551)	-48.96%
Operating Transfer In - Miscellaneous	667,885	1,736,115	1,736,115	100.00%	54,250	1,681,865	3100.21%
Total Other Financing Sources	13,356,612	22,158,512	22,158,512	100.00%	16,076,596	6,081,916	37.83%
STADIUM OPERATION							
Charges for Services	7,988,313	7,988,313	4,964,269	62.14%	4,090,859	873,410	21.35%
Rent and Licensing	3,333,185	633,185	627,820	99.15%	571,578	56,242	9.84%
Total Stadium Operation	11,321,498	8,621,498	5,592,089	64.86%	4,662,437	929,652	19.94%
TOTAL GENERAL FUND	\$ 263,242,270	\$ 274,451,114	\$ 171,583,372	62.52%	\$ 177,128,621	\$ (5,807,464)	-3.28%

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2019 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%. Through February 29, 2020, sales tax collections were \$30.9 million. These collections represent the sales tax revenue generated for the months of July through December 2019. While last year saw collections of \$32.8 million through the same period, these collections were for the months of May through December 2018. Based on receipts for the first two quarters and the estimates from the City's Sales Tax consultant, MuniServices, collections were projected to total \$60.0 million in FY 2019/20, exceeding the budgeted estimate of \$58.2 million. Collections in the latter half of the fiscal year, however, are now expected to be impacted by actions associated with COVID-19. While no data is currently available for the last two quarters, if receipts decline 10% in the third quarter and 25% in the fourth quarters, sales tax revenues would end the year below the budget at \$53.4 million. Data for the third and fourth quarters will be available in May and August 2020.

Property Tax: 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, it is anticipated that collections in this category will reach \$65.3 million, slightly exceeding the FY 2019/20 budgeted estimate of \$64.4 million. Property tax collections totaled \$34.3 million through February, which is higher than what was collected last year through the same period. COVID-19 is expected to have minimal potential impacts on 2019/20 revenue collections.

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 February 29, 2020, \$11.9 million has been collected, which is \$4.0 million less than what was collected through February 2019. This variance from last year's collections is attributable to the budget methodology change in which \$4.1 million was accrued to FY 2018/19 at the end of last fiscal year. Based on receipts through February, revenues were tracking to meet or slightly exceed the budgeted estimate of \$23.0 million.

However, collections through the end of the year are now expected to be significantly impacted by actions associated with the Coronavirus. While the actual data is not yet available, receipts would end the year \$5.0 million to \$8.0 million below the budgeted estimate if there is a 50% to 75% decline in receipts from March through June.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$2.8 million, which is 45.3% of the budgeted estimate of \$6.1 million. This decrease in revenue compared to last year's collections through the same period is primarily attributable to the change in budgeting methodology and the timing of payments. Franchise tax collections, budgeted at \$4.4 million, are lower due to prior year accruals and the timing of the receipt of payments; these receipts are expected to end the year close to the budgeted estimate. Documentary transfer tax revenue, budgeted at \$1.7 million, is lower as a result of a drop-off in activity this fiscal year and is currently tracking to end the year below the budgeted estimate by approximately \$250,000 to \$500,000.

Licenses & Permits: Includes business licenses, building permits, and other building and planning permits and fees. Overall licenses and permits revenue collections are above par and totaled \$7.0

million, or 78.2% of the budget of \$9.0 million. These collections are 4.3% below the very high collection level experienced through the same period last fiscal year. Even if activity slows through the remainder of the year, this category should meet the budgeted estimate. 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 totaled just over \$0.9 million, or 57.1% of the budget. This revenue category had revenue that was accrued in fiscal year 2018/19, resulting in lower current year collections through February 29, 2020. Additionally, activity levels in the collection charges and traffic fines accounts are lower compared to last fiscal year. Collections are tracking to end the year approximately \$250,000 below the budgeted estimate of \$1.7 million. Given restricted activity levels as a result of COVID-19, collections in this category may decline in the last four months of the fiscal year.

