



**DATE:** June 18, 2019

**CATEGORY:** Public Hearing

**DEPT.:** City Manager's Office/  
Finance and Administrative Services

**TITLE:** **Adoption of Fiscal Year 2019-20 Budgets, Appropriations Limit, Fee Modifications, and Funding for Fiscal Year 2019-20 Capital Improvement Projects, and Projects 20-59 and 24-40**

### **RECOMMENDATION**

Convene a public hearing, accept public comment, and take the following actions necessary for the City of Mountain View, the Shoreline Regional Park Community, and the Mountain View Capital Improvement Financing Authority to adopt the Fiscal Year 2019-20 budgets, appropriations limit, fee modifications, and funding for the adopted Fiscal Year 2019-20 Capital Improvement Projects. This action also involves reconsideration of approving Capital Improvement Projects 20-59 and 24-40 to create a clear legislative record following previous consideration by the City Council on June 11, 2019.

### **City of Mountain View Actions:**

1. Adopt a Resolution Approving Capital Improvement Project 20-59 (Automated Guideway Transportation Phase II, Feasibility Study) Identified in the Fiscal Years 2019-20 through 2023-24 Capital Improvement Program, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution Approving Capital Improvement Project 24-40 (Moffett Boulevard Class IV Bikeway, Middlefield-Clark, Preliminary Design) Identified in the Fiscal Years 2019-20 through 2023-24 Capital Improvement Program, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Adopt a Resolution Adopting Appropriations for the Adopted Capital Improvement Project 20-59 (Automated Guideway Transportation Phase II, Feasibility Study) Identified in the Fiscal Years 2019-20 through 2023-24 Capital Improvement Program, to be read in title only, further reading waived (Attachment 3 to the Council report).

4. Adopt a Resolution Adopting Appropriations for the Adopted Capital Improvement Project 20-61 (El Camino Real Bike Improvements, Design) Identified in the Fiscal Years 2019-20 through 2023-24 Capital Improvement Program, to be read in title only, further reading waived (Attachment 4 to the Council report).
5. Adopt a Resolution Adopting Appropriations for the Adopted Capital Improvement Project 20-66 (Downtown Precise Plan Update) Identified in the Fiscal Years 2019-20 through 2023-24 Capital Improvement Program, to be read in title only, further reading waived (Attachment 5 to the Council report).
6. Adopt a Resolution Adopting the Fiscal Year 2019-20 City Budget and Appropriations for the Remainder of the Adopted Fiscal Year 2019-20 Capital Improvement Projects, Including Amendments to Existing Projects, but Excluding the Shoreline Regional Park Community, to be read in title only, further reading waived (Attachment 6 to the Council report).
7. Adopt a Resolution Adopting the Fiscal Year 2019-20 Appropriations Limit, to be read in title only, further reading waived (Attachment 7 to the Council report).
8. Adopt a Resolution Amending the City of Mountain View Master Fee Schedule, to be read in title only, further reading waived (Attachment 8 to the Council report).
9. Commit \$2,729,000 of Park Land Dedication funds to the adopted Fiscal Year 2019-20 Capital Projects, including amendments to existing projects, shown on Attachment 9 to the Council report.
10. Adopt a Resolution Authorizing the City Manager or His Designee to Amend the Classification and Salary Plans for Regular and Hourly Employees for Fiscal Year 2019-20, to be read in title only, further reading waived (Attachment 10 to the Council report).

**Mountain View Shoreline Regional Park Community Actions:**

11. Adopt a Resolution Adopting the Fiscal Year 2019-20 Shoreline Regional Park Community Budget and Appropriations for the Adopted Fiscal Year 2019-20 Capital Improvement Projects for the Shoreline Regional Park Community, Including Amendments to Existing Projects, to be read in title only, further reading waived (Attachment 11 to the Council report).

**City of Mountain View Capital Improvements Financing Authority Actions:**

12. Adopt a Resolution Adopting the Fiscal Year 2019-20 Budget for MVCIFA Debt Service Payments, to be read in title only, further reading waived (Attachment 12 to the Council report).

**BACKGROUND**

City Charter Sections 1103, 1104, and 1105 specify the requirements and process to adopt the annual City budget, including funding of the adopted Fiscal Year 2019-20 Capital Improvement Projects (Capital Projects). This process requires the City Council review the Proposed Budget submitted by the City Manager, publicly notice and conduct a public hearing on the Proposed Budget, and adopt the annual budget by July 1, including any Council-approved amendments, following the public hearing. The same procedures are followed for the annual Shoreline Regional Park Community budget.

