



**DATE:** June 22, 2021

**CATEGORY:** Public Hearing

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

**TITLE:** **Adoption of Fiscal Year 2021-22  
Budgets, Appropriations Limit, Fee  
Modifications, and Funding for Fiscal  
Year 2021-22 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 2021-22 budgets, appropriations limit, fee modifications, and funding for the adopted Fiscal Year 2021-22 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 2021-22 City Budget and Appropriations for the Adopted Fiscal Year 2021-22 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 2021-22 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 \$7,478,000 of Park Land Dedication funds to the adopted Fiscal Year 2021-22 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 2021-22, 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 2021-22 Shoreline Regional Park Community Budget and Appropriations for the Adopted Fiscal Year 2021-22 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 Actions:**

7. Adopt a Resolution of the Capital Improvements Financing Authority of the City of Mountain View Adopting the Fiscal Year 2021-22 Budget for MVCIFA 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 2021-22 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 2020 and will conclude with the expected adoption of the budget. During this time, several updates were presented to Council, including quarterly budget status updates; discussion of the City's Strategic Roadmap, including the new Vision Statement, Strategic Priorities, and Action Plan; and Study Sessions on the Capital Improvement Program (CIP). In addition, a Budget 101 Workshop for the community was held in April 2021. The public hearings on June 8 and June 22, 2021 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 3, 2021.

## ANALYSIS

At the June 8, 2021 public hearing, staff presented the Fiscal Year 2021-22 Recommended Budget. After the public hearing was closed, the City Council took action to approve staff's recommendations to include the following items in the Recommended Budget. All the items listed below are included in the total City Budget and GOF budget amounts, as appropriate, in the attached resolution.

### **Items Added to the Recommended Budget:**

- City Council Team Building (GOF – ongoing) \$15,000
- City Council Training, Conference, and Travel (GOF – ongoing) \$22,100
- Destination: Home Grant Appropriation  
(General Housing Fund – limited-period) \$150,000

In addition, Council approved the Strategic Roadmap for Fiscal Years 2021-23, which includes the seven new Strategic Priorities, a forward-looking Vision Statement, and the Action Plan consisting of top-priority projects. Council also authorized the use of an additional \$3.0 million (\$6.0 million in total) for the Homebuyer Program from the Earned Lease Revenue Reserve.

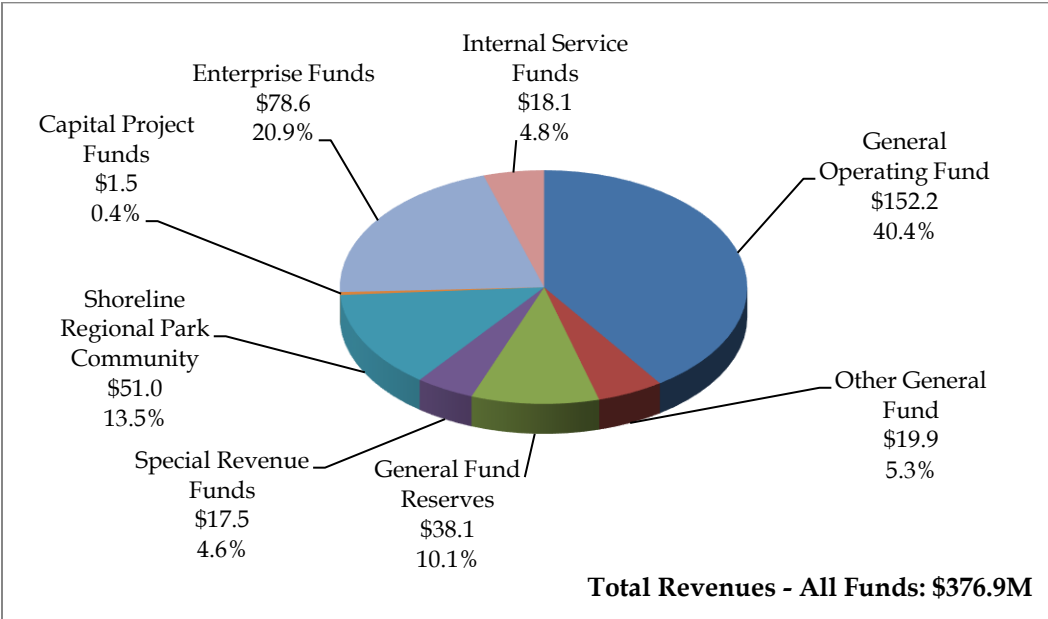
**The total revenues and expenditures for all funds for Fiscal Year 2021-22 are \$376,945,538 and \$419,830,936, respectively. The General Operating Fund revenues and expenditures for Fiscal Year 2021-22 are \$152,248,350 and \$154,671,281, respectively.** GOF revenues, including \$5.8 million in Excess Educational Revenue Augmentation Fund (ERAF) revenue, are 5.6% higher than the Fiscal Year 2020-21 Adopted Budget, and operating expenditures are 4.5% higher (not including estimated budget savings). Fiscal Year 2021-22 Capital Project funding in the amount of \$59,486,423, of which \$54,958,634 is City funding, is included.

