

City of
**Mountain
View**

Fiscal Year 2022-23 Recommended Budget Public Hearing

Presenters: Kimbra McCarthy, City Manager
Jesse Takahashi, Finance & Admin Services Director

Item 7.1

June 14, 2022

Budget Development and Community Engagement Timeline

Nov-Jan

Prepare and
Review Budget
Requests from
Departments

February

February 22
Midyear
Budget Report

Council Strategic
Work Plan
Update
(Strategic
Roadmap)

March

March 31
City Annual
Update: The
View Ahead

April

April 12
CIP Study
Session

April 26
Q3 Budget
Update

CDBG/HOME
Public Hearing

June

June 14
Budget Public
Hearing

June 28
CIP Adoption

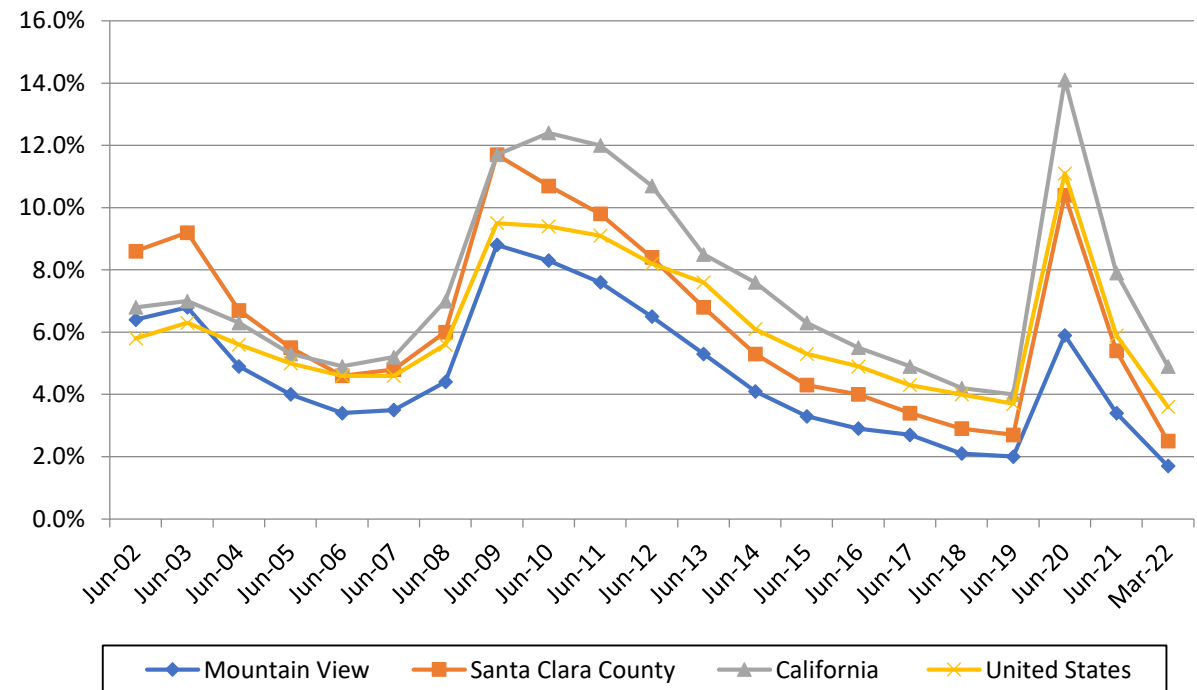
Prop 218 &
Budget Public
Hearings and
Adoption

Strategic
Roadmap Action
Plan Update

Since the last budget update:

- Unemployment rate as of March 2022
 - U.S. = 3.6%
 - CA = 4.9%
 - SCC = 2.5%
 - **Mtn View = 1.7%**
- City continues to respond to community needs
- **Economic outlook positive but still much uncertainty**
 - New COVID-19 variants
 - War waged by Russia
 - Inflation
 - Gasoline Prices

**Unemployment Rate
2002-2022**



- Provided \$6.3 million to assist low income families impacted by COVID pandemic
- Secured \$21.6 million in Homekey funding towards housing for homeless residents
- Operated three 24/7 safe parking lots, the largest program in the County
- Engaged diverse community by providing information in Spanish, Chinese, and Russian
- Provided 97 grants totaling \$500,000 and implemented 9 out of 10 Small Business Action Plan items
- Secured \$1.0M Federal Grant to offset revenue losses and staffing costs of the Center for the Performing Arts
- Implemented “Outdoor Mountain View” (OMV) guidelines for restaurants and businesses
- Continued COVID-19 testing, mass vaccination clinic site, and mobile vaccination program
- Extended the Castro StrEATS program and planning to create a Castro Pedestrian Mall
- Launched the Housing Help Center and Eviction Protection Clinics

