



COUNCIL REPORT

DATE: June 28, 2022

CATEGORY: Public Hearing

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

TITLE: **Adoption of Fiscal Year 2022-23 Budgets,
Appropriations Limit, Fee Modifications,
and Funding for Fiscal Year 2022-23
Capital Improvement Projects**

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 2022-23 budgets, appropriations limit, fee modifications, and funding for the adopted Fiscal Year 2022-23 Capital Improvement Projects.

City of Mountain View Actions:

1. Adopt a Resolution of the City Council of the City of Mountain View Adopting the Fiscal Year 2022-23 City Budget and Appropriations for the Adopted Fiscal Year 2022-23 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 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Adopting the Fiscal Year 2022-23 Appropriations Limit, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Adopt a Resolution of the City Council of the City of Mountain View Amending the City of Mountain View Master Fee Schedule, to be read in title only, further reading waived (Attachment 3 to the Council report).
4. Commit \$3,850,000 of Park Land Dedication Funds to the adopted Fiscal Year 2022-23 Capital Projects, including amendments to existing projects (Attachment 4 to the Council report).
5. Adopt a Resolution of the City Council of the City of Mountain View Authorizing the City Manager or Designee to Amend the Classification and Salary Plans for Regular and Hourly

Employees for Fiscal Year 2022-23, to be read in title only, further reading waived (Attachment 5 to the Council report).

Mountain View Shoreline Regional Park Community Actions:

6. Adopt a Resolution of the Mountain View Shoreline Regional Park Community Adopting the Fiscal Year 2022-23 Shoreline Regional Park Community Budget and Appropriations for the Adopted Fiscal Year 2022-23 Capital Improvement Projects for the Shoreline Regional Park Community, Including Amendments to Existing Projects, to be read in title only, further reading waived (Attachment 6 to the Council report).

City of Mountain View Capital Improvements Financing Authority Action:

7. Adopt a Resolution of the Mountain View Capital Improvements Financing Authority Adopting the Fiscal Year 2022-23 Budget for Debt Service Payments, to be read in title only, further reading waived (Attachment 7 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 2022-23 Capital Improvement Projects (Capital Projects). This process requires the City Council to review the Recommended Budget submitted by the City Manager, publicly notice and conduct a public hearing on the Recommended 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.

The budget process began in November 2021 and concludes with the adoption of the annual budget this evening. During this time, several updates were presented to Council, including: quarterly budget status updates; updates to the Council Strategic Work Plan; and a Study Session on the Capital Improvement Program (CIP). The public hearings on June 14 and June 28, 2022 were noticed and satisfy the City Charter and other legal requirements. The Recommended Budget document has been available for public review on the City website since June 2, 2022.

ANALYSIS

At the June 14, 2022 public hearing, staff presented the Fiscal Year 2022-23 Recommended Budget. After the public hearing was closed, the City Council took action to approve the following items in the Recommended Budget. All of the items listed below are included in the total City Budget and General Operating Fund (GOF) budget amounts, as appropriate, in the attached resolution (Attachment 1).

Revisions to the Recommended Budget

- Support staff work to evaluate amenities at the Community Shuttle stops No Increase Needed

- Increase funding for the Council Neighborhoods Committee Neighborhood Grant Program (GOF—ongoing) \$3,000

- Restore funding for the Friends of Caltrain Educational Services membership (GOF—ongoing) \$5,000

The City Council also took action to revise the American Rescue Plan Act (ARPA). Recommended funding is as follows:

Recommended Uses of Second Tranche of ARPA Funds	Original Amount	Revised Amount
Fiscal Year 2022-23		
COVID-19 employee recognition (committed last fiscal year) <i>(One-time bonus paid to all regular City employees in recognition for extraordinary service to the community, developing new programs, and adapting and maintaining City operations in response to the pandemic)</i>	\$1,634,000	\$1,634,000
Castro StrEATs improvements <i>(Improvements to enrich the downtown experience and enhance safety, such as sewer, Americans with Disabilities Act (ADA), pedestrian improvements, public activities, street furniture, lighting, and other amenities)</i>	1,500,000	1,500,000
Elevate MV Guaranteed Basic Income pilot program—Year 2 <i>(Second year of monthly payments to program participants; program implementation expenses, including lived-experience advisors and evaluation)</i>	1,300,000	1,300,000
Community Services Agency (CSA) <i>(Flexible funding for direct assistance to Mountain View residents to meet basic needs)</i>	500,000	500,000

