



DATE: June 21, 2016

CATEGORY: Public Hearing

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

TITLE: **Adoption of FY 2016-17 Budgets, Appropriations Limit, and Fee Modifications; and Approval of FYs 2016-17 through 2020-21 Capital Improvement Program and Council Goals for FYs 2015-16 and 2016-17**

RECOMMENDATION

Convene a public hearing, accept public comment, and take the following actions necessary to adopt the Fiscal Year 2016-17 budgets, appropriations limit, and fee modifications, approve the Proposed Fiscal Year 2016-17 Capital Improvement Program (CIP), and reaffirm the Fiscal Years 2015-16 and 2016-17 Council Major Goals.

City of Mountain View Actions:

1. Adopt a Resolution Approving Proposed Capital Improvement Projects 17-42, 17-44, and 17-46, Identified in the Fiscal Years 2016-17 through 2020-21 Capital Improvement Program, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution Approving the Remainder of the Fiscal Years 2016-17 through 2020-21 Capital Improvement Program, Including Amendments to Existing Projects, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Adopt a Resolution Adopting the Fiscal Year 2016-17 City Budget, to be read in title only, further reading waived (Attachment 3 to the Council report).
4. Reaffirm the Fiscal Years 2015-16 and 2016-17 Council Goals and approve the addition of 14 new projects/initiatives and deferral of 4 existing projects/initiatives due to workload or timing constraints.
5. Adopt a Resolution Adopting the Fiscal Year 2016-17 Appropriations Limit, to be read in title only, further reading waived (Attachment 4 to the Council report).

6. Adopt a Resolution Amending the City of Mountain View Master Fee Schedule, to be read in title only, further reading waived (Attachment 5 to the Council report).
7. Commit \$5,874,376 of Park Land Dedication funds to the proposed projects shown on Exhibit B of Attachment 6 to the Council report.
8. Change the commitment of \$948,624 of Park Land Dedication funds from the unscheduled Whisman Open Space Acquisition (\$587,127) and the Citywide Open Space Acquisition (\$361,497) projects to the proposed Evandale Mini-Park project shown on Exhibit B of Attachment 6 to the Council report.

Mountain View Shoreline Regional Park Community Actions:

9. Adopt a Resolution Approving Proposed Capital Improvement Projects 17-31, 17-42, and 18-42 (Planned), Identified in the Fiscal Years 2016-17 through 2020-21 Capital Improvement Program, to be read in title only, further reading waived (Attachment 7 to the Council report).
10. Adopt a Resolution Adopting the Fiscal Year 2016-17 Shoreline Regional Park Community Budget and Approving the Fiscal Years 2016-17 through 2020-21 Capital Improvement Program for the Shoreline Regional Park Community, Including Amendments to Existing Projects, to be read in title only, further reading waived (Attachment 8 to the Council report).

City of Mountain View Capital Improvements Financing Authority Actions:

11. Acknowledge the City of Mountain View Capital Improvements Financing Authority has no action items for this fiscal year.

BACKGROUND

City Charter Sections 1103, 1104, and 1105 specify the requirements and process to adopt the annual City budget (including the Proposed CIP). This process requires the City Council review the proposed City budget submitted by the City Manager, publicly notice the hearing and conduct a public hearing on the proposed City budget, and adoption of the annual City budget, including any Council-approved amendments, following the public hearing.

The process to prepare the budget has been as follows:

- The City Council was presented a preliminary forecast on February 9, 2016.
- A Study Session for a preliminary review of the 5-year Proposed CIP was held March 29, 2016.
- A Study Session was held on April 26, 2016 to review and provide direction on the Recommended Budget, goals, projects/initiatives, and fees included in the [Narrative Budget Report](#).
- The [Fiscal Year 2016-17 Proposed Budget](#) was reviewed at a public hearing on June 14, 2016.
- The Proposed Fiscal Year 2016-17 and Planned Fiscal Years 2017-18 through 2020-21 CIP is to be reviewed at the public hearing on June 21, 2016.

The public hearings on June 14 and June 21, 2016 were noticed and satisfy the City Charter and other legal requirements. 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 CIP Funding

Subsequent to the April 26, 2016 Narrative Budget Study Session, based on City Council discussion, staff added funding of \$100,000 for a Castro Street Bike Lane Feasibility Study. The funding for the Fiscal Year 2016-17 CIP was considered as part of the June 14, 2016 public hearing. The Proposed Budget includes appropriations for the Fiscal Year 2016-17 CIP in the amount of \$44,510,000, of which \$44,400,000 is City funding. This amount will be modified to include any changes adopted at the June 21, 2016 public hearing.

The Proposed Fiscal Years 2016-17 through 2020-21 CIP is provided as Attachment 6.

City of Mountain View

The total City budget and General Operating Fund budget for Fiscal Year 2016-17 are \$310.5 million and \$116.8 million, respectively, as discussed in the June 14, 2016 Council report (see Attachment 9).

The items listed below were not included in the Proposed Budget document distributed for the June 14 and June 21, 2016 public hearings. At the April 26, 2016 Narrative Budget Study Session, the Council requested staff to develop recommendations on various items, including options for utilizing a portion of the recommended \$2.5 million transfer to the Strategic Property Acquisition Fund (SPAR). At the June 14, 2016 public hearing, the Council indicated support of the City Manager’s recommendations as detailed below and in the June 14, 2016 Council report and presentation (see Attachment 9).