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 February 29, 2020, collections totaled approximately \$5.6 million, meeting this year's budgeted estimate and exceeding last fiscal year's collections through the same period. This increase is due to a Santana West settlement payment in the amount of \$5.0 million for the Related project received from the City of San José. These funds are restricted for affordable housing and transportation improvements and have been set aside in a separate reserve.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. While collections of \$24.8 million were \$3.2 million lower than collections through the same time last year, revenues in this category are tracking above par at 74.7%. This is mainly attributable to higher plan check and sign fee collections through February. Collections in this category were tracking to exceed the budgeted estimate of \$33.2 million by at least \$2.0 million to \$3.0 million by year-end. However, as a result of the COVID-19 safety precautions, the revenues from various recreational activities are expected to fall well below the budget. Based on an initial estimate from the Parks and Recreation Department, a revenue loss of \$600,000 is projected from those revenue as a result of shutting down Spring/Summer registration through April 6th. This figure may go up depending on the length of the shutdown of these activities. The higher collections in other fee areas are expected to offset the loss in the Parks and Recreation fees.

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 February, \$16.2 million has been received, which is consistent with the budgeted estimate of \$24.3 million. However, these payments were based on the budgeted estimate and will be trued up later in the fiscal year. Based on prior year activity and current estimates, collections in this category may fall below the budgeted estimate by over \$1.0 million.

Use of Money & Property: Includes realized investment income and rental income. Interest income and rent revenue collections totaled \$8.0 million, which is 55.9% of the budgeted estimate of \$14.4 million. Collections are tracking below expected levels due to the timing of payments for interest earnings related to the prior year accrual. Receipts in this category have been tracking to meet the budgeted estimate by year-end. However, with the recent interest rate reductions, interest earnings may fall below the budgeted estimate of \$5.7 million.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of scrap, and one-time miscellaneous revenues. As of February 29, 2020, collections totaled \$1.1 million, which exceeds the budgeted estimate. This is a result of proceeds from the sale the right-of-way related to the vacated land sale on Fremont Street and Sherman Street.

Land Proceeds: Includes revenue for the sale of City-owned land. Through February 29, 2020, proceeds totaled approximately \$0.2 million, resulting from the sale of vacated land located on Fremont Street and Sherman Street. The budgeted estimate for this category includes \$4.0 million of proceeds from the sale of property to be used for affordable housing. It is anticipated that this sale will be completed at the end of this calendar year. A budget action will be brought forward as part of the budgetary year-end report to carry this budget into FY 2020/21.

Stadium Operation: The revenue for Stadium Operations totaled approximately \$5.6 million through February 29, 2020, which is lower than collections through the same period last fiscal year. This is well below par due to the timing of invoices and payments by the Forty Niners Management Company. In addition, Non-NFL performance-based rent is not projected to meet the FY 2019/20 Adopted Budget estimate due to a significantly lower than anticipated number of Non-NFL events at the Stadium. A separate downward adjustment of \$2.7 million was approved as part of the Budgetary Year-End Report to decrease these revenues, which is reflected in the Amended Budget column in the table above. The lease revenue is projected to end the fiscal year at \$639,000 which slightly exceeds the budgeted estimate of \$633,000.

General Fund Expenditures

As of February 29, 2020, \$174.6 million or 63.6% of the General Fund operating budget had been expended. Overall, expenditures in the General Fund are within budgeted levels at this time of the year. However, there are a few departments that are tracking slightly above estimated levels through February.