Recommended Uses of Second Tranche of ARPA Funds	Original Amount	Revised Amount
Mountain View Solidarity Fund <i>(Community-based grants to Mountain View residents impacted by COVID-19 administered by the Mountain View Solidarity Fund in partnership with the Los Altos Mountain View Community Foundation)</i>	500,000	800,000
Technology equipment, hardware, and IT contracts <i>(Support for hybrid meetings, online services, remote work, Zoom-enabled conference rooms, and cybersecurity needs)</i>	450,000	450,000
Community workforce development/job training <i>(Support for Mountain View residents to receive online degrees and job training)</i>	250,000	500,000
Economic/climate resilience support to small businesses <i>(Development of a toolkit to help Mountain View small businesses with risk assessment and mitigation strategies to continue to thrive in the face of increasing variability in the economy and environment)</i>	200,000	500,000
COVID-19 health and safety resources <i>(Contract services, personal protective equipment (PPE), and facility improvements for maintaining health and safety for the public and City employees)</i>	150,000	150,000
Housing and Eviction Help Center <i>(Pilot program connecting community members with housing support services and resources)</i>	100,000	250,000
City workforce resilience and well-being programs <i>(Enhanced orientation for City employees hired during the pandemic; supervisor coaching and training on developing strong, healthy work environments and teams)</i>	60,000	60,000
Broadband Consultant—Work Plan Project	-0-	100,000
Nonprofit Funding for Community Needs (CDBG/GOF Funding Process)	-0-	95,540
TOTAL RECOMMENDED USES	\$6,644,000	\$7,839,540

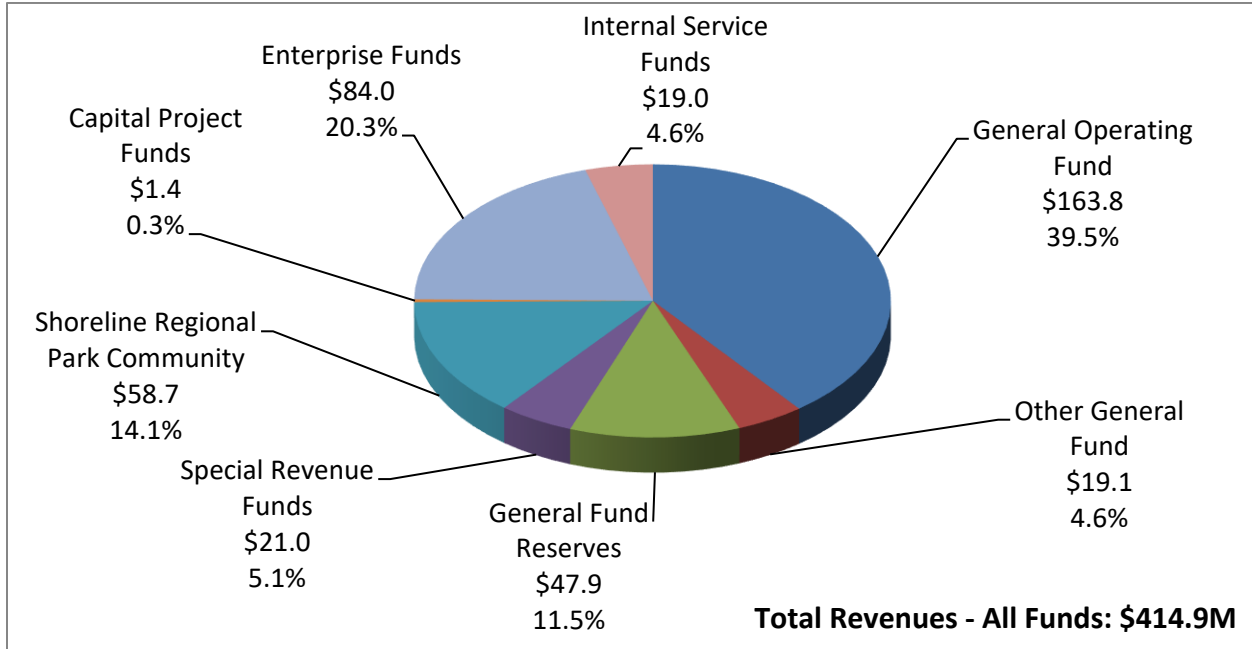
In addition, due to timing constraints in preparing the Recommended Budget, the following new items were added to the total City Budget after the Recommended Budget was presented to the City Council on June 14, 2022.