A summary of the process to prepare the budgets is as follows:

- February 12, 2019: The Midyear Budget Status Report and GOF Preliminary Forecast for Fiscal Year 2019-20 were presented to the City Council.
- February 28, 2019: Study Session on City Council Goal Setting for Fiscal Years 2019-20 and 2020-21, and update on the Fiscal Years 2017-18 and 2018-19 City Council Goals.
- March 26, 2019: Study Session for a preliminary review of the Fiscal Year 2019-20 Capital Improvement Program (CIP).
- April 23, 2019: Community Development Block Grant (CDBG) public hearing on Fiscal Year 2019-20 funding cycle. Second Study Session on City Council Goal-Setting for Fiscal Years 2019-20 and 2020-21.
- April 25, 2019: Proposed Fiscal Year 2019-20 through 2023-24 Capital Improvement Program Study Session and Narrative Budget Report Study Session—General Operating and Other Funds, and Reserves; Utility Rate and other fee recommendations, and 5-Year Financial Forecast.

- May 21, 2019: Approval of Fiscal Year 2019-20 through Fiscal Year 2020-21 City Council Major Goals Work Plan.
- June 11, 2019: Public hearing on the Fiscal Year 2019-20 Proposed Budget, including water, sewer, and trash and recycling rates, and various fees (Attachment 13). Approval of the Proposed Fiscal Year 2019-20 through 2023-24 CIP.
- June 18, 2019: Public hearing on the Fiscal Year 2019-20 Proposed Budget, including water, sewer, and trash and recycling rates, and various fees, and funding for the Fiscal Year 2019-20 CIP, with adoption scheduled after the public hearing.

The public hearings on June 11 and June 18, 2019 were noticed and satisfy the City Charter and other legal requirements. As of June 5, 2019, these documents have been available for public review on the City website, in the City Clerk's Office, and at the City Library.

## ANALYSIS

### City of Mountain View

At the June 11, 2019 public hearing, the staff presented the Fiscal Year 2019-20 Proposed Budget, which is substantially the same as presented at the April 25, 2019 Narrative Budget Study Session, with the addition of two City Council-directed items and six items proposed by staff. Subsequent to the Narrative Budget Study Session, the City Council took action on three items and staff is proposing one additional item which are incorporated into the Proposed Budget document. There were seven items discussed on June 11 that, due to timing, were not included in the Proposed Budget document.

The City Council approved all the items listed below which are included in the total City Budget and General Operating Fund budget amounts discussed in this report and the attached resolution.

**Items Identified at the Narrative Budget Included in the Proposed Budget:**

• Library Fee Elimination: (GOF reduced revenue, ongoing)	\$60,000
• Community Health Awareness Council: (GOF, ongoing)	\$5,200
• Homeless and Enforcement: (\$200,000 GNOF, \$250,000 Successor Agency Fund, \$120,000 General Housing Fund, limited-period)	\$570,000
• Public Works Succession Planning (Water Fund, limited-period)	\$250,000
• Fire and Environmental Protection Division Staffing (net reduction of -\$292,500 GOF, plus \$242,700 Wastewater Fund, ongoing)	-\$49,800
• Nonprofit Funding (\$49,600 GNOF, \$5,000 General Housing Fund, limited-period)	\$54,600
• Police Command Staff Succession Planning (GOF, ongoing)	\$47,900
• Homeless Census Count (Below-Market-Rate (BMR) Fund limited-period)	\$6,600

**New Items Subsequent to the Narrative Budget Included in Proposed Budget:**

• Environmental Sustainability (\$4.5 million from GF Carryover, \$3.0 million changed allocation from SPAR in GOF, to new CIP)	\$7,500,000
• Affordable Housing Project at 950 West El Camino Real (BMR, rebudget)	\$21,072,844
• Los Altos School District (LASD)/acquisition of joint-use open space and recreation facility at a future school site and a public park in Mountain View (\$40.0 million Park Land Funds, \$3.0 million Open Space Acquisition Reserve, rebudget)	\$43,000,000
• ADA Consultant (GNOF limited-period)	\$200,000

**New Items Not Included in the Proposed Budget:**

The following items were discussed at the June 11 meeting.