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

Function	FISCAL YEAR 2019/20				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 02/29/2020	Percentage Used	Actual Through 02/28/2019	\$ Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 11,909,566	\$ 14,232,673	\$ 2,562,592	18.00%	\$ 1,596,813	\$ 965,779	60.48%
City Council	894,953	894,953	606,568	67.78%	493,711	112,857	22.86%
City Clerk	1,389,880	1,662,880	808,783	48.64%	1,344,153	(535,370)	-39.83%
City Manager	6,554,276	7,409,834	3,601,323	48.60%	3,766,356	(165,033)	-4.38%
City Attorney	2,260,512	2,376,523	1,382,576	58.18%	1,175,370	207,206	17.63%
Human Resources	4,409,195	4,622,757	2,520,641	54.53%	1,966,794	553,847	28.16%
Finance	15,719,734	16,653,861	9,380,682	56.33%	7,654,688	1,725,994	22.55%
Information Technology	-	-	-	0.00%	5,644,761	(5,644,761)	-100.00%
Total General Government	43,138,116	47,853,481	20,863,165	43.60%	23,642,646	(2,779,481)	-11.76%
PUBLIC WORKS	23,579,460	23,919,037	15,398,062	64.38%	16,133,515	(735,453)	-4.56%
COMMUNITY DEVELOPMENT	14,186,780	17,107,752	8,986,366	52.53%	7,919,008	1,067,358	13.48%
PARKS AND RECREATION	22,401,233	23,011,286	14,078,684	61.18%	12,453,986	1,624,698	13.05%
PUBLIC SAFETY							
Fire	52,783,063	54,209,728	37,013,923	68.28%	34,395,362	2,618,561	7.61%
Police	73,397,279	74,009,459	49,210,101	66.49%	42,354,611	6,855,490	16.19%
Total Public Safety	126,180,342	128,219,187	86,224,024	67.25%	76,749,973	9,474,051	12.34%
LIBRARY	11,310,791	11,346,604	6,965,300	61.39%	6,621,355	343,945	5.19%
DEPARTMENTAL SUBTOTAL	240,796,722	251,457,347	152,515,601	60.65%	143,520,483	8,995,118	6.27%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	526,688	526,688	428,445	81.35%	885,578	(457,133)	-51.62%
Operating Transfer Out - Rental Income	-	-	-	0.00%	14,065	(14,065)	-100.00%
Operating Transfer Out - Debt Services	1,710,474	1,710,474	1,710,474	100.00%	2,501,494	(791,020)	-31.62%
Operating Transfer Out - Maintenance Districts	917,331	917,331	917,331	100.00%	-	917,331	N/A
Operating Transfer Out - Cemetery	703,490	703,490	703,490	100.00%	618,081	85,409	13.82%
Operating Transfer Out - SCGTC	-	-	-	0.00%	155,020	(155,020)	-100.00%
Operating Transfer Out - Special Liability	-	-	-	0.00%	2,200,000	(2,200,000)	-100.00%
Operating Transfer Out - CIP	11,643,673	11,643,673	11,643,673	100.00%	50,000	11,593,673	23187.35%
Operating Transfer Out - Reserves	344,360	863,660	863,660	100.00%	-	-	N/A
Total Other Financing Uses	15,846,016	16,365,316	16,267,073	99.40%	6,424,238	8,979,175	139.77%
STADIUM OPERATION	6,599,532	6,621,340	5,787,560	87.41%	4,964,426	823,134	16.58%
TOTAL GENERAL FUND	\$ 263,242,270	\$ 274,444,003	\$ 174,570,234	63.61%	\$ 154,909,147	\$ 18,797,427	12.13%

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. Effective fiscal year 2019/20, the Information Technology budget was shifted from the General Fund to a newly established internal services fund.

Non-Departmental: Includes expenditures that are not attributable to a single department, but a function of the City in general. Through February 29, 2020, expenditures were at 18.0% of budget, primarily due to lower expenditures in the salary and benefits and materials, services and supplies categories. The Non-Departmental budget also includes a \$4.0 million loan to fund an affordable housing project that was approved by the City Council on January 29, 2019, which has not yet been expended. It is anticipated that this loan, which will be funded by a property sale, will be processed at the end of the calendar year. A budget action to carry this appropriation over will be brought forward as part of the budgetary year-end report. Additionally, as approved in the FY 2018/19 Budgetary Year-End report, \$1.8 million was added to the Non-Departmental budget to cover costs related to Fair Labor Standards Act (FLSA) requirements for retroactive overtime costs and payouts, which has not yet been fully expended.

City Manager: The actual expenditures through February 29, 2020 were at 48.6% of the budget. This is primarily due to lower than anticipated spending in the contractual services category.

