

THE FINANCIAL VIEW

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ANNUAL BUDGET REPORT OF THE CITY

CITY OF MOUNTAIN VIEW



CITY COUNCIL GOALS

Goal 1: Promote strategies to protect vulnerable populations and preserve the socioeconomic and cultural diversity of the community.



Goal 2: Improve the quantity, diversity, and affordability of housing with an added focus on middle-income and ownership opportunities.



Goal 3: Develop and implement comprehensive and coordinated transportation strategies to achieve mobility, connectivity, and safety for people of all ages.



Goal 4: Promote environmental sustainability with a focus on measurable outcomes.



Dear Mountain View Community,

Last year, we brought you the first edition of our *Financial View*, which was a user-friendly summary of the annual City budget. The publication was so well received that we are continuing with an annual edition of easy-to-follow information about how your City is operating financially. Mountain View has had a longstanding commitment to government transparency, and we believe giving you information about how your City is run will not only keep you better informed, but encourage citizen engagement in the process.

In this edition, we cover the Fiscal Year 2018-19 Adopted Budget, which spans July 1, 2018 through June 30, 2019. This time period is also the second year for the City Council goals set in early 2017 that emphasize Housing, Transportation, Sustainability and Community for All. These Council goals help guide City staff on which projects to prioritize and where to budget resources for the two-year cycle. As we move into a new goal-setting cycle in early 2019, the Adopted Budget provides documentation of our resources and help us plan for a better future. For the detailed version of the City's Adopted Budget, visit: www.MountainView.gov/CurrentBudget.

Sincerely,

Daniel H. Rich
City Manager

Patty J. Kong
Finance and Administrative
Services Director

FISCAL YEAR 2018-19 BUDGET HIGHLIGHTS

The City is benefiting from the continued strong economy resulting in significant property tax growth. Adding resources where most needed and to the extent the long-term budget will allow, additional positions are added for Fiscal Year 2018-19. There are 12.5 ongoing net new positions and a net total of 15 new positions. In addition, the Fiscal Year 2018-19 Adopted Budget details the supplements to reserves, continuing contributions to CalPERS, and two new reserves for Transportation and Sea Level Rise.

For the General Operating Fund (GOF), the Adopted Budget includes \$1.7 million in new ongoing expenditures and \$4.9 million in new limited-period expenditures. These increases will support ongoing services and key priorities identified by the City Council. After the recommendations for new spending, a positive ending balance of \$3.7 million is projected for Fiscal Year 2018-19. Positive operating balances are projected through Fiscal Year 2020-21 in the GOF 10-Year Financial Forecast, but it assumes deficits will return with the next recession.

WHERE THE CITY'S MONEY (REVENUES) COMES FROM

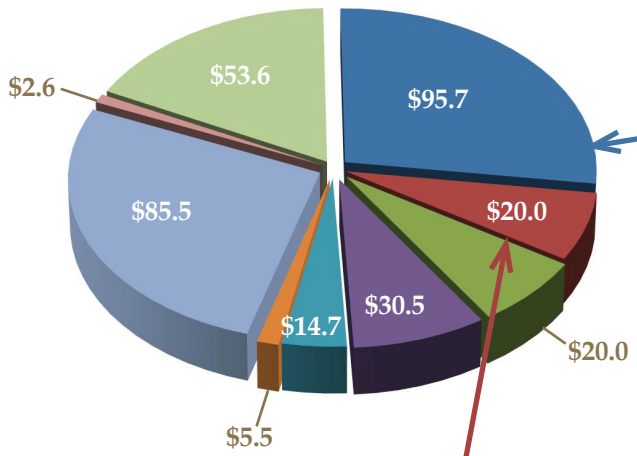
THE CITY OF MOUNTAIN VIEW RECEIVES REVENUES FROM a variety of sources. The two largest sources are Property Taxes and "Charges for Services." The City charges for many of the services it provides to the community, including such things as water and sewer services. Another source is Property Taxes; however, the City only receives a small portion of what property owners pay—about 16 percent. Another large source for the City is rent revenue from property the City owns. The City has a decades-long history of maintaining property for community needs, such as below-market-rate or senior housing, both of which the City has contracted to provide locally on City property.



The interior of the Mountain View Library was reimagined this year as a destination for knowledge for all types of learners in all types of media – both traditional and high-tech – and the freedom to easily borrow knowledge in person or online.

SOURCES OF CITY REVENUES

TOTAL: \$328.1 MILLION



HOW MUCH OF YOUR PROPERTY TAXES ACTUALLY GO TO THE CITY'S GENERAL FUND?

Category	City General Fund	Santa Clara County	Other
Education: Elementary, High School, Community College: ≈62%	≈16%	≈16%	≈6%



- Property Taxes
- Sales Tax
- Other Local Taxes
- Use of Money and Property
- Licenses, Permits & Franchise Fees/Fines & Forfeitures
- Intergovernmental
- Charges for Services
- Miscellaneous Revenues
- Interfund Revenues/Transfers

WHERE DOES YOUR 9 CENTS SALES TAX GO?



