



## Agenda Report

18-1121

Agenda Date: 11/13/2018

### REPORT TO COUNCIL

#### SUBJECT

Action on Monthly Financial Status and Investment Reports for the months of July and August 2018

#### BACKGROUND

In compliance with the Charter of the City of Santa Clara and the adopted Investment Policy, the following reports for the months of July and August 2018 are submitted for your information. The financial review 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 July 31, 2018 and August 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. Typically these reports are presented one month at a time; however, July and August are being presented together due to delays caused by competing priorities within the Finance Department which includes the PeopleSoft financial system upgrade, annual audit, and preparing the City's Comprehensive Annual Financial Report (CAFR).

#### DISCUSSION

##### Monthly Financial Status Report

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

For July 2018 and August 2018, with 8% and 17% of the year complete, General Fund revenues are trending slightly higher at 11.3% and 17.7% of budget, respectively. General Fund expenditures were trending close to budget at 9.1% in July and 16.4% in August.

Total revenues for Enterprise Funds (Electric, Water, Sewer, Cemetery, Solid Waste, and Water Recycling) are at 8.1% and 17.1% while total expenses are at 10.2% and 18.6%, respectively. Both are on target with the budget.

##### Monthly Investment Report

All securities held by the City of Santa Clara as of July 31, 2018 and August 31, 2018 was 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 July 2018 and August 2018 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.

### **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 July 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) <<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 July and August 2018 as presented.

Reviewed by: Angela Kraetsch, Director of Finance

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Monthly Financial Status Report July 2018
2. Monthly Investment Report July 2018
3. Monthly Financial Status Report August 2018
4. Monthly Investment Report August 2018