Community Development: This department consists of three divisions: Planning, Building, and Housing and Community Services. Through February, departmental expenditures of \$9.0 million were at 52.5% of the budget, which is below par for this time of year. As part of the November Monthly Financial Report, \$1.5 million was added to the Department's contractual services budget, funded by Building Inspection Reserve. With the recent influx of large-scale development projects, these additional resources were added to address the workload and maintain service levels and turnaround times through the remainder of the year. Contractual services are expected to remain within budget with this adjustment.

Fire Department: Actual expenditures totaled \$37.0 million, or 68.3%, which is slightly above the par level of 66.8%. Overall salary expenditures are tracking above budget, particularly in the overtime category due to minimum staffing requirements and several Fire Captain vacancies. The overtime expenditures are partially offset by salary savings from the vacancies and lower than budgeted expenditures in the materials, services, and supplies category. Funding of \$350,000 was added to the Fire Department budget to account for estimated FLSA-eligible overtime costs. Additionally, \$688,000 was added to the Fire Department's budget as a result of negotiated wage increases approved for Units 1 and 9B. A budget amendment will be brought forward to increase the overtime budget at a later date, as staff will continue to monitor this expenditure category. Departmental expenditures are also expected to be impacted by COVID-19. The Department is staffing specialized COVID-19 response units to respond to the Federal Medical Station at the Santa Clara Convention Center and other high-risk locations. All COVID-19 expenditures are being tracked for potential reimbursement.

Police Department: Expenditures through February 29, 2020 totaled \$49.2 million, which is at par at 66.5%. The salary expenditures were above budget primarily in the as-needed and overtime categories, resulting from additional staffing needs for events including Great America's Halloween Haunt and mutual aid provided to the Gilroy Garlic Festival shooting and investigation. The City received a reimbursement related to the staffing costs for the Great America Haunt. There have also been new City events that have required Police staffing such as the Parade of Champions and Comic Con. These higher expenditures are partially offset by lower than budgeted expenses in the materials, services, and supplies category.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled \$5.8 million through February 29, 2020 and are tracking above budgeted levels. The higher expenditures are a result of the purchase of a new public safety insurance policy. Additionally, outside agency public safety costs trend higher in the first two quarters of the year during the NFL season. Both the insurance premium and public safety costs are reimbursed by the 49ers.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of February 29, 2020. The amended budget for both reflects carryover appropriations from fiscal year 2018/19 in addition to various budget amendments approved by the City Council through February 2020. The revenues received through the end of February totaled approximately \$1.9 million, while expenditures totaled \$2.6 million.

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

Fund Description	REVENUES - FISCAL YEAR 2019/20				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 2/29/2020	Percentage received	Actual Through 2/28/2019	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 260,000	\$ 274,831	\$ 259,138	94.29%	\$ 154,728	\$ 104,410	67.48%
City Affordable Housing Fund	696,703	1,084,543	135,116	12.46%	95,943	39,173	40.83%
Housing Successor Fund	12,031,000	12,084,817	614,488	5.08%	1,282,299	(667,811)	-52.08%
Housing and Urban Development	2,626,117	5,238,691	842,304	16.08%	914,130	(71,826)	-7.86%
TOTAL	\$15,613,820	\$ 18,682,882	\$ 1,851,046	9.91%	\$ 2,447,100	\$ (596,054)	-24.36%

Fund Description	EXPENDITURES - FISCAL YEAR 2019/20				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 2/29/2020	Percentage used	Actual through 2/28/2019	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 546,623	\$ 561,454	\$ 79,640	14.18%	\$ 20,479	\$ 59,161	288.89%
City Affordable Housing Fund	1,520,735	6,908,575	443,483	6.42%	197,750	245,733	124.26%
Housing Successor Fund	12,592,389	18,646,206	281,421	1.51%	319,034	(37,613)	-11.79%
Housing and Urban Development	3,846,296	5,238,691	1,783,144	34.04%	908,427	874,717	96.29%
TOTAL	\$18,506,043	\$ 31,354,926	\$ 2,587,688	8.25%	\$ 1,445,690	\$ 1,141,998	78.99%

The majority of the budget in the housing funds account for two development loans, which would allow for the construction of affordable housing projects, referred to as the Corvin Supportive Housing and the Agrihood Mixed-Use Development projects. Both the revenues and expenditures are expected to increase once the proceeds from the sale of land are received and the loan agreements are executed.