- Plaza Activation (GNOF, rebudget) \$28,400
- Police Department Organization Staffing Study (GNOF, rebudget) \$80,000
- City Predevelopment Cost for Affordable Housing Project at 950 West El Camino Real (BMR, rebudget balance) \$265,000
- Reclassification of an Associate Planner position to Senior Planner (\$1,500 GOF, \$13,000 DSF, ongoing) \$14,500
- Additional Senior Civil Engineer position tied to Google Reimbursement Agreement (position only, \$234,200 dependent on reimbursement)
- City Council Major Goals Work Plan (\$267,500 GNOF, \$50,000 Housing Fund, \$1,035,000 Land Use Document Fee – DSF, limited-period) \$1,352,500  
(Project 2.5 – R3 Zone Standards to be a new capital project)
- Principal Planner position (\$21,800 GOF, \$196,600 DSF, ongoing) \$218,400

At the June 11, 2019 public hearing, the City Council discussed the Multilingual Community Outreach Program and directed staff to return with a recommendation for additional funding beyond the 0.25 FTE in the Proposed Budget at the June 18, 2019 public hearing. Staff is recommending the following:

- Additional Community Outreach Coordinator 0.25 FTE Limited-Period \$35,800

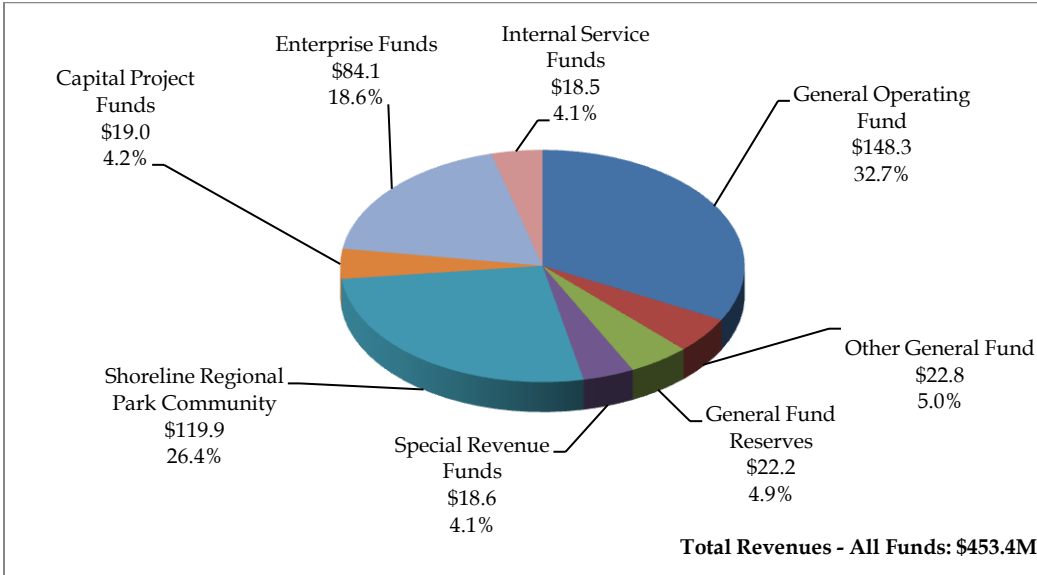
After discussing the needs of the program, staff believes the best use of additional limited-period funding is adding another 0.25 to the Coordinator position. This additional 0.25 FTE capacity (total 0.50 FTE limited-period) will enable the Community Outreach Coordinator to help develop a strategy and implement enhanced community outreach for programs and projects related to the City Council major goals of Promoting a Community for All with a focus on Strategies to Protect Vulnerable Populations and Preserve Mountain View’s Socioeconomic and Cultural Diversity and Promoting Environmental Sustainability. Some

additional focus will be on the Mandarin-speaking community and outreach related to the 2020 Census. In addition to these activities, the Community Outreach Coordinator will have increased capacity to identify new, and strengthen existing community relationships, as well as be more proactive in working with City departments to identify opportunities for engagement with multilingual community groups.

