



COUNCIL REPORT

DATE: June 24, 2025

CATEGORY: Public Hearing

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

TITLE: **Adoption of Fiscal Year 2025-26 Budgets,
Funding for Fiscal Year 2025-26 Capital
Improvement Projects, and Fiscal
Years 2025-27 Council Work Plan**

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 Improvements Financing Authority to adopt the Fiscal Year 2025-26 budgets, funding for the adopted Fiscal Year 2025-26 Capital Improvement Projects, and the Fiscal Years 2025-27 Council Work Plan.

City of Mountain View Actions:

1. Adopt a Resolution of the City Council of the City of Mountain View Appropriating Two Hundred Fifty Thousand Dollars (\$250,000) for Capital Improvement Project 14-54, McKelvey Park Detention Basin SCVWD, and Authorizing the Finance and Administrative Services Director to Make Adjustments and Corrections to Capital Improvement Program Amounts and Determine Final Capital Improvement Program Amounts Based on Council Direction, 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: (1) Adopting the Fiscal Year 2025-26 City Budget; (2) Appropriating Funds to Cover Expenditures Approved by Said Budget; (3) Authorizing the City Manager to Execute Funding Agreements Consistent with Nonprofit Funding Appropriations in the Adopted Budget; (4) Adjust the Business License Tax Amount by the Annual Consumer Price Index, in Accordance with Section 18.17 of the City's Municipal Code; and (5) Authorizing the Finance and Administrative Services Director to Adjust Appropriations in Various Funds as Needed to Align with Actual Revenue Earned and Received as Specifically Set Forth Herein, Make Final Adjustments to the Community Stabilization and Fair Rent Act and Mobile Home Rent Stabilization Ordinance Budgets and Fees, Adjust Appropriations Related to the Graham Middle School Site Based on Billed

Invoices, and Determine Final Budget Amounts Based on Council Direction, to be read in title only, further reading waived (Attachment 2 to the Council report).

3. Commit \$15,855,000 of Park Land Dedication Funds to the adopted Fiscal Year 2025-26 Capital Projects, including amendments to existing projects (Attachment 3 to the Council report).
4. Adopt a Resolution of the City Council of the City of Mountain View Amending the Regular and Hourly Salary Plans for Fiscal Year 2025-26, to be read in title only, further reading waived (Attachment 4 to the Council report).
5. Adopt the Council Strategic Priorities and Fiscal Years 2025-27 Council Work Plan (Attachment 5 to the Council report).

Mountain View Shoreline Regional Park Community Actions:

6. Adopt a Resolution of the Board of Directors of the Shoreline Regional Park Community:
(1) Adopting the Fiscal Year 2025-26 Shoreline Regional Park Community Budget;
(2) Appropriating Funds to Cover Expenditures Approved by Said Budget; and
(3) Authorizing the Treasurer to Adjust Appropriations as Needed to Make Payments in Accordance with the Tax-Sharing Agreement with Santa Clara County and the Education Enhancement Reserve Joint Powers Agreement, to Align Appropriations with Actual Revenues Earned and Received as Specifically Set Forth Herein, and Determine Final Budget Amounts Based on Board Direction (Attachment 6 to the Council report).

City of Mountain View Capital Improvements Financing Authority Action:

7. Adopt a Resolution of the City of Mountain View Capital Improvements Financing Authority ("MVCIFA") Adopting the Fiscal Year 2025-26 Budget for Debt Service Payments, Appropriating Funds to Cover Expenditures Approved by Said Budget, and Authorizing the MVCIFA Treasurer to Make Budget Adjustments and Determine Final Budget Amounts Based on MVCIFA Board Direction, 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 2025-26 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 2024 and concludes with the adoption of the annual budget this evening. During this timeframe, several updates were presented to Council, including: midyear budget status update in February 2025; preliminary budget recommendations for Fiscal Year 2025-26 in April 2025; Council Strategic Work Plan in January, February, and April 2025; and two agenda items on the Capital Improvement Program (CIP) in March and May 2025.