Governmental Capital Improvement Funds

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 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 February 2020. As of February 29, 2020, these capital fund expenditures totaled \$27.5 million, or 21.4% of the amended budget. Expenditures are anticipated to increase through the remainder of the year as departments continue to make progress on approved capital projects. It is also anticipated that unspent capital funds will be carried over into next fiscal year for those projects that have not yet been completed.

**CITY OF SANTA CLARA
GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS
SUMMARY OF EXPENDITURES**

EXPENDITURES - FISCAL YEAR 2019/20						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 2/29/2020	Percentage Used	
Parks & Recreation	\$ 5,933,561	\$ 27,507,742	\$ 33,441,303	\$ 14,732,512	44.05%	
Streets & Highways	18,925,790	39,407,535	58,333,325	9,531,311	16.34%	
Storm Drain	4,978,229	3,264,959	8,243,188	570,664	6.92%	
Fire	665,049	635,187	1,300,236	304,168	23.39%	
Library	10,633	234,633	245,266	30,163	12.30%	
Public Buildings	4,097,571	8,335,917	12,433,488	1,144,872	9.21%	
General Gov't - Other	1,466,483	13,051,614	14,518,097	1,167,746	8.04%	
TOTAL	\$ 36,077,316	\$ 92,437,587	\$ 128,514,903	\$ 27,481,436	21.38%	

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of February 29, 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 February 2020, revenues appear to be lower than prior year collections and below par due to revenue accruals booked in fiscal year 2018/19 and received in fiscal year 2019/20. As a result, the comparison of prior year revenue and expenditure in this report will display variances. For fiscal year 2019/20, the City is still anticipated to maintain a positive operating position for each of its Enterprise Operating Funds.

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

Fund Description	REVENUES - FISCAL YEAR 2019/20				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 2/29/2020	Percentage received	Actual Through 2/28/2019	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 516,210,630	\$ 517,210,920	\$ 297,752,404	57.57%	\$ 345,206,244	\$ (47,453,840)	-13.75%
Water Utility Fund	53,411,144	56,080,779	32,216,378	57.45%	32,957,919	(741,541)	-2.25%
Sewer Utility Fund	94,169,500	94,259,046	25,365,077	26.91%	27,064,307	(1,699,230)	-6.28%
Cemetery Fund	645,150	645,150	337,955	52.38%	390,194	(52,239)	-13.39%
Solid Waste Utility Fund	28,033,703	28,760,383	16,619,115	57.78%	16,929,221	(310,106)	-1.83%
Water Recycling Fund	6,769,200	7,779,200	3,910,913	50.27%	4,780,827	(869,914)	-18.20%
TOTAL REVENUE	\$ 699,239,327	\$ 704,735,478	\$ 376,201,842	53.38%	\$ 427,328,712	\$ (51,126,870)	-11.96%

Fund Description	EXPENSES - FISCAL YEAR 2019/20				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 2/29/2020	Percentage Used	Actual through 2/28/2019	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 486,468,491	\$ 487,657,222	\$ 278,539,677	57.12%	\$ 313,896,593	\$ (35,356,916)	-11.26%
Water Utility Fund	46,449,085	49,118,720	29,213,472	59.48%	28,854,102	359,370	1.25%
Sewer Utility Fund	28,451,451	28,540,997	18,802,911	65.88%	18,212,793	590,118	3.24%
Cemetery Fund	1,399,333	1,399,333	818,125	58.47%	818,787	(662)	-0.08%
Solid Waste Utility Fund	27,470,657	28,197,337	15,193,816	53.88%	14,405,158	788,658	5.47%
Water Recycling Fund	5,349,013	6,359,013	4,675,662	73.53%	4,850,628	(174,966)	-3.61%
TOTAL - Operating Appropriations	\$ 595,588,030	\$ 601,272,622	\$ 347,243,663	57.75%	\$ 381,038,061	\$ (33,794,398)	-8.87%

Revenues in the electric, 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. In both the sewer and water recycling funds, contractual services expenditures are higher than budgeted levels; however, this is primarily offset by savings in the salary and benefits categories. In the Sewer Debt Service Fund, revenues are tracking low because the \$50.0 million in debt proceeds have not been received. A line of credit is expected to be brought forward for

Council approval in May 2020; however, with the current environment resulting from the COVID-19 outbreak, this issuance could also be delayed. In the Electric Utility Fund, the revenue received in this fund dictates the contribution in-lieu expenditure.