- City awarded \$15.7 million in COVID mitigation funds from Federal Gov't
- Allocated first distribution of \$7.8 million last year
- Another \$7.8 million is available in second distribution
- \$6.6 million of expenditures included in Recommended Budget
- Remaining \$1.2 million available for further allocation by Council or community process

Recommended Uses	Amount
COVID-19 employee recognition	\$ 1,634,000
Castro StrEATs improvements	1,500,000
Elevate MV Guaranteed Basic Income pilot program – Year 2	1,300,000
Community Services Agency (CSA)	500,000
Mountain View Solidarity Fund	500,000
Technology equipment, hardware, and IT contracts	450,000
Community workforce development/job training	250,000
Economic/climate resilience support to businesses	200,000
COVID-19 health and safety resources	150,000
Eviction defense fund	100,000
City workforce resilience and well-being programs	60,000
TOTAL RECOMMENDED USES	\$ 6,644,000
Remaining balance	\$ 1,195,540

Fiscal Year 2022-23 Recommended Budget and Capital Improvement Program **funding recommendations determined to benefit (or be neutral regarding)** communities of color, lower-income residents, or those that may be disadvantaged or disabled.

One-Year Update to the Strategic Priorities and Council Work Plan



Project Status	Count
Projects Completed	3
Projects in Progress	34
Projects Not Started	4
Total Projects	41

Next update and planning for new two-year Work Plan cycle will be with the Midyear Update in February 2023

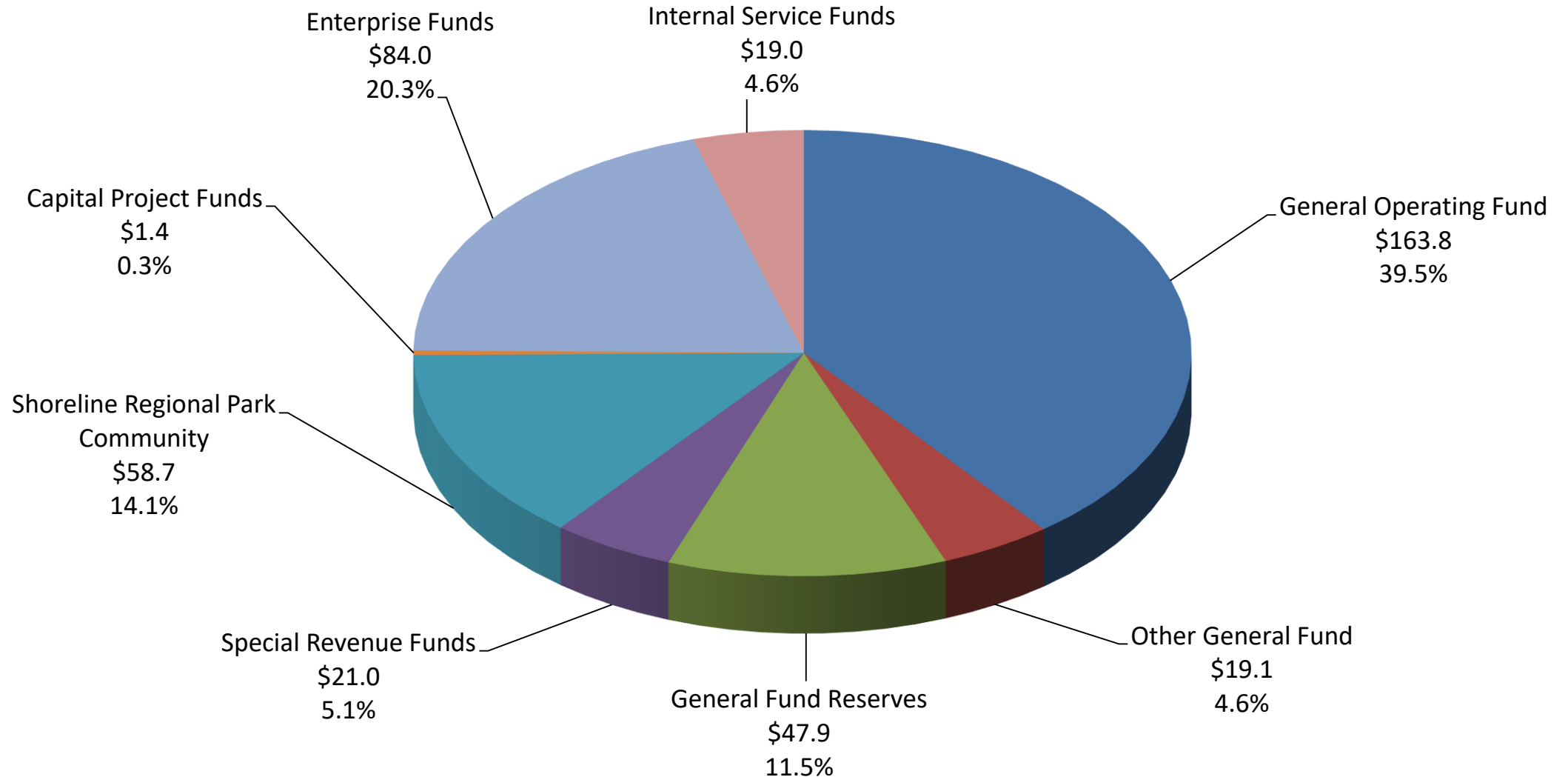
- **Higher-than-usual turnover rate**
 - 40 retirements
 - 82 vacant positions