The public hearings for the budget were held on June 10 and June 24, 2025. They were properly noticed and satisfy the City Charter and other legal requirements. The Recommended Budget document has been available for public review on the City's website and in the City Clerk's Office and the Mountain View Public Library since May 30, 2025.

ANALYSIS

At the June 10, 2025 public hearing, staff presented the Fiscal Year 2025-26 Recommended Budget. The Fiscal Year 2025-26 Recommended Budget was 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 of Mountain View (City) funds as well as the Shoreline Regional Park Community (Shoreline Community), a special government district administered by the City.

There were no changes directed by the City Council at the June 10, 2025 public hearing, as Councilmembers provided their feedback and recommended changes at the April 8, 2025 meeting. The directions given at that meeting were incorporated into the Recommended Budget presented at the June 10, 2025 public hearing and Council had no additional changes.

Revisions to the Recommended Budget

The additional items described below were received after the Recommended Budget was prepared and were added to the total Recommended Budget after it was presented to the City Council on June 10, 2025.

- Appropriate and Transfer \$400,000 from the Budget Contingency Reserve To CIP 24-48, Solar Arrays Senior Center, MVSP and WSP \$400,000

Four Hundred Thousand Dollars (\$400,000) is being requested to be funded from the Budget Contingency Reserves to CIP 24-48, Solar Array Senior Center, MVSP and WSP project, to cover project costs for three solar array installations already under way. These funds will be used if the Inflation Reduction Act incentives are no longer available due to action by Congress.

- Rebudget Community for All Grants (General Non-Operating Fund—Limited-Period) \$40,000

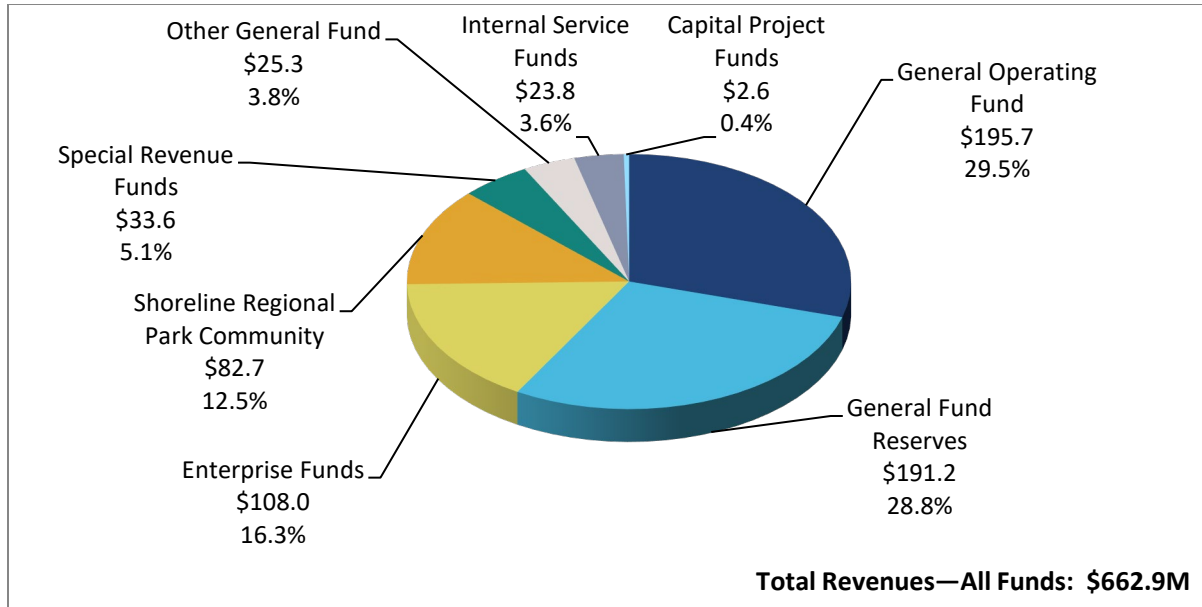
To support Phase 2 for Fiscal Year 2025-26 of the City's Community for All Grant Program, which previously granted six projects in Phase 1 for Fiscal Year 2024-25. This funding recommendation provides grant funding toward community projects that promote strategies to protect vulnerable populations and preserve the socioeconomic and cultural diversity of the community.