Proposed Item	Funding Source	Amount
One Time Employee Bonus (LP)	GNOF	\$261,300
Recruitment Strategies – Referral/Signing Bonus (Ongoing)	GOF	\$100,000
Recruitment Strategies – Employee Engagement Initiatives (LP)	GNOF	\$50,000
Senior Management Analyst (LP to Ongoing)	GNOF to GOF	\$169,500*
Communications Training Supervisor (LP)	GNOF	\$188,700
Senior Planner (LP to Ongoing)	DSF	\$166,000*
Permit Technician (Ongoing)	DSF	\$132,600
Homeless Service Support (LP)	Housing	\$250,000*
Transfer to SPAR	GNOF	(\$500,000)
Rebudget Balance of the Bay Area Bike Share Program (LP)	GNOF	\$93,500
Library VDI System Upgrade (LP)	GNOF	\$70,000
Street Lane Line and Legend Repainting	CCT	\$90,000
Castro Street Bike Lane Study	CCT	\$100,000

* No additional appropriations are needed as they were included in the Fiscal Year 2016-17 Proposed Budget.

City Council Goals

At the April 26, 2016 Narrative Budget Study Session, the Fiscal Years 2015-16 and 2016-17 City Council Major Goals and the projects/initiatives to fulfill the Major Goals were reaffirmed. The City Council approved 14 new projects/initiatives, 3 of which were approved at the June 14, 2016 public hearing, and are listed below:

- Study a Castro Street bike lane from El Camino Real to California Street.
- Explore adding dual plumbing to the scope of proposed new construction.
- Explore bike share program options and solutions.

The City Council Major Goals and the supporting projects/initiatives are included as Attachment 1 to the Proposed Budget Transmittal Letter. This attachment also indicates projects/initiatives which are being delayed due to workload or timing constraints.

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 2016-17 appropriation limit is \$242,260,201, and those funds subject to limitation are \$81,914,959.

Fee Modifications

Proposed fee modifications were reviewed and discussed at the April 26, 2016 Narrative Budget Study Session and the June 14, 2016 public hearing. A public hearing is also being held on June 21, 2016 for those proposed utility rates subject to a Proposition 218 hearing.

Attachment 5 contains a detailed listing of all fees proposed for modification, including those subject to a Proposition 218 hearing. If there is a majority protest at the June 21, 2016 Utility Rates Proposition 218 public hearing, these fees will be excluded from the budget.

FISCAL IMPACT

City of Mountain View (City) – Adoption of the total Fiscal Year 2016-17 Proposed Budget for those funds governed by the City Council, in the amount of \$265,971,862 and

appropriations for the Fiscal Year 2016-17 CIP, in the amount of \$44,510,000, of which \$44,400,000 is City funding, authorizes total expenditures of \$310,481,862 for Fiscal Year 2016-17.

The budget includes General Operating Fund revenues in the amount of \$118,718,230 and expenditures in the amount of \$116,838,337 (excluding projected budget savings of \$1,800,000). The total budget will be modified to include any changes adopted at the June 21, 2016 City Council meeting.

City of Mountain View Master Fee Schedule—Adoption of the Fiscal Year 2016-17 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 5).

Mountain View Shoreline Regional Park Community—Adoption of the Fiscal Year 2016-17 Proposed Budget for the Shoreline Community in the amount of \$29,077,188 and the Fiscal Year 2016-17 CIP budget in the amount of \$2,762,000 authorizes total expenditures of \$31,839,188 for Fiscal Year 2016-17. This amount will be modified to include any changes adopted at the June 21, 2016 Shoreline Community meeting.

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 defeased. The MVCIFA was also recently utilized for the Child-Care Center financing. Although there is no longer a budget to adopt, as required by State law and the resolution establishing the procedures for the MVCIFA, an annual meeting for this special-purpose authority is held.

Appropriations for the total budget for all City funds and the Shoreline Community is \$342,321,050.

CONCLUSION

The actions tonight satisfy the Charter requirements for adopting the annual City budget. The total Fiscal Year 2016-17 Proposed Budget for the City is \$310,481,862 and the total for the Shoreline Community is \$31,839,188. The General Operating Fund budget for Fiscal Year 2016-17 is \$116,838,337 (excluding projected budget savings). The City Council has reaffirmed the three Major Goals and adopted 14 additional projects/initiatives to support the goals. Proposed fee modifications are detailed in Attachment 5, including those subject to a Proposition 218 rate hearing.

ALTERNATIVES

City Council and the Shoreline Community Board of Directors may request modifications to the Fiscal Year 2016-17 proposed budgets, goals, appropriations limit, fee modifications, and the Fiscal Years 2016-17 through 2020-21 CIP as presented. Council Policy A-11 requires an annual operating budget be adopted before the first of July 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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530-06-21-16CR-E

- Attachments:
1. Resolution – City CIPs 17-42, 17-44, and 17-46
 2. Resolution – Remainder of the FYs 2016-17 through 2020-21 CIPs
 3. Resolution – Fiscal Year 2016-17 City Budget
 4. Resolution – Fiscal Year 2016-17 Appropriations Limit
 5. Resolution – Amending Master Fee Schedule
 6. Proposed Fiscal Year 2016-17 Capital Improvement Program
 7. Resolution – SRPC CIPs 17-31, 17-42, and 18-42
 8. Resolution – SRPC Fiscal Year 2016-17 Budget and Fiscal Years 2016-17 through 2020-21 CIP
 9. [Public Hearing for the Fiscal Year 2016-17 Proposed Budget](#)