In addition, the following item listed below (previously discussed on tonight's agenda) is recommended for City Council consideration and is not included in the total expenditure amounts discussed in this report and the City budget resolution.

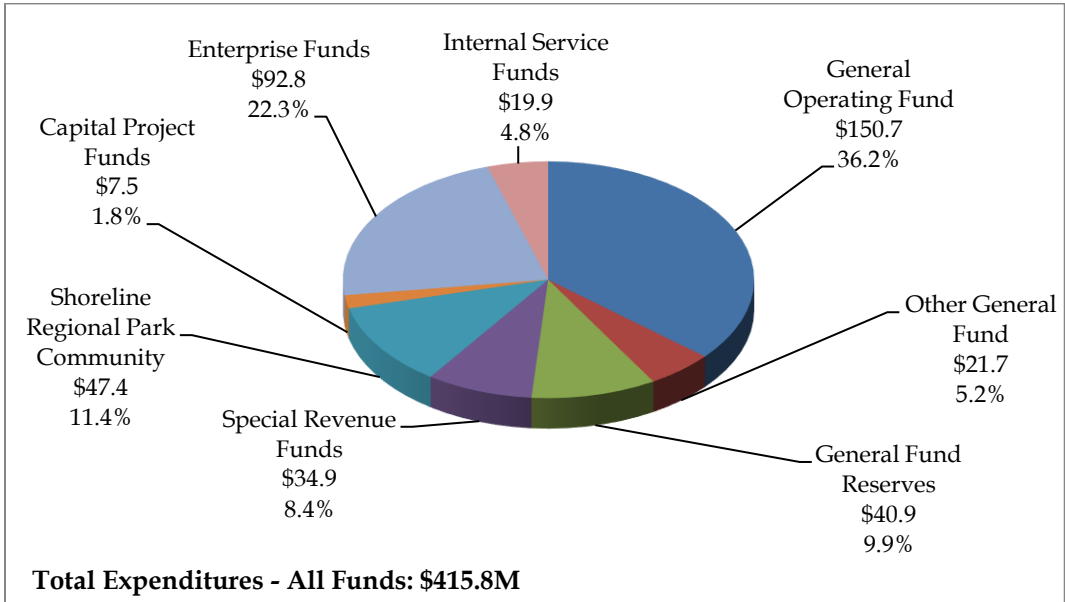
- Charities Housing Notice of Funding Availability Predevelopment  
Funds for 1265 Montecito Avenue  
(Housing Impact Fund – limited-period) \$1,300,000

The City budget and CIP resolution (Attachment 1) provide for any amendments approved by the City Council on June 22, 2021 to be included in the Fiscal Year 2021-22 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 2021-22  
 (dollars in millions)**