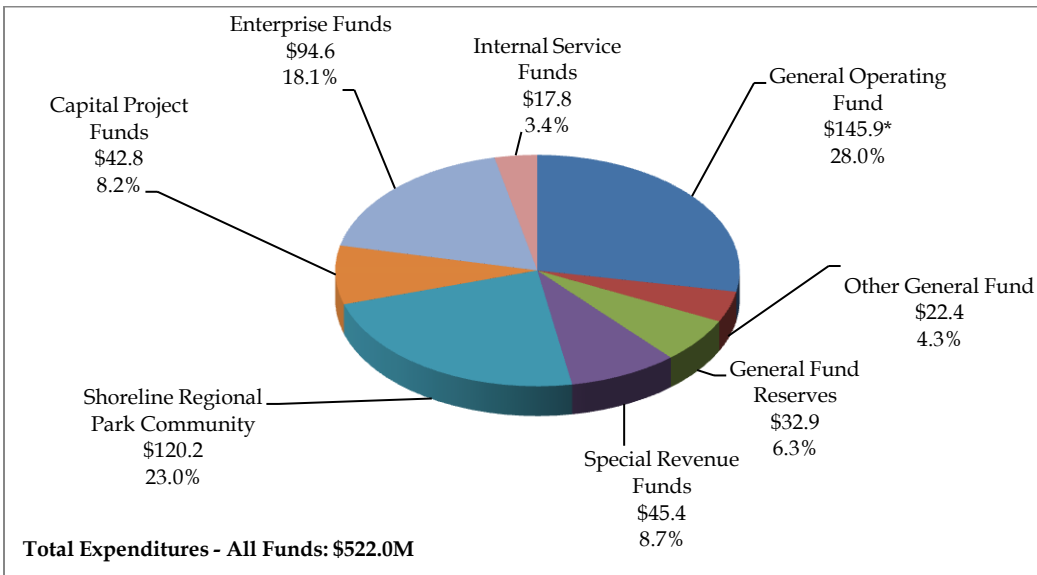
**The total revenues and expenditures for all funds for Fiscal Year 2019-20 are \$453,384,198 and \$524,283,863, respectively. The General Operating Fund revenues and expenditures for Fiscal Year 2019-20 are \$148,323,840 and \$148,193,298, respectively.** General Operating Fund revenues are 7.7 percent higher than the Fiscal Year 2018-19 Adopted Budget and expenditures are 8.8 percent higher. Fiscal Year 2019-20 Capital Project funding in the amount of \$142,508,000, of which \$142,020,000 is City funding, is included.

The City budget and CIP resolutions (Attachments 3 through 6) provide for any amendments approved by the City Council on June 18, 2019 to be included in the Fiscal Year 2019-20 Adopted Budget and authorizes the Finance and Administrative Services Director to make corrections as necessary and report out the final Adopted Budget and any reconciling changes by informational memorandum.