- Reclass Hazardous Material Specialist to Senior Hazardous Materials Specialist (GOF—ongoing) \$10,700
- Cities Association of Santa Clara County Membership Increase (GOF—ongoing) \$10,400
- Rebudget ARPA funding to pay off unpaid utility bills for Residents/Small Businesses (General Non-Operating Fund (GNOF)—limited-period) \$750,000

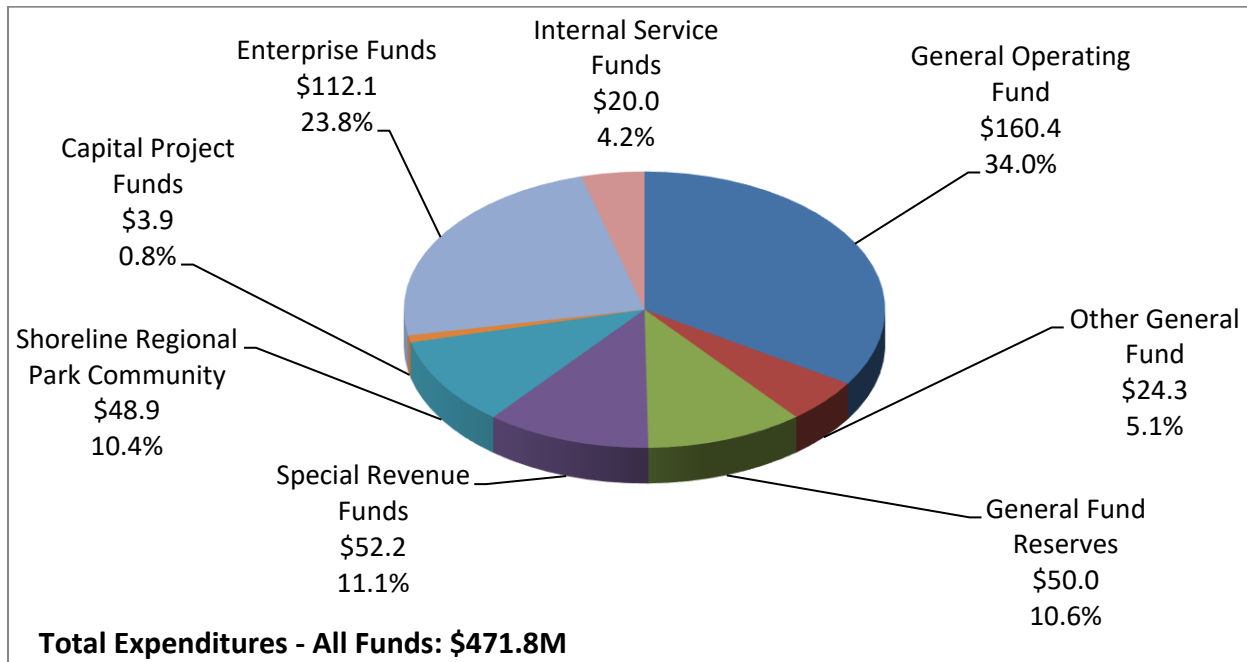
The total revenues and expenditures for all funds for Fiscal Year 2022-23 are \$414,913,171 and \$477,751,634, respectively. The General Operating Fund revenues and expenditures for Fiscal Year 2022-23 are \$163,835,960 and \$166,365,793, respectively. GOF revenues are 11.9% higher than the Fiscal Year 2021-22 Adopted Budget, and operating expenditures are 6.4% higher (not including estimated budget savings and \$1.6 million transfer to the General Fund Reserve). Fiscal Year 2022-23 Capital Project funding in the amount of \$80,830,596, of which \$75,842,000 is City funding, is included.

The City budget and CIP resolution (Attachment 1) provide for any amendments approved by the City Council on June 28, 2022 to be included in the Fiscal Year 2022-23 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. As authorized by the resolution, the Adopted Budget will be amended to include costs associated with approved labor agreements.