- **Solutions and Strategies**
 - Streamline and innovate hiring process
 - Add HR staff capacity
 - Provide training, development, and coaching
 - Focus on Workplace engagement and culture
 - Participate in Next Generation efforts
 - Improve service delivery and efficiency

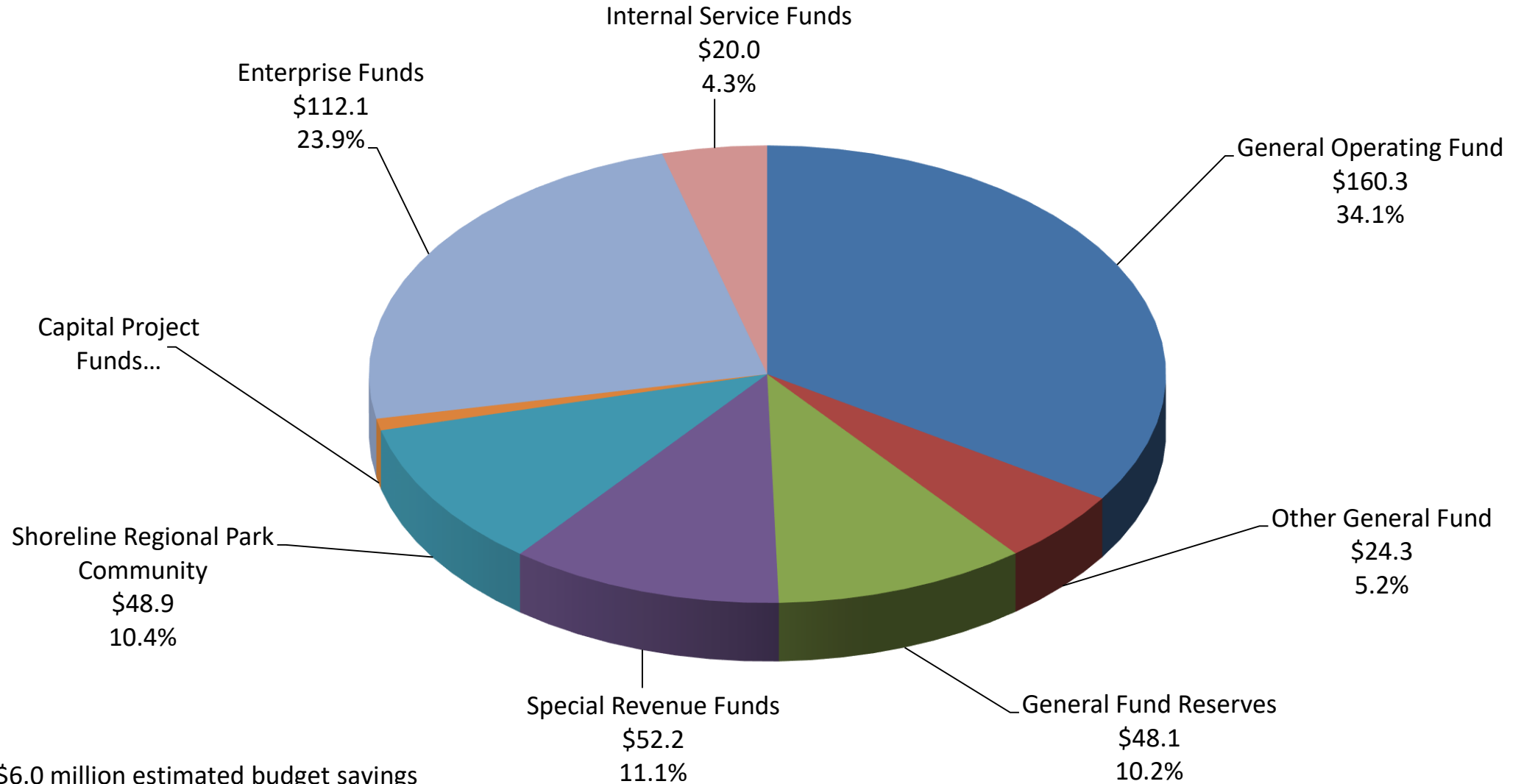


***There are tradeoffs and limitations on the timing and ability to deliver every desired project**

FY 2022-23 Recommended Revenues – All Funds \$414.9M (dollars in millions)



FY 2022-23 Recommended Expenditures – All Funds \$469.8M (dollars in millions)

