



DATE: June 10, 2014

CATEGORY: Public Hearing

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

TITLE: **Public Hearing for the Fiscal Year 2014-15 Proposed Budget**

RECOMMENDATION

Convene a public hearing, accept public comment, and provide input on the Fiscal Year 2014-15 Proposed Budget.

BACKGROUND

The Fiscal Year 2014-15 Proposed Budget has been prepared in accordance with Section 1103 of the City Charter, the State Constitutional limit on the proceeds of taxes, and all applicable regulations. It contains the proposed financial plan for the General Operating Fund (GOF) and all other City funds.

In November 2013, the City Manager's message, time line, and instructions to departments for preparation of the Fiscal Year 2014-15 budget kicked off the budget process. A brief summary of the budget development and adoption time line is included below:

- **February 11, 2014:** City Council received the Midyear Budget Status Report and GOF Preliminary Forecast for Fiscal Year 2014-15.
- **March 18, 2014:** Initial presentation and discussion of the Five-Year Capital Improvement Program (CIP).
- **March 25, 2014:** Initial presentation and discussion of Parkland Dedication funds and future projects eligible to receive funding.
- **April 22, 2014:** CDBG public hearing.
- **April 29, 2014:** Narrative Budget Report—General Operating and Other Funds, 10-Year Long-Range Financial Forecast, and confirmation of City Council Goals.

- **May 20, 2014:** Presentation and discussion of the proposed Five-Year CIP.
- **June 10, 2014:** Public hearing on the Fiscal Year 2014-15 Proposed Budget.
- **June 17, 2014:** Public hearings for Proposition 218 (Utility Rate Increases), CIP, and budget adoption.

This public hearing provides another opportunity for public input on the upcoming fiscal year budget and City Council goals. Any changes to the Fiscal Year 2014-15 Proposed Budget approved by Council prior to formal adoption will be included in the Adopted Budget.

ANALYSIS

The Proposed Budget for Fiscal Year 2014-15 totals \$236.5 million in revenues and \$255.6 million in expenditures. Expenditures are greater than revenues as some expenditures, such as capital projects, are funded from existing available resources. At the April 29, 2014 Narrative Budget Study Session, staff presented the Fiscal Year 2014-15 recommended budget. City Council provided input to the Narrative Budget and requested follow-up information. The GOF is the single largest City fund and provides funding for the core services of the City, such as Police, Fire, Library, and Parks. The GOF Proposed Budget includes the recommended budget, City Council proposals, and staff changes. A summary is included below (dollars in thousands):

Total Revenues	\$99,644
Total Expenditures	<u>(96,947)</u>
Operating Balance	2,697
Contribution to OPEB	<u>(1,000)</u>
Ending Balance	<u>\$ 1,697</u>

Council's direction from the Narrative Budget Study Session was to include the following items:

- **Housing Boomerang Funds:** \$140,800 from one-time funds received and \$51,000 to be reviewed annually

- Community Choice Aggregation: \$30,000
- Sister City (40th Anniversary and Community Sponsorship): \$5,500

In addition, these items have been added by staff:

- Potential Charter Amendment Measure for Council compensation (limited-period): \$67,000
- Wind down of Energy Upgrade Mountain View Program (limited-period): \$35,000 (see Page 1-23 of the budget document)
- PG&E costs for Parking Structure (Parking Fund) (ongoing): \$13,200
- Newly elected Council per-term allowance (limited-period): \$11,400

More detailed information is available in the Fiscal Year 2014-15 Proposed Budget which can be accessed at the link below and the document is available for public review in the City Clerk's Office and the Mountain View Public Library during public hours.

<http://laserfiche.mountainview.gov/WebLink/0/foi/72457/Row1.aspx>

FISCAL IMPACT

The Proposed Budget provides a balanced fiscal plan for the City for Fiscal Year 2014-15 with an estimated year-end GOF surplus of \$1.7 million. The budget will be considered for final adoption on June 17, 2014.

ALTERNATIVE

Council may request modifications to the Proposed Budget as presented.

PUBLIC NOTICING

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

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