TOTAL REVENUES—ALL FUNDS, FISCAL YEAR 2022-23
(dollars in millions)

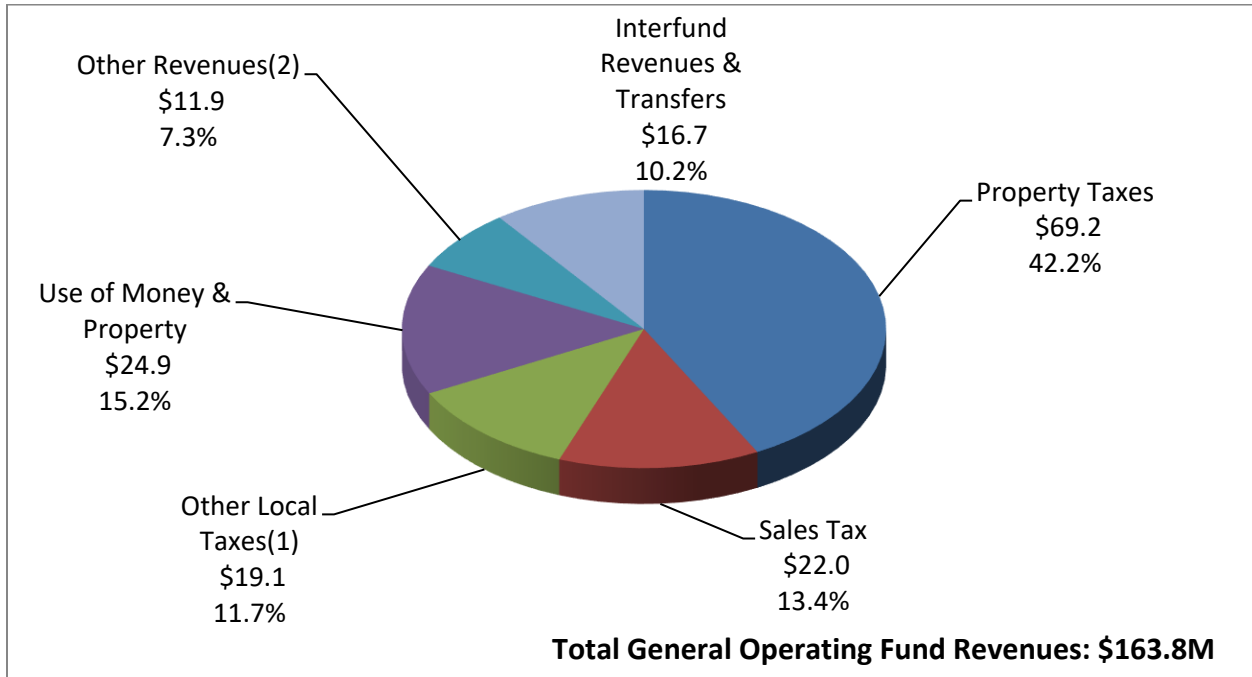


TOTAL EXPENDITURES—ALL FUNDS, FISCAL YEAR 2022-23
(dollars in millions)



NOTE: General Operating Fund net of the \$6.0 million estimated budget savings.