Of the 9 cents of sales tax you pay when you buy goods in Mountain View, 1 cent comes to the City.

WHEN YOU BUY GOODS IN THE CITY OF MOUNTAIN VIEW, the business reports the sales and submits the sales tax to the California Department of Tax and Fee Administration on a quarterly basis. The collected sales tax is then distributed to the State, the County of Santa Clara, and the City of Mountain View. Those pennies really add up, which is why we encourage you to "shop in Mountain View."

MOUNTAIN VIEW'S TOP SALES TAX GENERATORS

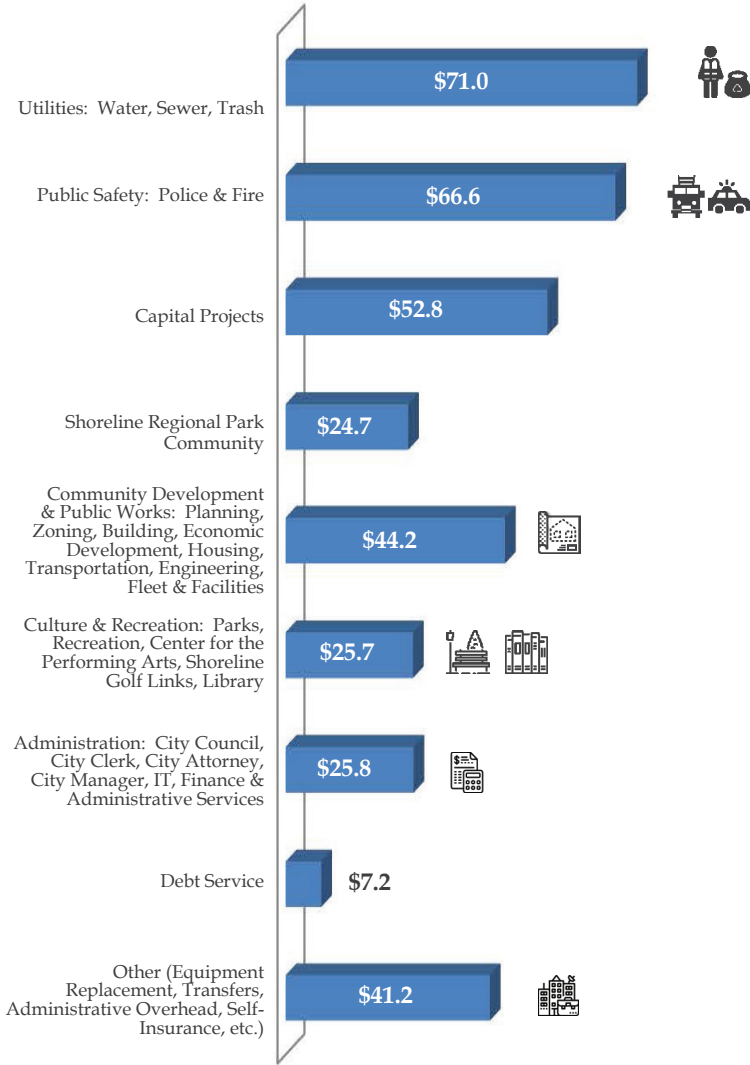
(in alphabetical order)

- Au Energy Shell Station • Bed Bath & Beyond • Best Buy • Bill Bailey's Chevron • Bio USA • BMW of Mountain View • Bon Appetit • Central Concrete Supply, Co. • Costco • CVS Pharmacy • Financial Services Vehicle Trust • Google LLC • In-N-Out Burger • Marshalls • Omnicell • Project FI by Google • Pure Storage • REI • Safeway • Siemens Medical Solutions • Symantec • Synopsys • Takara • Target • Valley Oil • Walgreens • Walmart • Zones

WHERE THE CITY'S MONEY (EXPENDITURES) IS USED

TOTAL EXPENDITURES BY CITY SERVICES

\$359.2 MILLION



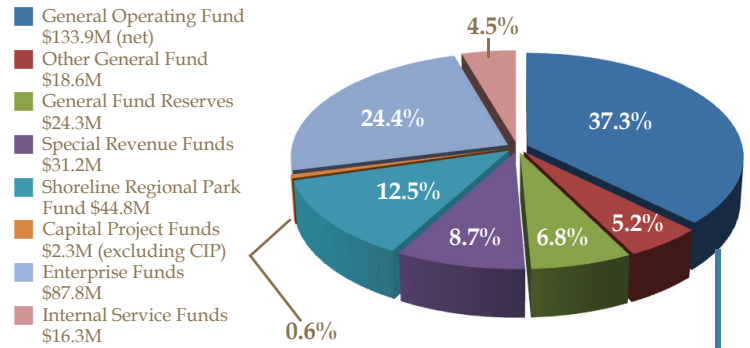
AAA Credit Rating

The City of Mountain View is proud to be one of only 25 cities in the State of California with an AAA credit rating, which means the City has been formally recognized as having a solid and diversified tax base, sound financial policies, and a low debt burden.

