



Agenda Report

18-029

Agenda Date: 3/20/2018

REPORT TO COUNCIL

SUBJECT

Monthly Financial Status and Investment Reports for January 2018

BACKGROUND

In compliance with the Charter of the City of Santa Clara and the adopted Investment Policy, the following reports for January 2018 are submitted for your information. The financial review as of January 31, 2018 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 January 31, 2018 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.

These reports provide year-to-date revenue and expenditure summaries and summary investment schedules.

DISCUSSION

Monthly Financial Status Report

The attached report summarizes the City's financial performances for the seven months ended January 31, 2018. Financial analysis for the report is provided for the General Fund, select Special Revenue Funds, Enterprise Operating Funds, and Capital Improvement Funds.

With 58% of the year complete, General Fund revenues are at 60% of budget which is approximately \$7.5 million lower than at the same time as the prior year. This is due to receiving one-time Sales Tax (triple flip true-up) and Intergovernmental (sale of Successor Agency property) payments in the prior year. General Fund expenditures are at 56% which is in line with the budget.

Total revenues for Enterprise Funds (Electric, Water, Sewer, Cemetery, Solid Waste, and Water Recycling) are at 58% which is \$12.6 million higher than at the same time as the prior year. Total expenses are at 55% which is on target with the budget.

Monthly Investment Report

All securities held by the City of Santa Clara as of January 31, 2018 were in compliance with the City's Investment Policy. 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 January 2018 was to invest funds not required to meet current obligations, in securities listed in the City's Investment Policy, 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.

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

Costs associated with the regular preparation of these reports are included in the General Fund Operating Budget.

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>> 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 January 2018.

Prepared by: David Noce, Accounting Division Manager
Reviewed by: Angela Kraetsch, Director of Finance
Reviewed by: Walter C. Rossmann, Chief Operating Officer
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Monthly Financial Status Report January 2018
2. Monthly Investment Report January 2018