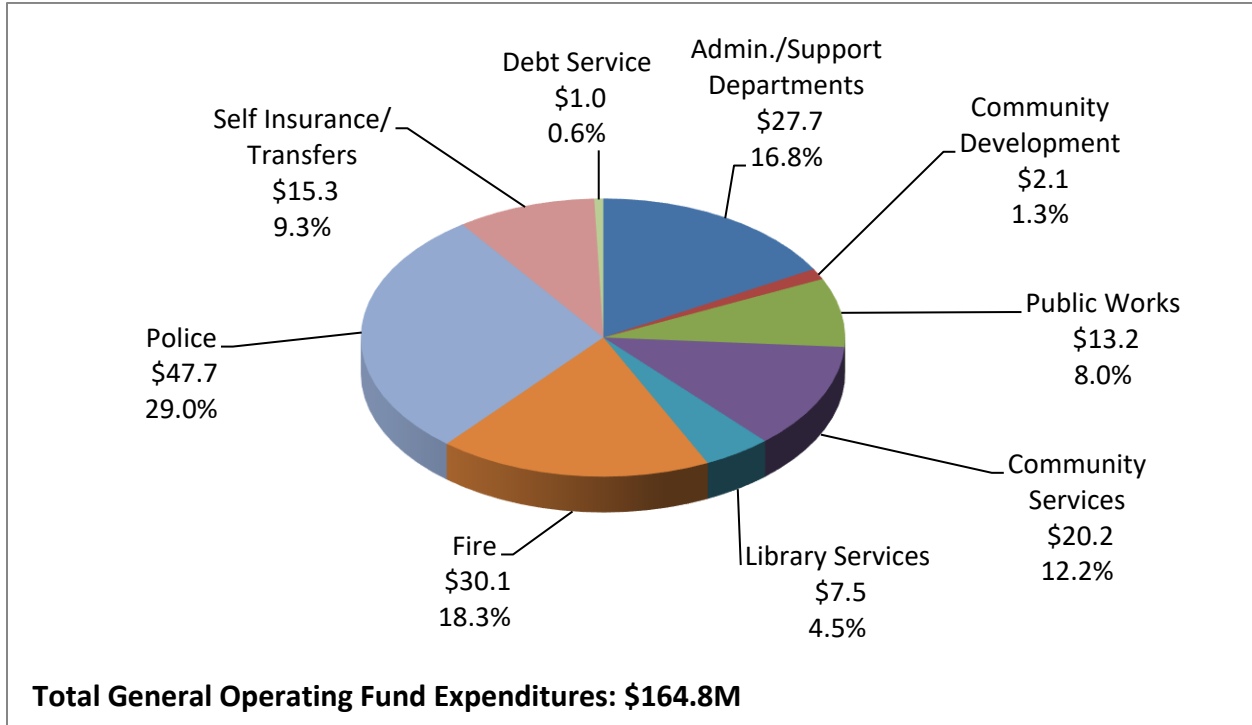
GENERAL OPERATING FUND REVENUES, FISCAL YEAR 2022-23
(dollars in millions)



1. Other Local Taxes consists of Transient Occupancy Tax, Business Licenses, and Utility Users Tax.

2. Other Revenues consists of Licenses, Permits & Franchise Fees, Fines & Forfeitures, Intergovernmental, Charges for Services, and Miscellaneous.

GENERAL OPERATING FUND EXPENDITURES, FISCAL YEAR 2022-23
(dollars in millions)



NOTE: General Operating Fund does not include the \$6.0 million estimated budget savings and \$1.6 million transfer to the General Fund Reserve.

Salary Plan Changes: The resolution authorizing the City Manager or designee to amend the classification and salary plans for regular and hourly employees (Attachment 5) includes changes in employee compensation for the period including July 1, 2022 through June 30, 2023, previously included in separate resolutions in Item 6.1 on tonight's agenda, and new position classifications and/or title changes included in the Fiscal Year 2022-23 Recommended Budget.

Salary for Mayor and Councilmembers: The City's Salary Plan for regular employees (Attachment 5) reflects the automatic annual adjustment made in accordance with the City of Mountain View's Charter, Part 1, Article V, Section 5.03. The cost-of-living adjustments of 5% are effective June 26, 2022 and were included in the Fiscal Year 2022-23 Recommended Budget.

Reclassification in the Community Services Department: The Community Services Department (CSD) is requesting reorganization for some of their positions. These changes have minimal fiscal impact and are within the City Manager’s authority provided by the City Council on December 7, 2010.

1. **Center for the Performing Arts**—Communications Coordinator 0.50 FTE to Performing Arts Supervisor 0.50 FTE. CSD requests to: (1) reclass a 0.50 FTE position to Performing Arts Supervisor; and (2) add it to an existing 0.50 FTE Performing Arts Supervisor, making it full-time. A 0.50 FTE Communications Coordinator is approximately \$111,150, and a 0.50 FTE Performing Arts Supervisor is approximately \$100,700, resulting in a slight savings.

Summary

From	To
0.50 Communications Coordinator	1.0 Performing Arts Coordinator
0.50 Performing Arts Coordinator	
TOTAL FTE of 1.0	TOTAL FTE of 1.0

2. **Parks/Forestry Division**—Reclassify two 0.50 FTE Office Assistants to 1.0 FTE Office Assistant. The cost of combining two 0.5 FTE positions to one 1.0 FTE position is about the same, so this change is cost-neutral.