**TOTAL REVENUES – ALL FUNDS  
 FISCAL YEAR 2019-20  
 (dollars in millions)**

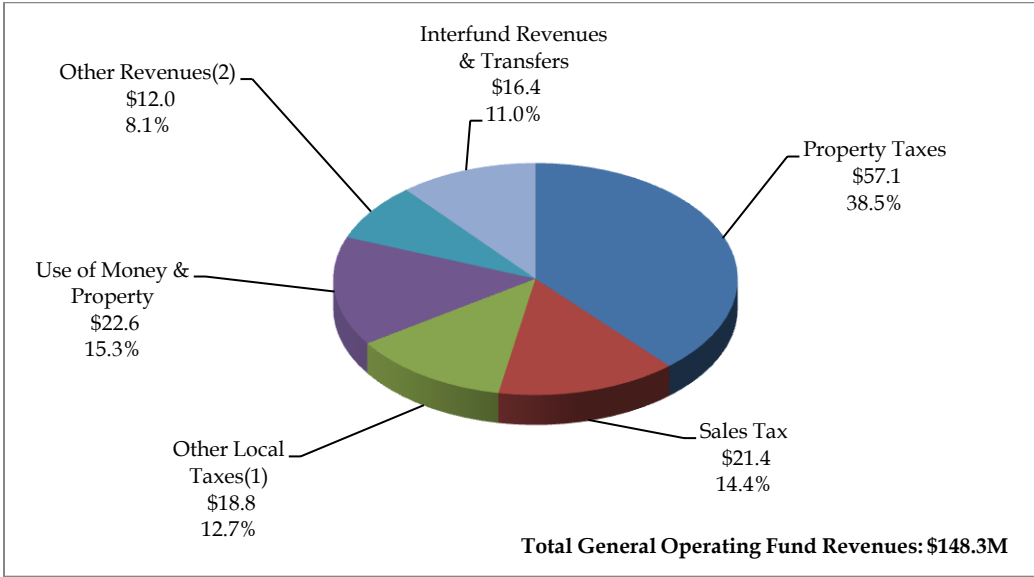


**TOTAL EXPENDITURES – ALL FUNDS  
 FISCAL YEAR 2019-20  
 (dollars in millions)**

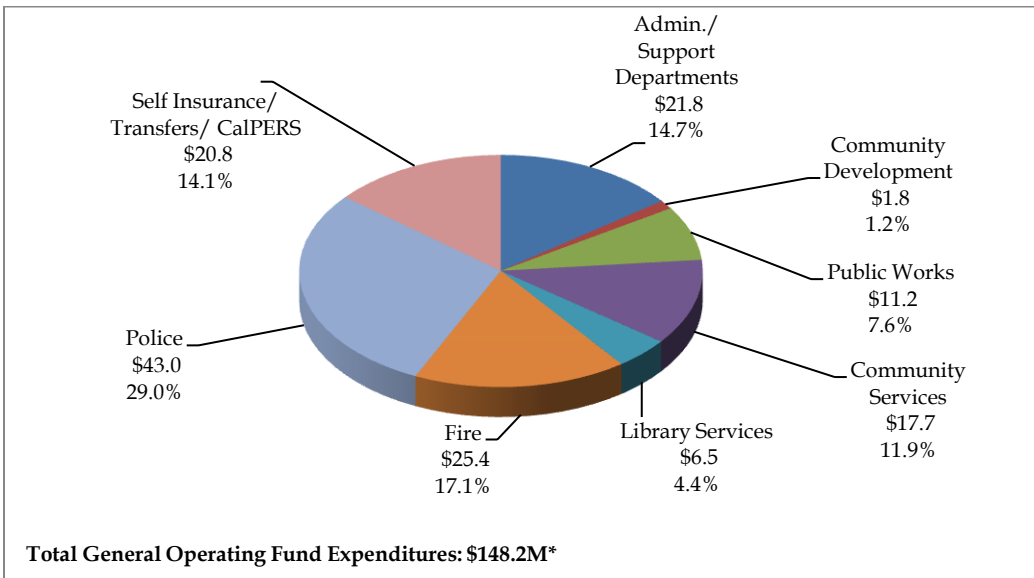




**GENERAL OPERATING FUND REVENUES  
FISCAL YEAR 2019-20  
(dollars in millions)**



**GENERAL OPERATING FUND EXPENDITURES  
FISCAL YEAR 2019-20  
(dollars in millions)**



\* General Operating Fund does not include the \$2.3 million projected budget savings.

<sup>1</sup> Other Local Taxes consist of Transient Occupancy Tax, Business Licenses, and Utility Users Tax.

<sup>2</sup> Other Revenues consist of Licenses, Permits & Franchise Fees, Fines & Forfeitures, Intergovernmental, Charges for Services, and Miscellaneous.

The resolution authorizing the City Manager or Designee to Amend the Classification and Salary Plans for Regular and Hourly Employees for Fiscal Year 2019-20 allows the proposed changes to position classifications included in the Fiscal Year 2019-20 Proposed Budget to be incorporated into the Classification and Salary Plans for Regular and Hourly Employees.

### Appropriations Limit

The City is required by the Constitution of the State of California, Article XIII B, to annually establish the maximum amount of appropriations funded from tax revenues that are subject to limitation. The City's Fiscal Year 2019-20 appropriation limit is \$280,296,313, and those funds subject to limitation are \$105,145,796.

### Fee Modifications

Proposed fee modifications were reviewed and discussed at the April 25, 2019 Narrative Budget Study Session and the June 11, 2019 public hearing. Attachment 8 contains a detailed listing of all fees proposed for modification, including utility rates.

### Mountain View Shoreline Regional Park Community

The total Shoreline Regional Park Community (Shoreline Community) budget for Fiscal Year 2019-20 is \$120,156,055, which includes appropriations for the Fiscal Year 2019-20 Capital Projects in the amount of \$87,899,000.

### City of Mountain View Capital Improvements Financing Authority (MVCIFA)

The MVCIFA was established in 1992 to facilitate the refinancing of a previous bonded debt issue which was later retired. The MVCIFA was utilized for the Child-Care Center financing, which was paid off in Fiscal Year 2015-16, and is currently being used for the Wastewater Loan. It is anticipated the MVCIFA will be used for future City financing needs related to the Police/Fire Administration Building and Downtown Parking. As required by State law and the resolution establishing the procedures for the MVCIFA, an annual meeting for this special-purpose authority is held.