A summary of expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actuals through February totaled \$63.7 million, or 24.0% of the amended budget. Similar to the general government capital funds, expenditures are anticipated to increase through the remainder of the year as departments continue to make progress on approved capital projects. It is also anticipated that unspent capital funds will be carried over into next fiscal year for those projects that have not yet been completed.

**CITY OF SANTA CLARA
ENTERPRISE CAPITAL IMPROVEMENT FUNDS
SUMMARY OF EXPENSES**

Fund Description	EXPENSES - FISCAL YEAR 2019/20					Prior Year
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 2/29/2020	Percentage Used	Actual Through 2/28/2019
Electric Utility Fund	\$ 42,201,913	\$ 107,739,473	\$ 149,941,386	\$ 19,020,771	12.69%	\$ 13,036,230
Street Lighting ⁽¹⁾	50,000	5,925,185	5,975,185	35,551	0.59%	31,898
Water Utility Fund	13,449,374	12,853,124	26,302,498	1,207,114	4.59%	2,435,615
Sewer Utility Fund	57,446,012	24,614,662	82,060,674	43,130,184	52.56%	12,017,367
Cemetery Fund	-	-	-	-	0.00%	19,077
Solid Waste Utility Fund	496,389	168,480	664,869	297,816	44.79%	370,300
Water Recycling Fund	50,000	-	50,000	-	0.00%	-
TOTAL - CIP Appropriations	\$ 113,693,688	\$ 151,300,924	\$ 264,994,612	\$ 63,691,436	24.03%	\$ 27,910,487

(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).
- 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 Water Conservation Reserve is to enhance water conservation activities in response to the drought.

The table below summarizes select reserve balances.

DETAIL OF SELECTED FUND RESERVE BALANCES:

	GENERAL FUND	ELECTRIC	WATER	SEWER
Budget Stabilization Reserve	\$ 80,420,318			
Capital Projects Reserve	28,269,551			
Land Sale Reserve	21,531,838			
Building Inspection Reserve	14,105,480			
Technology Fee Reserve	284,129			
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	\$ 1,507,553
TOTALS	\$ 144,611,316	\$ 124,025,345	\$ 303,090	\$ 1,507,553

City of Santa Clara

Financial Status Report as of February 29, 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	\$ 6,339,380
Santa Clara Golf & Tennis Club	General Fund	Advance	4,224,134
Parks and Recreation Facilities	General Fund	Loan	10,130,273
TOTALS			\$ 20,693,787

Donations to the City of Santa Clara

Donations received by department during the month of February 2020 and for fiscal year 2019/20 are shown in the table below.

Department	Feb-20	Fiscal Year 2019/20 Year To Date	Donor	Designated Use
City Manager's Office	\$ 50	\$ 275	Various	Help Your Neighbor
City Manager's Office	100	100	Various	Various Programs
Parks and Recreation	-	32,820	Various	Various Parks and Recreation Programs
Parks and Recreation	-	89,834	Various	Arts, Crafts and Wine Festival
Fire	-	330	Various	Emergency Supplies
TOTALS	\$ 150	\$ 123,359		

FY 2019/20 Budget Amendments

General Fund (001)