FISCAL YEAR 2018-19

TOTAL OPERATING FUND EXPENDITURES

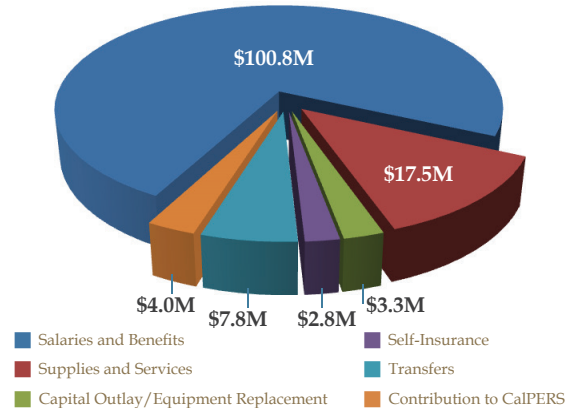
\$359.2 MILLION



GENERAL OPERATING FUND EXPENDITURES

(DAY-TO-DAY OPERATIONS)

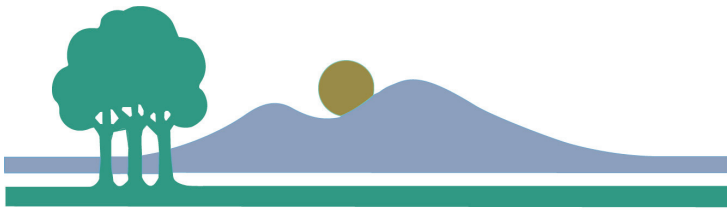
\$136.2 MILLION



Our Police Department continues to excel in innovation with improvements in interoperability for easier exchange of information between other local, state, Federal, and international agencies. They are also working on new applications that can be deployed to mobile devices, making them less dependent on the in-vehicle laptops and exploring a Text 9-1-1 reporting system.



Our Fire Department continues to improve services and stay prepared for community needs. An example is investing in a new small fire engine specifically designed to easily maneuver into difficult places and knock down brush fires before they can spread during fire season.



CITY OF MOUNTAIN VIEW

ANNUAL BUDGET REPORT OF THE CITY

BALANCED BUDGET

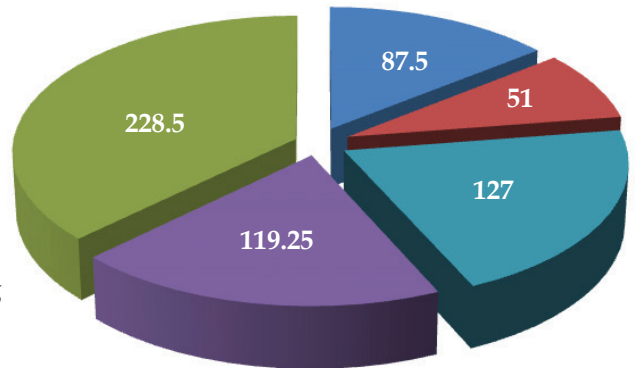
THE CITY OF MOUNTAIN VIEW PLANS YEARS IN advance for the needs of our community. The City is well-positioned and financially stable because of unique ongoing revenue sources, such as land leases of City-owned properties. The City Council adopts City goals through biennial Study Sessions and holds several public meetings as it considers the City’s balanced budget for the new fiscal year. Generally, there is a session on the Narrative Budget in April or May and two meetings on the proposed Budget in June.



With our growing City, continuing to create and expand spaces for people to come together, celebrate, and share ideas has never been more important. The Mountain View Community Center expansion is well under way and is expected to reopen to the public in the first half of 2019.

TOTAL EMPLOYEES (613.25) BY DEPARTMENT/SERVICES

- Administration: City Council, City Clerk, City Attorney, City Manager, IT, Finance & Administrative Services
- Community Development: Planning, Zoning, Building, Economic Development, Housing
- Public Works: Transportation, Engineering, Water, Sewer, Trash, Fleet, Facilities
- Culture & Recreation: Parks, Recreation, Center for the Performing Arts, Shoreline Golf, Shoreline Park, Library
- Public Safety: Police, Fire



FUN FACTS:

BY THE NUMBERS FOR FISCAL YEAR 2017-18

- 844 – New housing units approved
- 304 – Housing units construction completed
- 2,800 – Housing units in the pipeline
- 115 – City documents translated into Spanish, Mandarin, & Russian
- 65,749 – Facilitated paid rounds of golf at Shoreline
- 48,275 – Facilitated public computer sessions in the Library
- 643,902 – Cleaned feet of sewer mains

REVIEW THE FULL BUDGET AND DETAILED CITY FINANCIAL REPORTS AT:
<http://www.mountainview.gov/depts/fasd/forms.asp>

In addition to the many community improvement projects under the purview of Public Works, the department is preparing a new Comprehensive Modal Plan (CMP). The CMP provides a unified examination of all transportation projects and plans in an effort to better understand how they all fit together.