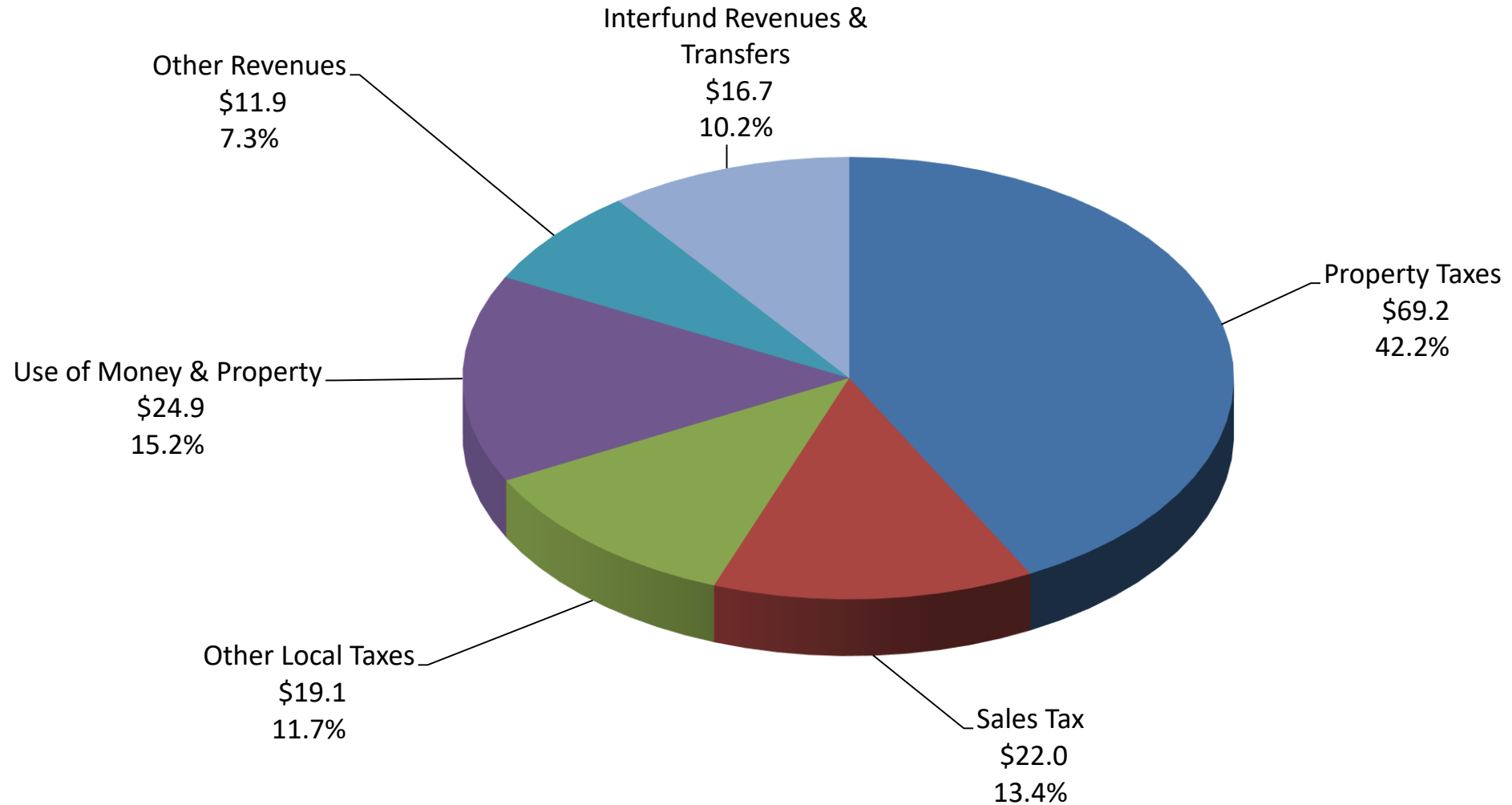


* GOF is net of \$6.0 million estimated budget savings

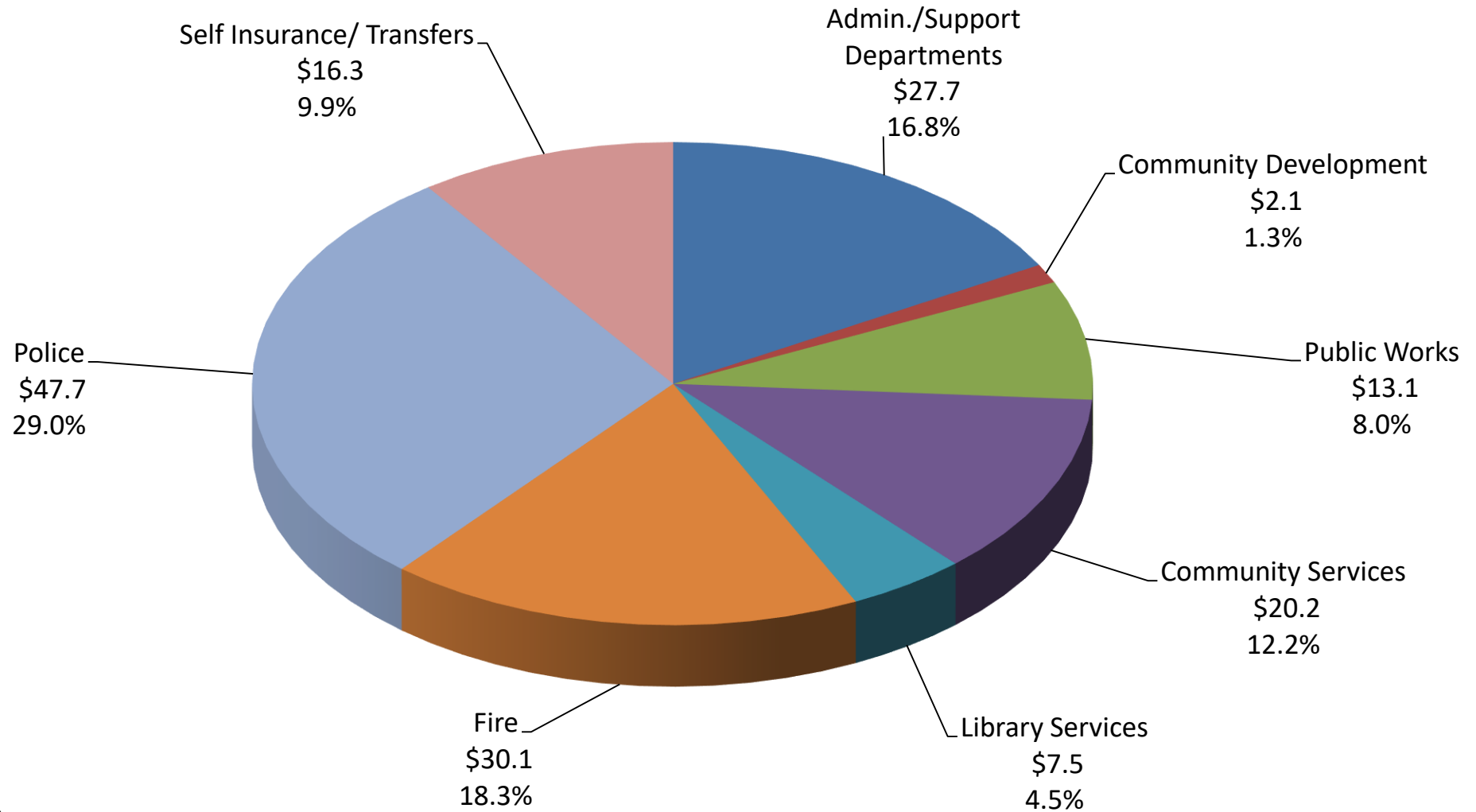
General Operating Fund Budget

	2020-21 <u>Audited</u>	2021-22 <u>Adopted</u>	2021-22 <u>Estimated</u>	2022-23 <u>Recom.</u>
Revenues	\$ 143,706	146,412	160,755	163,836
Expenditures	<u>(136,811)</u>	<u>(150,804)</u>	<u>(148,765)</u>	<u>(158,737)</u>
Operating Balance	6,895	(4,392)	11,990	5,099
Excess ERAF Contribution	6,841	5,836	-0-	-0-
Transfer to GF Reserve	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(1,600)</u>
Ending Balance	\$ <u><u>13,736</u></u>	<u><u>1,444</u></u>	<u><u>11,990</u></u>	<u><u>3,499</u></u>

FY 2022-23 General Operating Fund Revenues \$163.8M (dollars in millions)



FY 2022-23 General Operating Fund Expenditures \$164.7M (dollars in millions)



Note: Excludes the \$6.0 million estimated budget savings

- Total Non-Discretionary Costs: \$1.4 million
- Total Discretionary Costs: \$2.6 million
- Total Limited-Period (1x) Costs: \$3.8 million