Department	Source of Funds	Use of Funds	Explanation
City Manager's Office - Materials/Services/Supplies		(70,000)	Decreases the City Manager's Office Materials/Services/Supplies budget and reallocates this amount to cover potential costs related to the Food Distribution Program that are not covered by FEMA Reimbursements. The Food Distribution Program was conducted to ensure the health and safety of our residents who are at risk of needing meals in light of the COVID-19 pandemic. Savings are available due to lower than anticipated Census 2020 activities.
Non-Departmental - Materials/Services/Supplies		(550,000)	Decreases the Non-Departmental Materials/Services/Supplies budget and reallocates this amount to cover potential costs related to the Food Distribution Program that are not covered by FEMA Reimbursements. The Food Distribution Program was conducted to ensure the health and safety of our residents who are at risk of needing meals in light of the COVID-19 pandemic. Savings are available from City Manager Special Initiatives (\$300,000), Community Grants (\$200,000), and Tuition Reimbursements (\$50,000).
Transfer to the Other City Departments Operating Grant Trust Fund		620,000	Establishes a transfer from the General Fund to the Other City Departments Operating Grant Trust Fund to cover potential costs related to the Food Distribution Program that are not covered by FEMA Reimbursements.
Total General Fund	-	-	

Electric Utility Fund (091)

Department	Source of Funds	Use of Funds	Explanation
Customer Development and Project Management - SVP Engineering Program Salaries and Benefits Expense		(1,215,754)	Reduces the personnel budget by the actual amount incurred by SVP Engineering through end of February on project management for Electric Utility Capital and Street Lighting Capital Funds. The personnel costs to support capital projects are initially budgeted in the operating fund and then transferred to the capital funds based on actual activity.
Transfer to Street Lighting Capital Fund		9,415	Transfer to the Street Lighting Capital Fund to cover the SVP Engineering personnel costs through the end of February; this aligns personnel costs with the actual activity as described above.
Transfer to Electric Utility Capital Fund		1,206,339	Transfer to the Electric Utility Capital Fund to cover the SVP Engineering personnel costs through the end of February; this aligns personnel costs with the actual activity as described above.
Total Electric Utility Fund	-	-	

Other City Departments Operating Grant Trust Fund (101)

Department	Source of Funds	Use of Funds	Explanation
Transfer from the General Fund/COVID-19	620,000	620,000	Establishes and recognizes a transfer from the General Fund to the Other City Departments Operating Grant Trust Fund. This funding will be set aside to cover food distribution program costs related to COVID-19 while the City seeks FEMA Reimbursements for the Food Distribution Program. The Food Distribution Program was conducted to ensure the health and safety of our residents who are at risk of needing meals in light of the COVID-19 pandemic.
Mission City Community Fund - Donations/COVID-19	106,500	106,500	The Mission City Community Fund organization is fundraising for the City of Santa Clara's food distribution program. This increases the revenue estimate for donations from this community group for the food distribution program and appropriates funding to a COVID-19 appropriation to cover food distribution program costs not reimbursed by FEMA.
Total Other City Departments Operating Grant Trust Fund	726,500	726,500	

Parks and Recreation Operating Grant Trust Fund (111)

Department	Source of Funds	Use of Funds	Explanation
Senior Nutrition Program		(7)	Decreases the appropriation to correct the carryforward appropriation amount.
Ending Fund Balance		7	Increases the ending fund balance for the offset of the action recommended above.
Total Parks and Recreation Operating Grant Trust Fund	-	-	

FY 2019/20 Budget Amendments

Street Lighting Capital Fund (534)

Project	Source of Funds	Use of Funds	Explanation
Transfer from Electric Utility Fund	9,415		Recognizes a transfer from the Electric Utility Fund for salary expenses incurred on project management for Street Lighting Capital Fund. The personnel costs to support capital projects are initially budgeted in the operating fund and then transferred to the capital funds based on actual activity.
Miscellaneous Street Lighting		6,063	Increases project by \$6,063 for labor incurred for project management from SVP Engineering.
LED Street Flood Lighting Retrofit		3,352	Increases project by \$3,352 for labor incurred for project management from SVP Engineering.
Total Street Lighting Capital Fund	9,415	9,415	

Storm Drain Capital Fund (535)