The adoption of the Fiscal Year 2019-20 MVCIFA proposed budget authorizes total expenditures in the amount of \$908,633 for debt service and expenses related to the 2018 Wastewater Bank Loan. This will be modified to include any changes adopted at the June 18, 2019 public hearing.

## **FISCAL IMPACT**

City of Mountain View (City)—Adoption of the total Fiscal Year 2019-20 Proposed Budget for those funds governed by the City Council, in the amount of \$350,006,808 and the appropriations for the Fiscal Year 2019-20 Capital Projects, in the amount of \$54,609,000 of which \$54,121,000 is City funding, authorizes total expenditures of \$404,615,808 for Fiscal Year 2019-20. The budget includes General Operating Fund revenues in the amount of \$148,323,840 and expenditures in the amount of \$148,193,298 (excluding projected budget savings of \$2,300,000). These amounts include the items approved by City Council at the June 11, 2019 public hearing that were not included in the Proposed Budget and the additional recommendation noted above resulting from discussions at the June 11, 2019 public hearing. The total budget will be modified to include any changes adopted at the June 18, 2019 public hearing (Attachments 3 through 6).

City of Mountain View Master Fee Schedule—Adoption of the Fiscal Year 2019-20 amendments to the City of Mountain View Master Fee Schedule authorizes fee modifications as detailed in the exhibits to the attached Master Fee Schedule resolution (Attachment 8).

Park Land Dedication Funds—The adopted Fiscal Year 2019-20 CIP includes \$2,777,000 of Park Land Dedication (PLD) fees, \$2,729,000 recommended to be committed to new and amended projects and \$48,000 previously committed as part of the Fiscal Year 2016-17 Adopted Budget. Attachment 9 contains additional information regarding the commitment of these PLD fees to Capital Projects.

Mountain View Shoreline Community—Adoption of the Fiscal Year 2019-20 Proposed Budget for the Shoreline Community in the amount of \$32,257,055 and the appropriations for the Fiscal Year 2019-20 Capital Projects in the amount of \$87,899,000 authorizes total expenditures of \$120,156,055 for Fiscal Year 2019-20. This amount will be modified to include any changes adopted at the June 18, 2019 Shoreline Community public hearing.

Appropriations for the total budget for all City funds, Capital Projects, and the Shoreline Community is \$524,771,863.

## **CONCLUSION**

The budget preparation and adoption process is a lengthy one which has included several meetings with the City Council, including public input. The actions tonight satisfy the Charter requirements for adopting the annual City budget. The total Fiscal Year 2019-20 Proposed Budget for the City is \$404,615,808, and the total for the Shoreline Community is \$120,156,055. The General Operating Fund budget for Fiscal Year 2019-20 is \$148,193,298 (excluding projected budget savings of \$2,300,000). Proposed fee modifications are detailed in Attachment 8, including utility rates.

## **ALTERNATIVES**

The City Council and the Shoreline Community Board of Directors may request modifications to the Fiscal Year 2019-20 proposed budgets, goals, appropriations limit, fee modifications, and funding for the Fiscal Year 2019-20 Capital Projects as presented. Council Policy A-11 requires an annual operating budget be adopted before July 1 each year.

## **PUBLIC NOTICING**

Agenda posting and a notice of the public hearing was published in two newspapers of general circulation.

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- Attachments:
1. Resolution – Approving Capital Improvement Project 20-59
  2. Resolution – Approving Capital Improvement Project 24-40
  3. Resolution – Fiscal Year 2019-20 CIP 20-59 Funding
  4. Resolution – Fiscal Year 2019-20 CIP 20-61 Funding
  5. Resolution – Fiscal Year 2019-20 CIP 20-66 Funding
  6. Resolution – Fiscal Year 2019-20 City Budget and Remaining Capital Project Funding
  7. Resolution – Fiscal Year 2019-20 Appropriations Limit
  8. Resolution – Amending Master Fee Schedule
  9. Park Land Dedication Commitments
  10. Resolution – Amend the Fiscal Year 2019-20 Classification and Salary Plans
  11. Resolution – Fiscal Year 2019-20 SRPC Budget and Capital Project Funding
  12. Resolution – Fiscal Year 2019-20 Budget for MVCIFA Debt Service Payments
  13. [Public Hearing for Fiscal Year 2019-20 Proposed Budget](#)