The total budgeted revenues and expenditures for all funds for Fiscal Year 2025-26 are \$662,943,215 and \$649,335,261 (does not include \$11.8 million of estimated vacancy factor), respectively. The GOF revenues and expenditures for Fiscal Year 2025-26 are \$195,663,650 and \$204,731,264 (does not include \$9.3 million of estimated vacancy factor), respectively.

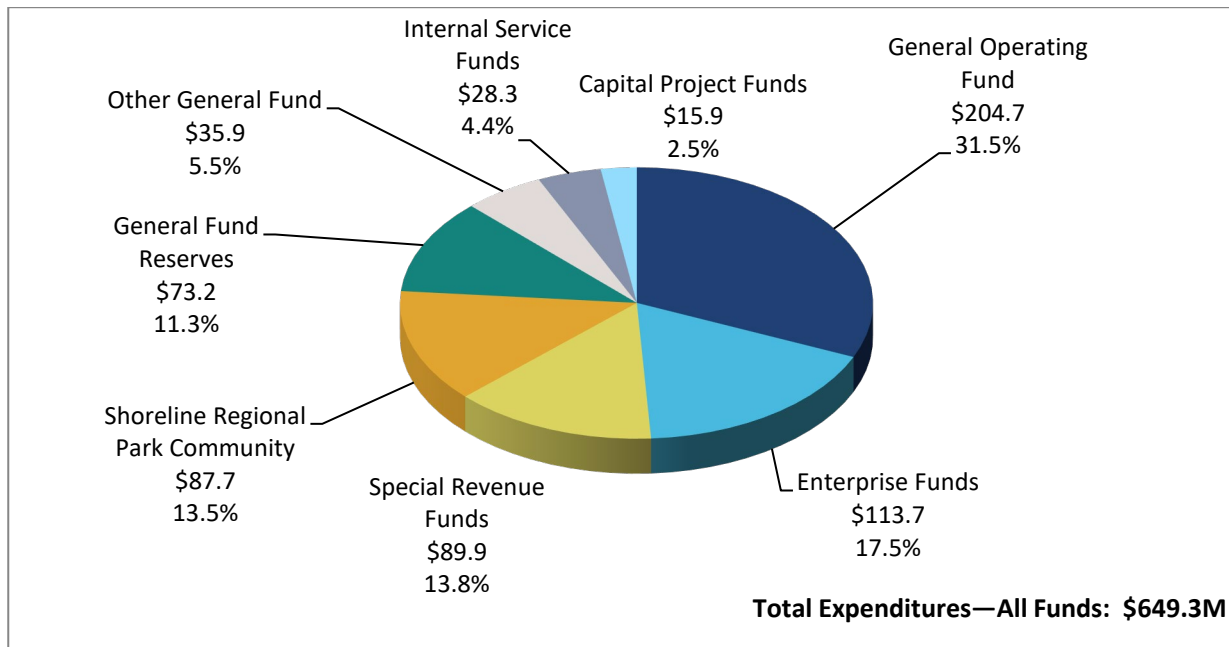
Including the \$9.3 million estimated vacancy factor, this results in a **projected-GOF operating balance of \$232,000**. GOF revenues are 6.3% higher than the Fiscal Year 2024-25 Adopted Budget, and operating expenditures are 7.0% higher (not including \$9.3 million estimated vacancy factor). Fiscal Year 2025-26 Capital Projects funding in the amount of \$73,158,000, of which \$72,674,000 is City funding, is included.

The City budget and CIP resolutions (Attachments 1 and 2) provide for any amendments approved by the City Council on June 24, 2025 to be included in the Fiscal Year 2025-26 Adopted Budget and authorize 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.