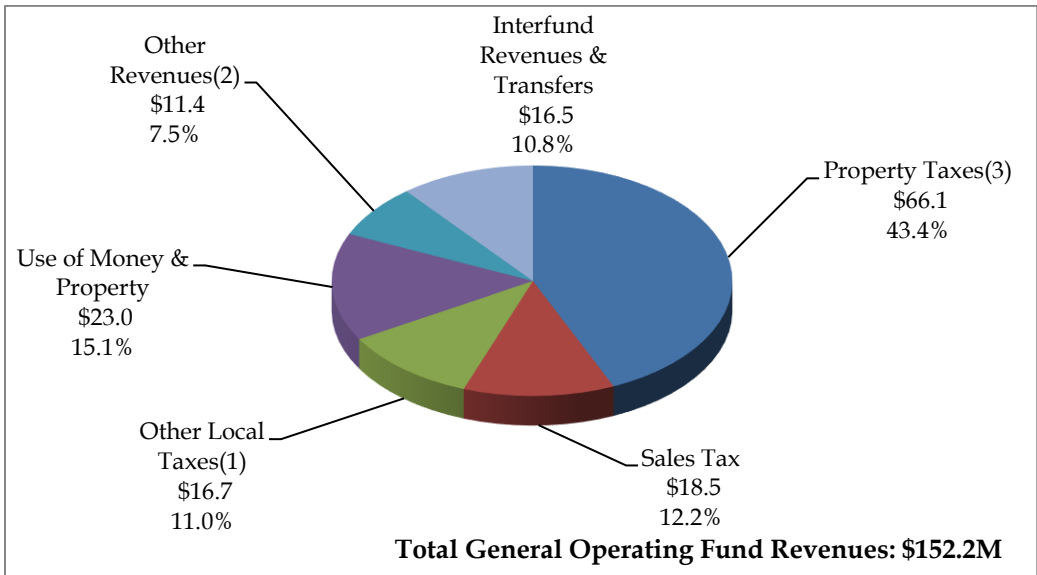


**TOTAL EXPENDITURES – ALL FUNDS, FISCAL YEAR 2021-22  
(dollars in millions)**



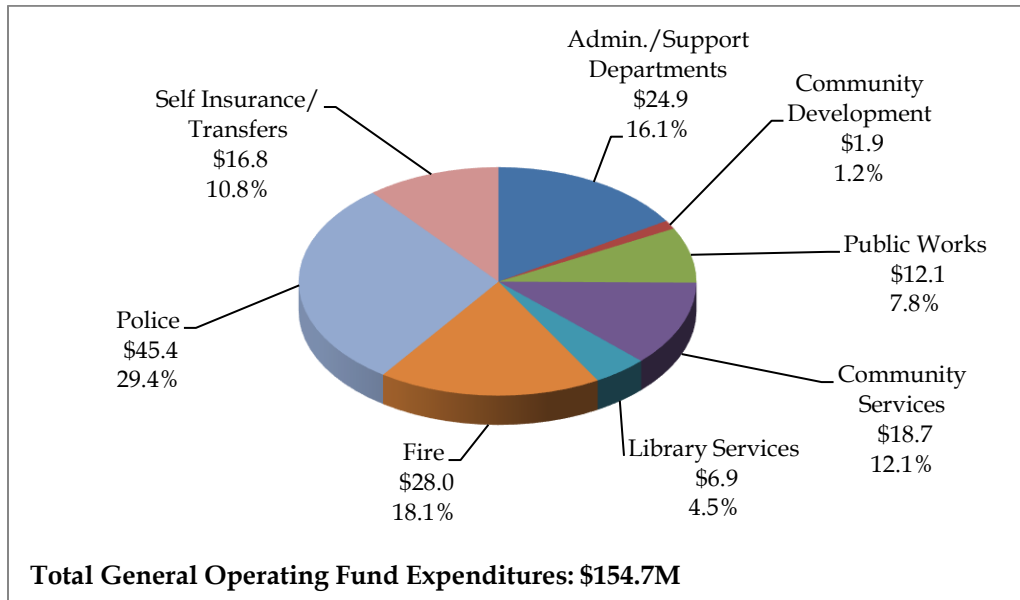
NOTE: General Operating Fund net of the \$4.0 million estimated budget savings.