Project	Source of Funds	Use of Funds	Explanation
Storm Drain System Improvements		(100,000)	Decreases the Storm Drain System Improvements project to mitigate the negative ending fund balance that currently exists in this fund as a result of prior year activity.
Storm Pump Motor and Control Replacement		(100,000)	Decreases the Storm Pump Motor and Control Replacement project to mitigate the negative ending fund balance that currently exists in this fund as a result of prior year activity.
Urban Runoff Pollution Prevention Program (URPPP)		1,076	Increases the URPPP project by \$1,076 to reflect additional unanticipated revenue from miscellaneous charges to current services and damage recoveries that were received in FY 2018/19. These revenues are typically allocated to this project.
Ending Fund Balance		198,924	Increases the ending fund balance by reducing the projects above; this action is necessary to bring the ending fund balance to a positive position.
Total Storm Drain Capital Fund	-	-	

Electric Utility Capital Fund (591)

Project	Source of Funds	Use of Funds	Explanation
Transfer from Electric Utility Fund	1,206,339		Recognizes a transfer from Electric Utility Fund for salaries incurred on project management for Electric Utility Capital Fund. The personnel costs to support capital projects are initially budgeted in the operating fund and then transferred to the capital funds based on actual activity.
Fiber Development, Design, and Expansion		356,088	Increases project by \$356,088 for labor incurred for project management from SVP Engineering.
Transmission and Distribution Capital Maintenance and Betterments		310,280	Increases project by \$310,280 for labor incurred for project management from SVP Engineering.
DVR Gas Turbine Control System Upgrade		136,865	Increases project by \$136,865 for labor incurred for project management from SVP Engineering.
Mitsubishi Steam Turbine Major Overhaul		136,793	Increases project by \$136,793 for labor incurred for project management from SVP Engineering.
Serra Substation Re-Build		132,095	Increases project by \$132,095 for labor incurred for project management from SVP Engineering.
Relocation of Electric Crossings for CalTrain		83,042	Increases project by \$83,042 for labor incurred for project management from SVP Engineering.
Install Phase Shifting Transformer at NRS		24,474	Increases project by \$24,474 for labor incurred for project management from SVP Engineering.
Install Fairview Substation - Third Transformer Bank		9,833	Increases project by \$9,833 for labor incurred for project management from SVP Engineering.
Operations and Planning Technology		7,839	Increases project by \$7,839 for labor incurred for project management from SVP Engineering.
Substation Physical Security Improvements		3,966	Increases project by \$3,966 for labor incurred for project management from SVP Engineering.
Substation Protective Relay		2,894	Increases project by \$2,894 for labor incurred for project management from SVP Engineering.
Parker Substation		757	Increases project by \$757 for labor incurred for project management from SVP Engineering.

FY 2019/20 Budget Amendments

Electric Utility Capital Fund (591)

Transmission System Reinforcements			732 Increases project by \$732 for labor incurred for project management from SVP Engineering.
Bucks Creek Relicensing			294 Increases project by \$294 for labor incurred for project management from SVP Engineering.
Northwestern Substation Expansion			183 Increases project by \$183 for labor incurred for project management from SVP Engineering.
Distributed Antenna System Development			168 Increases project by \$168 for labor incurred for project management from SVP Engineering.
Overhead Infrastructure Replacement			35 Increases project by \$35 for labor incurred for project management from SVP Engineering.
Total Electric Utility Capital Fund	1,206,339	1,206,339	

Solid Waste Capital Fund (596)

Project	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance	7,588		Recognize beginning fund balance to reconcile to the final FY 2018/19 actual ending fund balance.
Sanitary Landfill Development - Post Closure		(13,221)	Decreases the Sanitary Landfill Development - Post Closure project by \$13,221 to offset the increase to the Landfill Corrective Action Costs. The remaining funding of \$565,000 is sufficient to cover projected costs for the remainder of the fiscal year.
Sanitary Landfill Development - Post Closure		1,199	Increases the Sanitary Landfill Development - Post Closure project by \$1,199 to reflect additional unanticipated lease landfill revenue that was received in FY 2018/19 but not yet allocated to the project. The landfill lease revenue is typically allocated to this project.
Ending Fund Balance - Landfill Corrective Action Costs		13,221	Increase the Landfill Corrective Action Costs based on the annual inflation report as required by CalRecycle.
Ending Fund Balance - Unrestricted		6,389	Increases the ending fund balance to offset the actions recommended above.
Total Solid Waste Capital Fund	7,588	7,588	