TOTAL REVENUES—ALL FUNDS, FISCAL YEAR 2025-26
(dollars in millions)

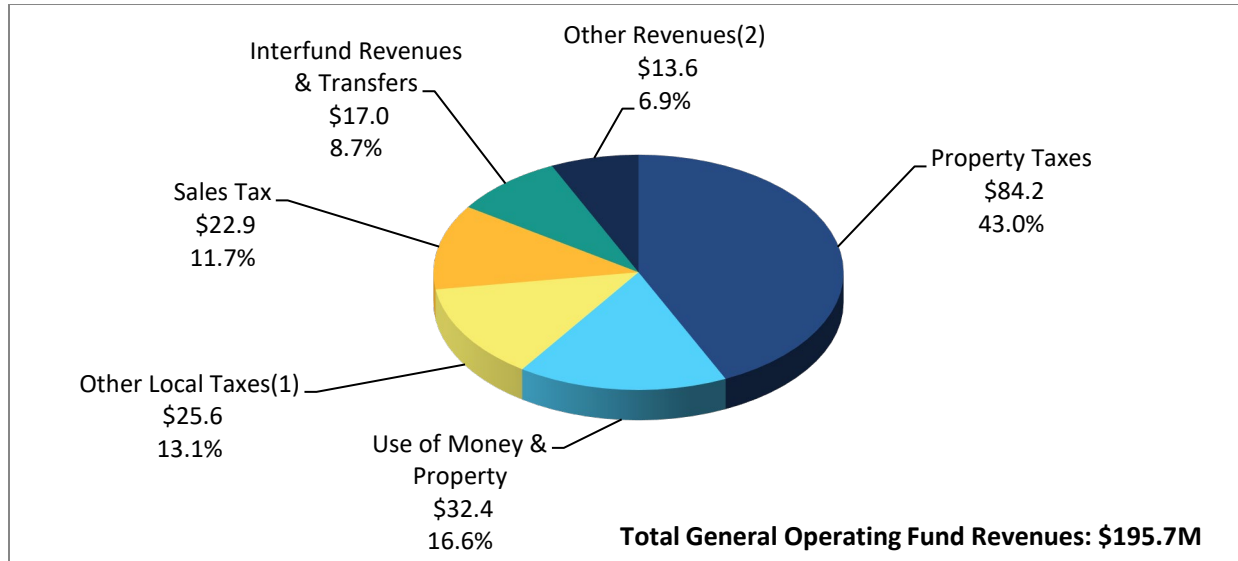


TOTAL EXPENDITURES—ALL FUNDS, FISCAL YEAR 2025-26
(dollars in millions)



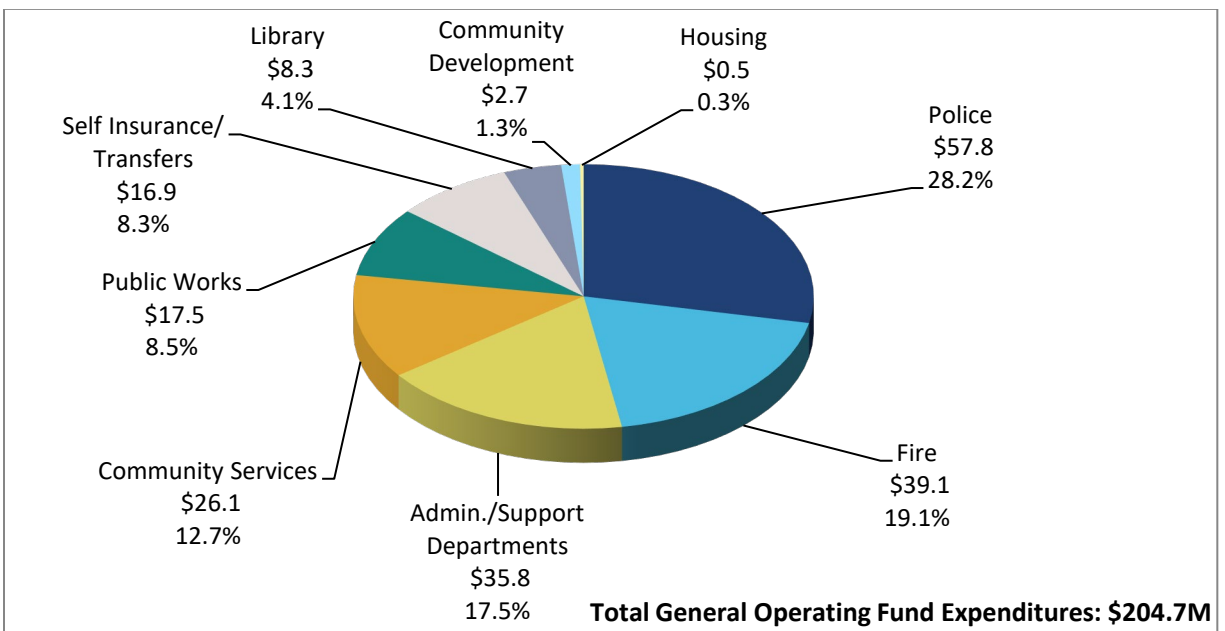
NOTE: General Operating Fund does not include the \$9.3 million estimated vacancy factor, and Other General Fund does not include the \$2.5 million estimated vacancy factor.