	2022-23 <u>Recom.</u>	2023-24 <u>Forecast</u>	2024-25 <u>Forecast</u>	2025-26 <u>Forecast</u>	2025-26 <u>Forecast</u>
Revenues	\$ 163,836	170,921	178,278	185,880	192,820
Expenditures	<u>(158,737)</u>	<u>(170,523)</u>	<u>(177,285)</u>	<u>(183,333)</u>	<u>(188,151)</u>
Operating Balance	\$ <u>5,099</u>	<u>398</u>	<u>993</u>	<u>2,547</u>	<u>4,669</u>
Transfer to GF Reserve	(1,600)	-0-	-0-	-0-	-0-
Ending Balance	\$ <u>3,499</u>	<u>398</u>	<u>993</u>	<u>2,547</u>	<u>4,669</u>

Development Services

- Revenues projected at \$14.1M
- Expenditures projected at \$19.3M
- Includes \$1.4M ongoing increases and \$1.3M LP

Shoreline Golf Links/Michaels at Shoreline Restaurant

- Revenues projected at \$4.4M
- Expenditures projected at \$4.0M
- Projected \$150K combined transfer to GOF

Shoreline Regional Park Community

- Revenues projected at \$58.7M
- Expenditures projected at \$35.3M
- \$13.4M capital projects

Water

- 12% increase for the average cost of water and meter rates and 5% for recycled water
 - Average single family increase: **\$13.17/month** for 14 units of water

Wastewater

- 8% overall rate increase (includes a 2.0% increase for Year 9 of a 10-year phase-in period to fund future major renovations at the Treatment Plant)
 - Average single family increase: **\$3.70/month**

Solid Waste Management

- 6% overall rate increase
 - Average single family increase: **\$2.25/month** for 32-gallon cart

■ Total Non-Discretionary Projects (25)	\$16,985
■ Total Discretionary Projects (21)	17,965
■ Total Amendments to Existing Projects (33)	<u>45,880</u>
■ Total CIP	<u>\$80,830</u>

- Public Hearing for Trash & Recycle Rates, various fees and Budget Adoption
- Gann Appropriation Limit Adoption
- CIP Adoption

1. Convene a public hearing, accept public comment, and provide input to staff on the Fiscal Year 2022-23 Recommended Budget (Attachment 1 to the Council report).
2. Commit a total of \$14,400 in Fiscal Year 2021-22 from three Park In-Lieu Fees in the Park Land Dedication Fund to the acquisition of open space in the Central and Stierlin Planning Areas.