Summary

From	To
0.50 Office Assistant	1.0 Office Assistant
0.50 Office Assistant	
TOTAL FTE of 1.0	TOTAL FTE of 1.0

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 2022-23 appropriation limit is \$342,417,977, and those funds subject to limitation are \$119,596,661.

Fee Modifications

Recommended fee modifications were reviewed and discussed at the June 14, 2022 public hearing. Attachment 3 contains a detailed listing of all fees recommended for modification, including utility rates.

Mountain View Shoreline Regional Park Community

The total Shoreline Regional Park Community (Shoreline Community) budget for Fiscal Year 2022-23 is \$48,887,524, which includes appropriations for the Fiscal Year 2022-23 Capital Projects in the amount of \$13,367,000.

City of Mountain View Capital Improvements Financing Authority

The Mountain View Capital Improvements Financing Authority (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 total MVCIFA budget for Fiscal Year 2022-23 is \$852,152 for debt service related to the 2018 Wastewater Bank Loan.

FISCAL IMPACT

City of Mountain View (City)—Adoption of the total Fiscal Year 2022-23 Recommended Budget for those funds governed by the City Council, in the amount of \$365,536,958, and the appropriations for the Fiscal Year 2022-23 Capital Projects, in the amount of \$67,463,596, of which \$62,475,000 is City funding, authorizes total expenditures of \$433,000,554 for Fiscal Year 2022-23. The budget includes GOF revenues in the amount of \$163,835,960 and expenditures in the amount of \$166,365,793 (excluding projected budget savings of \$6,000,000). These amounts include the Recommended Budget as presented as well as the additional items recommended by staff and approved by the City Council at the June 14, 2022 public hearing. The final budget will be modified to include any changes adopted at the June 28, 2022 public hearing (Attachment 1).

City of Mountain View Master Fee Schedule—Adoption of the Fiscal Year 2022-23 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 3).

Park Land Dedication Funds—The adopted Fiscal Year 2022-23 CIP includes the commitment of Park Land Dedication fees totaling \$3,850,000 to new and amended projects. Attachment 4 contains additional information regarding the commitment of these Park Land Dedication fees to Capital Projects.

Mountain View Shoreline Community—Adoption of the Fiscal Year 2022-23 Recommended Budget for the Shoreline Community in the amount of \$35,520,524 and the appropriations for the Fiscal Year 2022-23 Capital Projects in the amount of \$13,367,000 authorizes total expenditures of \$48,887,524 for Fiscal Year 2022-23. This amount will be modified to include any changes adopted at the June 28, 2022 Shoreline Community public hearing.

City of Mountain View Capital Improvements Financing Authority—Adoption of the Fiscal Year 2022-23 Recommended Budget for the MVCIFA authorizes total expenditures in the amount of \$852,152 for debt service related to the 2018 Wastewater Bank Loan. This will be modified to include any changes adopted at the June 28, 2022 public hearing.

Appropriations for the total budget for all City funds, Capital Projects, the Shoreline Community, and Capital Improvements Financing Authority is \$482,740,230.

ALTERNATIVES

The City Council, the Shoreline Community Board of Directors, and the Mountain View Capital Improvements Financing Authority Board of Directors may request modifications to the Fiscal Year 2022-23 recommended budgets, strategic priorities, appropriations limit, fee modifications, and funding for the Fiscal Year 2022-23 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 the *Daily Post* and advertised on the *Mountain View Voice* website.

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- Attachments:
1. Resolution—Fiscal Year 2022-23 City Budget and Capital Project Funding
 2. Resolution—Fiscal Year 2022-23 Appropriations Limit
 3. Resolution—Amending Master Fee Schedule
 4. Park Land Dedication Fee Commitments
 5. Resolution—Amend the Fiscal Year 2022-23 Classification and Salary Plans for Regular and Hourly Employees
 6. Resolution—Fiscal Year 2022-23 SRPC Budget and Capital Project Funding
 7. Resolution—Fiscal Year 2022-23 Budget for MVCIFA Debt Service Payments
 8. June 14, 2022 [Public Hearing for Fiscal Year 2022-23 Recommended Budget](#)