**GENERAL OPERATING FUND REVENUES, FISCAL YEAR 2025-26
(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 and Franchise Fees, Fines and Forfeitures, Intergovernmental, Charges for Services, and Miscellaneous.

**GENERAL OPERATING FUND EXPENDITURES, FISCAL YEAR 2025-26
(dollars in millions)**



NOTE: General Operating Fund does not include the \$9.3 million estimated vacancy factor.

Business License Tax Adjustment: The Business License Tax structure was approved by voters in a ballot measure on November 6, 2018. The ordinance allows for an annual adjustment based on the December Consumer Price Index (CPI) for the San Francisco-Oakland-Hayward Area, subject to Council approval. The Business License Tax amount has not been increased since the new tax structure went into effect on October 1, 2019. The resolution (Attachment 2) authorizes a 2.4% increase to the Business License Tax per the December 2024 CPI.

Number of Employees	Current Business License Tax	Proposed 2026 Business License Tax
1	\$75.00	\$76.80
2-25	\$75.00 + \$5.00/employee for each employee over 1	\$76.80 + \$5.12/employee for each employee over 1
26-50	\$195.00 + \$10.00/employee for each employee over 25	\$199.68 + \$10.24/employee for each employee over 25
51-500	\$445.00 + \$75.00/employee for each employee over 50	\$455.68 + \$76.80/employee for each employee over 50
501-1,000	\$34,195.00 + \$100.00/employee for each employee over 500	\$35,015.68 + \$102.40/employee for each employee over 500
1,000-5,000	\$84,195.00 + \$125.00/employee for each employee over 1,000	\$86,215.68 + \$128.00/employee for each employee over 1,000
5,000+	\$584,195.00 + \$150.00/employee for each employee over 5,000	\$598,215.68 + \$153.60/employee for each employee over 5,000

Salary Plan Changes: The resolution authorizing the City Manager or designee to amend the classification and salary plans for regular and hourly employees (Attachment 4) includes compensation changes for the period, including July 1, 2025 through June 30, 2026. Salary plans included as Exhibits C and D to Attachment 4 also include new position classifications and/or title changes included in the Fiscal Year 2025-26 Recommended Budget.

Salary for Mayor and Councilmembers: The City's salary plan for regular employees (Attachment 4) reflects the automatic annual adjustment made in accordance with the City Charter, Part 1, Article V, Section 5.03, which references the United States Department of State Bureau of Labor Statistics (BLS) CPI. Exhibits A and B reflect corrections to salary plans adopted in Fiscal Year 2024-25, due to a recently discovered BLS error. BLS issued a correction to the CPI used to calculate the Mayor and Councilmember annual adjustment in Fiscal Year 2024-25. The adjustment of 3.9% applied, effective June 23, 2024, has been corrected to 4.0%. Pursuant to the Mountain View Charter, an automatic annual adjustment of 1.6% will be included in the Fiscal Year 2025-26 Adopted Budget and is reflected in Exhibit C.

