



# COUNCIL REPORT

**DATE:** June 9, 2026

**CATEGORY:** Public Hearing

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

**TITLE:** **Fiscal Year 2026-27 Recommended Budget**

## **RECOMMENDATION**

Convene a public hearing, accept public comment, and provide input to staff on the Fiscal Year 2026-27 Recommended Budget (Attachment 1 to the Council report).

## **BACKGROUND**

The Fiscal Year 2026-27 Recommended Budget (Recommended 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. The Recommended Budget contains the proposed financial plan for the General Operating Fund (GOF), all other City of Mountain View (City) funds, and the Shoreline Regional Park Community (Shoreline Community), a special government district administered by the City.

The budget development process began in November 2025 with the issuance of budget instructions to departments and included departmental budget reviews conducted by the City Manager's Office and the Finance and Administrative Services Department. Preliminary budget recommendations for the General Fund were presented to the City Council on April 14, 2026. At that meeting, Councilmembers reviewed the preliminary budget recommendations and provided feedback and policy direction, which have been incorporated into the Recommended Budget.

The Recommended Budget reflects the City's continued commitment to maintaining long-term fiscal sustainability, preserving service levels, funding critical infrastructure and capital improvements, and maintaining adequate reserves in accordance with Council Policy A-11, Financial and Budgetary Policy.

The Fiscal Year 2026-27 Recommended Budget includes proposed updates to certain City fees and charges, including routine cost-recovery and inflationary adjustments. Recommended fee updates can be found beginning on page 7-53 of the Recommended Budget document. Public notice was provided in accordance with applicable State law and City noticing requirements.

The Recommended Budget document has been available for public review on the City's website since May 22, 2026. The City Council will conduct a public hearing on the Recommended Budget on June 9, 2026, with formal budget adoption scheduled for June 23, 2026.

## **ANALYSIS**

At the April 14, 2026 City Council meeting, staff presented the preliminary Fiscal Year 2026-27 budget recommendations. The City Council reviewed the preliminary recommendations, asked questions, and provided feedback and policy direction to staff. The items listed below have been incorporated into the Recommended Budget and are reflected in the total City Budget and GOF budget amounts.

### **Council Feedback from the April 14, 2026 Preliminary Budget Review:**

Council directed staff to right-size the Councilmember travel and training budget to better align with current costs. The Council travel budget has not been comprehensively reviewed or adjusted in a decade, since Fiscal Year 2016–17. The Recommended Budget increases the Council travel and training budget from \$7,500 to \$10,000 per Councilmember, and from \$12,500 to \$15,000 for the Mayor. These proposed changes update the travel budget to reflect the significantly higher costs of travel, lodging, meals, registration, fees, and related expenses for conferences and events.

In addition, staff is recommending an increase to the Councilmember per-term technology and office equipment allowance for computers, printers, and related communication equipment from \$3,800 to \$5,000. The increase reflects updated equipment costs and supports Councilmembers' ability to effectively perform official City business using current technology and communication tools. This increase is not included in the Recommended Budget document, and, if approved by the City Council, will be included with the Adopted Budget along with any other modifications.

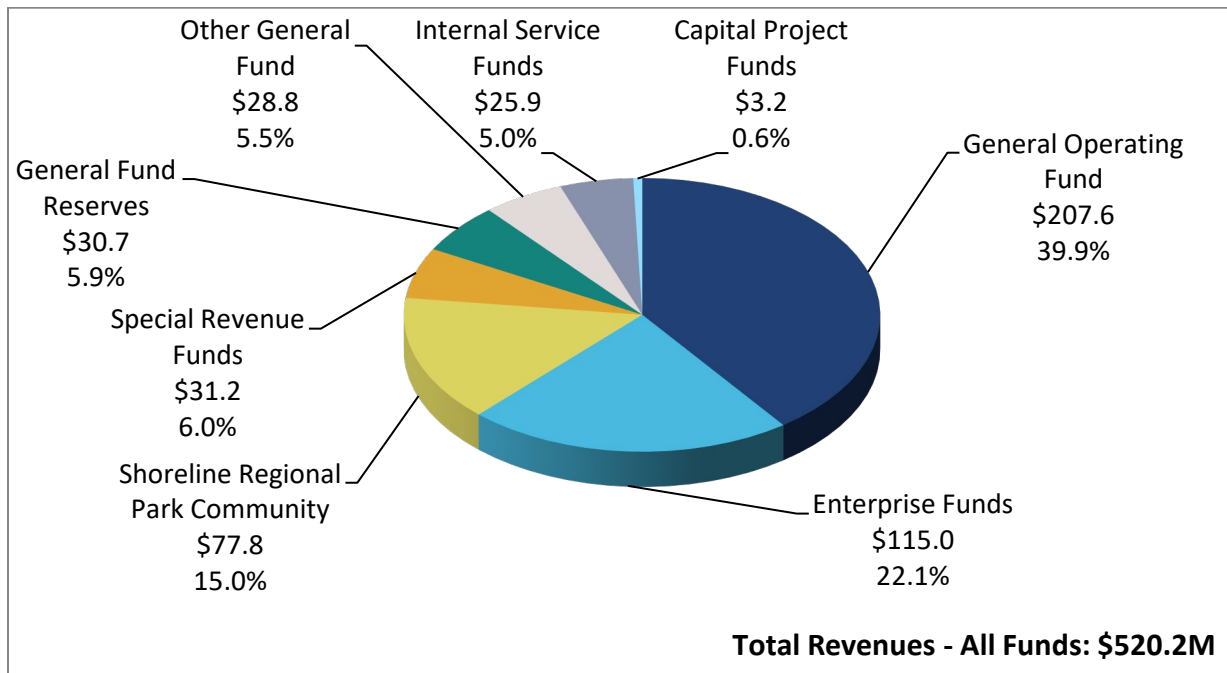
## **FISCAL YEAR 2026-27 BUDGET OVERVIEW**

Comprehensive information regarding the Fiscal Year 2026-27 Recommended Budget, including proposed budget changes and limited-period funding requests, is contained in the Recommended Budget Document and the [City Manager's Budget Transmittal Letter](#).