**GENERAL OPERATING FUND REVENUES, FISCAL YEAR 2021-22  
(dollars in millions)**



1. Other Local Taxes consists of Transient Occupancy Tax, Business Licenses, and Utility Users Tax.
2. Other Revenues consist of Licenses, Permits & Franchise Fees, Fines & Forfeitures, Intergovernmental, Charges for Services, and Miscellaneous.
3. Property Taxes include Excess ERAF revenue of \$5.8 million.

**GENERAL OPERATING FUND EXPENDITURES, FISCAL YEAR 2021-22  
(dollars in millions)**



NOTE: General Operating Fund does not include the \$4.0 million estimated budget savings.

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, 2021 through June 30, 2023, previously included in separate resolutions in Item 6.2 on tonight’s agenda, and new position classifications and/or title changes included in the Fiscal Year 2021-22 Recommended Budget.

**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 2021-22 appropriation limit is \$315,571,679, and those funds subject to limitation are \$103,224,135.

**Fee Modifications**

Recommended fee modifications were reviewed and discussed at the June 8, 2021 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 2021-22 is \$47,447,157, which includes appropriations for the Fiscal Year 2021-22 Capital Projects in the amount of \$13,371,000.

### **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 2021-22 is \$852,287 for debt service related to the 2018 Wastewater Bank Loan.

### **FISCAL IMPACT**

City of Mountain View (City) – Adoption of the total Fiscal Year 2021-22 Recommended Budget for those funds governed by the City Council, in the amount of \$329,943,858, and the appropriations for the Fiscal Year 2021-22 Capital Projects, in the amount of \$46,115,423, of which \$41,587,634 is City funding, authorizes total expenditures of \$376,911,568 for Fiscal Year 2021-22. The budget includes GOF revenues in the amount of \$152,248,350 (including \$5.8 million in Excess ERAF) and expenditures in the amount of \$154,671,281 (excluding projected budget savings of \$4,000,000). 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 8, 2021 public hearing. The final budget will be modified to include any changes adopted at the June 22, 2021 public hearing (Attachment 1).

City of Mountain View Master Fee Schedule – Adoption of the Fiscal Year 2021-22 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 2021-22 CIP includes the commitment of Park Land Dedication (PLD) fees totaling \$7,478,000 to new and amended projects. Attachment 4 contains additional information regarding the commitment of these PLD fees to Capital Projects.

Mountain View Shoreline Community—Adoption of the Fiscal Year 2021-22 Recommended Budget for the Shoreline Community in the amount of \$34,076,157 and the appropriations for the Fiscal Year 2021-22 Capital Projects in the amount of \$13,371,000 authorizes total expenditures of \$47,447,157 for Fiscal Year 2021-22. This amount will be modified to include any changes adopted at the June 22, 2021 Shoreline Community public hearing.

City of Mountain View Capital Improvements Financing Authority—Adoption of the Fiscal Year 2021-22 Recommended Budget for the MVCIFA authorizes total expenditures in the amount of \$852,287 for debt service related to the 2018 Wastewater Bank Loan. This will be modified to include any changes adopted at the June 22, 2021 public hearing.

Appropriations for the total budget for all City funds, Capital Projects, the Shoreline Community, and Capital Improvements Financing Authority is \$424,358,725.

## **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 2021-22 recommended budgets, strategic priorities, appropriations limit, fee modifications, and funding for the Fiscal Year 2021-22 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 *San Jose Post Record* and advertised on the *Mountain View Voice* website.

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- Attachments:
1. Resolution – Fiscal Year 2021-22 City Budget and Capital Project Funding
  2. Resolution – Fiscal Year 2021-22 Appropriations Limit
  3. Resolution – Amending Master Fee Schedule
  4. Park Land Dedication Fee Commitments
  5. Resolution – Amend the Fiscal Year 2021-22 Classification and Salary Plans
  6. Resolution – Fiscal Year 2021-22 SRPC Budget and Capital Project Funding
  7. Resolution – Fiscal Year 2021-22 Budget for MVCIFA Debt Service Payments
  8. June 8, 2021 [Public Hearing for Fiscal Year 2021-22 Recommended Budget](#)