Overhires: Per Council Policy D-10, City Manager Approval of Overhire Positions, staff is required to report the number of overhires approved by the City Manager on staff during Fiscal Year 2024-25. There were no overhires approved by the City Manager during Fiscal Year 2024-25.

Strategic Priorities and Fiscal Years 2025-27 Council Work Plan

On June 22, 2021, the City Council adopted a vision for Mountain View:

“A welcoming, vibrant city that plans intentionally and leads regionally to create livable, sustainable neighborhoods, access to nature and open spaces, and a strong, innovation-driven local economy.”

Council also adopted seven Strategic Priorities to support this vision and guide project planning and resource allocation over the ensuing five to seven years through a series of biannual Council work plans (Figure 1).

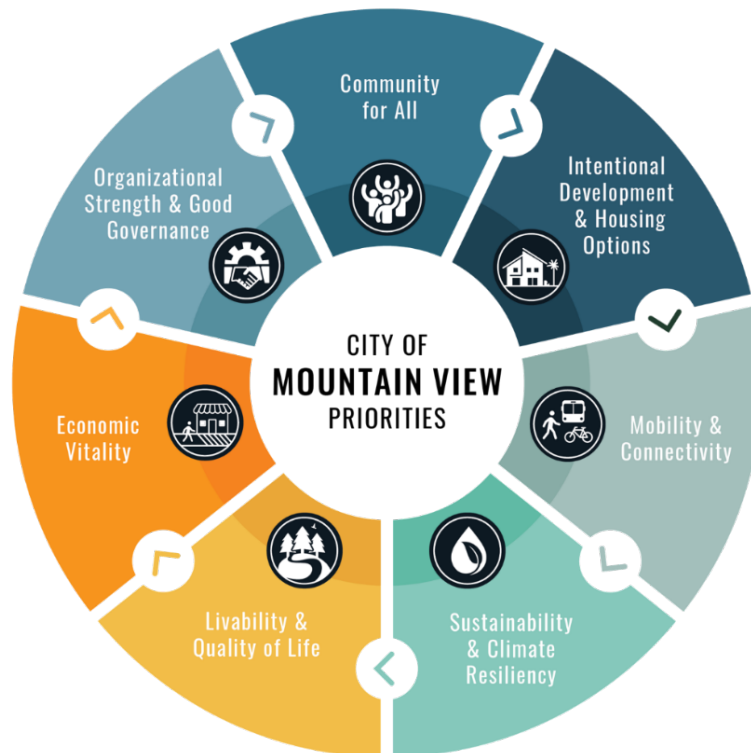


Figure 1: Council Strategic Priorities

In January 2025, the City Council began the process of developing a new two-year Council work plan for Fiscal Years 2025-26 and 2026-27. At subsequent Council meetings in February and April 2025, Council reaffirmed the seven Strategic Priorities, proposed new and existing projects to advance the Strategic Priorities through the Council work plan, received staff analysis of the projects and feedback on the projects from Council advisory bodies, and ultimately selected projects for inclusion in the final Council work plan. The Council Strategic Priorities and Fiscal Years 2025-27 Work Plan (Attachment 5) includes the 16 projects supported by Council at the April 22 meeting. The projects are also listed and briefly described in the table below.