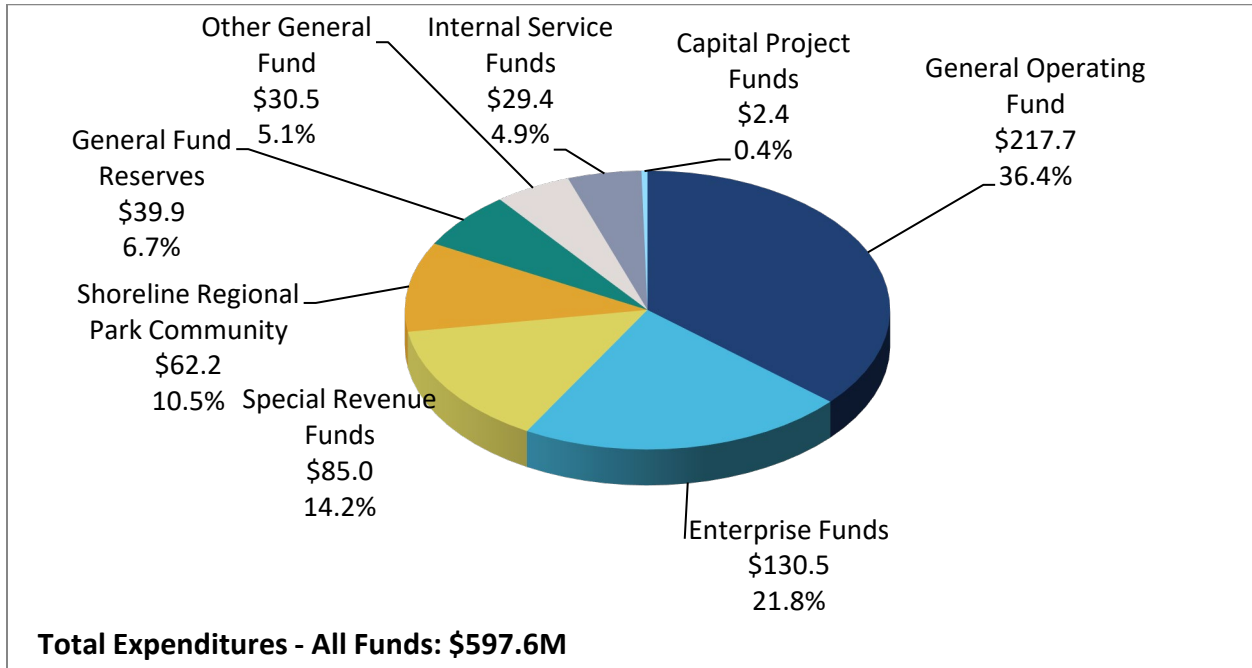
The Fiscal Year 2026-27 Recommended Budget reflects continued modest but slowing economic growth, driven by uncertainty in key economic indicators and limited growth in major revenue sources, including property tax, sales tax, and other local taxes. The Recommended Budget also reflects continued expenditure pressures related to personnel costs, contractual services, infrastructure needs, and inflationary impacts.

The total Fiscal Year 2026-27 Recommended Budget includes \$520.2 million in revenues and \$597.6 million in expenditures (excluding a projected vacancy factor of \$12.3 million). Certain expenditures, such as capital projects, are funded through existing available resources, including the planned use of reserves and accumulated fund balances. Detailed information regarding revenues, expenditures, and fund balances is included in the Fund Schedules Section of the Recommended Budget document.

**Total Fiscal Year 2026-27 Recommended Revenues—All Funds  
(dollars in millions)**



**Total Fiscal Year 2026-27 Recommended Expenditures—All Funds  
 (dollars in millions)**



*\*Revenue may be less than expenditures due to the use of fund balance/equity in excess of reserves.*

**FISCAL IMPACT**

There is no direct fiscal impact associated with conducting the public hearing. Formal adoption of the Fiscal Year 2026-27 budget is scheduled for June 23, 2026.

The Recommended Budget provides a balanced fiscal plan for the City, including a balanced GOF budget with a projected year-end operating balance of approximately \$150,000. The Recommended Budget includes approximately \$1.5 million in non-discretionary expenditure increases, \$3.1 million in discretionary expenditures, and \$7.9 million in limited-period funding requests within the GOF.

Additional fiscal impacts associated with the Recommended Budget are discussed throughout this report and in the Recommended Budget document.

**ALTERNATIVES**

Council may request modifications to the Fiscal Year 2026-27 Recommended Budget as presented or provide other direction prior to final budget adoption on June 23, 2026.

**LEVINE ACT**

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: [www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html](http://www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html)

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

**EXEMPT FROM THE LEVINE ACT**

General policy and legislative actions

**PUBLIC NOTICING**

The agenda for this meeting was posted and notices of the public hearing and proposed fee modifications, as required by law, were published in the *Daily Post* and the *Mountain View Voice*, newspapers of general circulation.

Prepared by:

Elliot Young  
Principal Financial Analyst

Grace Zheng  
Assistant Finance and Administrative  
Services Director

Approved by:

Derek Rampone  
Finance and Administrative  
Services Director

Arn Andrews  
Assistant City Manager

Kimbra McCarthy  
City Manager

Attachment: 1. [Fiscal Year 2026-27 Recommended Budget](#)