Table 1: Fiscal Years 2025-27 Council Work Plan Projects

Fiscal Years 2025-27 Council Work Plan Projects	
Project	Two-Year Scope
Stevens Creek Trail Extension	Execute funding agreement(s) with the City of Sunnyvale and begin the conceptual design.
Low- and Middle-Income Housing	Identify funding support, City properties, and partnership opportunities and address barriers to condominium development to create a strategy for supporting low- and middle-income homeownership.
R3 Zoning Update	Complete the update of R3 Zoning District development standards.
End of Natural Gas Flow by 2045	Adopt a resolution and identify legal pathways, electrical grid improvements, and community resiliency work to support implementation.
Community for All Action Plan	Create and promote a Community for All Action Plan.
City Broadband Network	Develop the conceptual design for a Citywide fiber network.
Smart Water Meters	Create a plan for installing smart water meters and associated supportive technology Citywide.
2026 Charter Amendment Measure	Place a measure on the 2026 ballot with modernizing amendments to the City Charter.
2026 Revenue Measure	Develop a revenue measure and place it on the 2026 ballot.
City Code Cleanup	Review and make periodic amendments to the City Code to remove contradictory, unenforceable, or otherwise outdated sections.
Citywide Objective Design Standards	Create Citywide objective design standards for new multi-family and mixed-use developments.
Pedestrian Mall Vacant Storefront Activation Program	Develop and implement vacant storefront display and pop-up program guidelines.
Pavement Condition Index Increase	Develop and begin implementing a strategy to increase the pavement condition index on arterial streets to 70.
City Policy/Template Updates	Update City policies, templates, and documents as needed.
City Volunteer Framework	Create a framework to support opportunities for volunteer organizations to work with the City.
Pickleball Solutions	Expedite the completion and implementation of the Pickleball Feasibility Study, including the construction of new permanent courts and an interim expansion of pickleball hours at Rengstorff Park.

Mountain View Shoreline Regional Park Community

The total Shoreline Community budget for Fiscal Year 2025-26 is \$87,718,835, which includes appropriations for the Fiscal Year 2025-26 Capital Projects in the amount of \$25,747,000.

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 Mountain View 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 that 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 2025-26 is \$852,731 for debt service related to the 2018 Wastewater Bank Loan.

FISCAL IMPACT

City of Mountain View (City): Adoption of the total Fiscal Year 2025-26 Recommended Budget for those funds governed by the City Council, in the amount of \$513,836,695, and the appropriations for the Fiscal Year 2025-26 Capital Projects, in the amount of \$47,411,000, of which \$46,927,000 is City funding, authorizes total expenditures of \$561,247,695 for Fiscal Year 2025-26. The budget includes GOF revenues in the amount of \$195,663,650 and expenditures in the amount of \$204,731,264 (excluding projected vacancy factor of \$9,300,000). 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 10, 2025 public hearing. The final budget will be modified to include any changes adopted at the June 24, 2025 public hearing (Attachments 1 and 2).

Park Land Dedication Funds: The adopted Fiscal Year 2025-26 CIP includes the commitment of Park Land Dedication fees, totaling \$15,855,000 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 2025-26 Recommended Budget for the Shoreline Community in the amount of \$61,971,835, and the appropriations for the Fiscal Year 2025-26 Capital Projects in the amount of \$25,747,000 authorizes total

expenditures of \$87,718,835 for Fiscal Year 2025-26. This amount will be modified to include any changes adopted at the June 24, 2025 Shoreline Community public hearing.

MVCIFA: Adoption of the Fiscal Year 2025-26 Recommended Budget for the MVCIFA authorizes total expenditures in the amount of \$852,731 for debt service related to the 2018 Wastewater Bank Loan. This will be modified to include any changes adopted at the June 24, 2025 public hearing.

Appropriations for the total budget for all City funds, Capital Projects, the Shoreline Community, and MVCIFA are \$649,335,261.

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

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

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 2025-26 recommended budgets and funding for the Fiscal Year 2025-26 Capital Projects as presented. Council Policy A-11 requires an annual operating budget to 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 2025-26 CIP 14-54 Funding
 2. Resolution—Fiscal Year 2025-26 City Budget and Remainder of Capital Project Funding
 3. Park Land Dedication Fee Commitments
 4. Resolution—Salary Plans for Regular and Hourly Employees
 5. Fiscal Years 2025-27 Council Work Plan
 6. Resolution—Fiscal Year 2025-26 SRPC Budget and Capital Project Funding
 7. Resolution—Fiscal Year 2025-26 Budget for MVCIFA Debt Service Payments
 8. June 10, 2025 [Public Hearing for Fiscal Year 2025-26 Recommended Budget](#)