

BUDGET IN BRIEF

FISCAL YEAR
2023-24



City of
Mountain View





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Introduction

Over the past year, the City of Mountain View has emerged from the COVID-19 pandemic and is back to business and more resilient than ever. Thanks to the leadership of the City Council and through the support and hard work of the Executive Leadership Team and our outstanding City employees, we have provided an exceptional level of service to our community and maintained fiscal stability. The Fiscal Year 2023-24 Adopted Budget is structurally balanced and allocates resources toward long-term service delivery, increased staffing levels, and innovative programs for Mountain View to thrive in the future.

While we welcome the return to normalcy from these past few transition years, we are cautiously optimistic about fiscal growth. There is still economic uncertainty on the horizon. Although overall unemployment is still relatively low in the Bay Area, there have been significant numbers of corporate layoffs in the region with more expected. Supply chain issues persist, and the increases in interest rates orchestrated by the Federal Reserve to ward off inflation are starting to achieve the intended economic dampening. Commercial real estate vacancy rates are rising in our region, due in part to businesses grappling with hybrid and remote work force strategies. A continuation of this trend could exacerbate an already stretched financial sector due to recent regional bank failures. All of this, in conjunction with a looming State of California budget deficit, makes a recession a possibility.

Although there is economic uncertainty ahead, the City has emerged stronger from the pandemic as key City revenues have surpassed prepandemic levels, which allows the City to continue to improve services and programs for the community and advance Council's Strategic Priorities. The Fiscal Year 2023-24 Adopted Budget complements the City's strong fiscal foundation and includes strategic enhancements necessary to build the Mountain View of tomorrow.

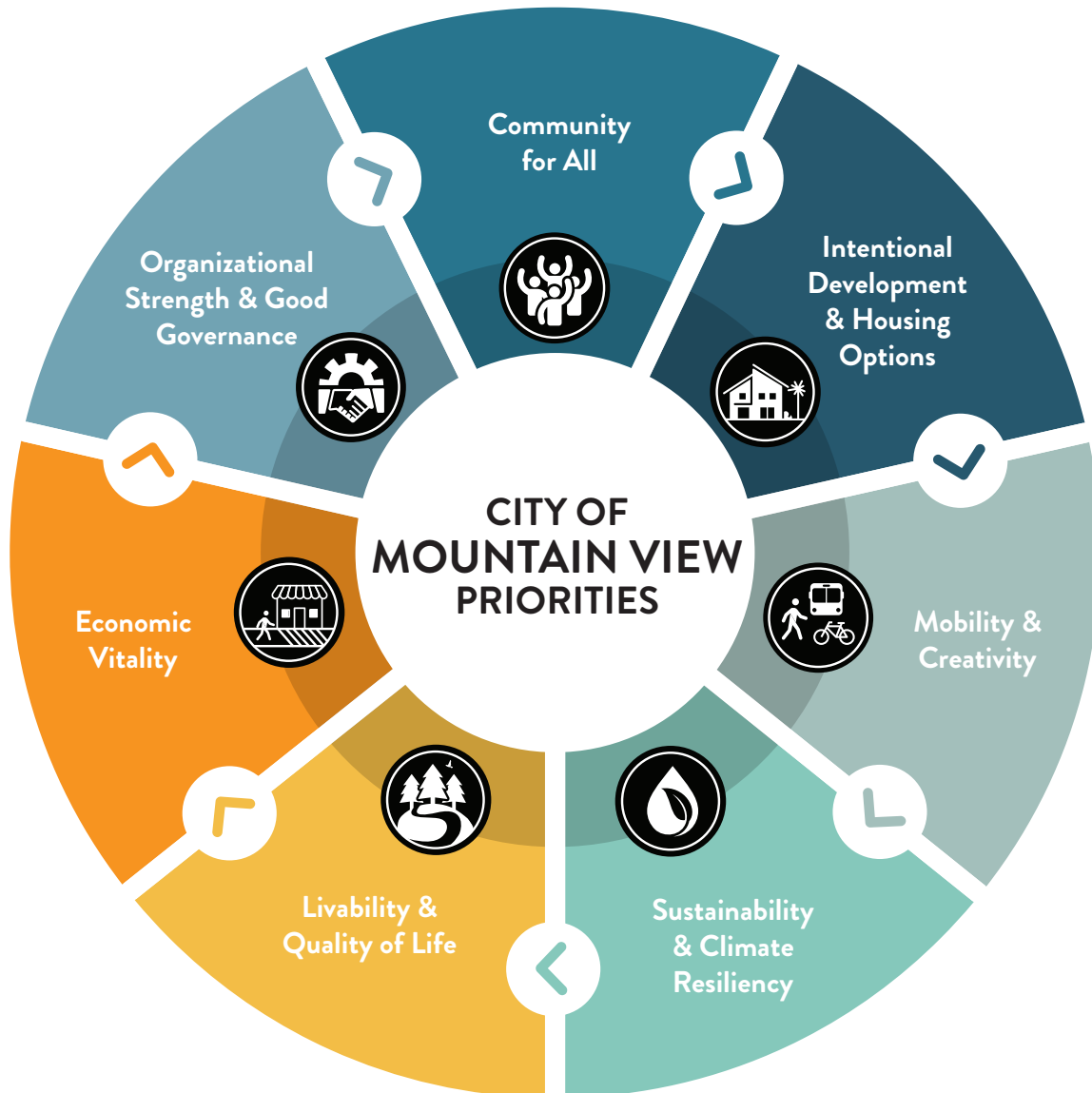
Looking toward the future, the City will need additional revenue to tackle critical projects, including addressing our aging facilities and Citywide infrastructure, acquiring more land for parks and open space, implementing ambitious decarbonization and sustainability initiatives, and building affordable housing. We are well-positioned to bring the City and our residents together and work toward these important community needs.

This Budget in Brief document is intended to provide a general overview of the City's Fiscal Year 2023-24 Adopted Budget. This includes an overview of major revenues sources and how those revenues are spent (expenditures). For a more detailed description of the Fiscal Year 2023-24 Adopted Budget, view the actual budget document, which can be located at MountainView.gov/Budget.



Strategic Priorities

FY 2023-24 through FY 2024-25



In January 2023, the City Council began the process of developing a new two-year Strategic Work Plan spanning Fiscal Year 2023-24 through Fiscal Year 2024-25. Over the past several months, Council has reviewed and reaffirmed the City's seven Strategic Priorities; proposed and approved new and carryover projects for inclusion in the Work Plan to advance the seven Strategic Priorities; received feedback on the proposed projects from all the Council boards, commissions, and advisory bodies; and prioritized the timing and allocation of resources for the projects.

The Council Work Plan for Fiscal Years 2023-25 is comprised of 41 projects and is organized by priority A (highest), B (high), or C (as time and resources allow).



Community for All

- A. Update the Race, Equity, and Inclusion Action Plan
- A. Develop a homelessness response strategy
- A. Negotiate a Community Workforce Agreement
- B. Explore expanding access to broadband



Intentional Development & Housing Options

- A. Review and update the Gatekeeper process
- A. Explore implementing a temporary downtown office cap on new development
- A. Review and update the Shoreline Community Area Plan
- A. Develop a Moffett Boulevard Precise Plan
- A. Implement Displacement Response Strategy actions
- B. Develop comprehensive updates to the Downtown Precise Plan
- B. Propose revisions to R3 zoning standards
- B. Develop a strategy to facilitate low- and middle income home ownership
- B. Facilitate affordable housing development at the VTA Evelyn site



Mobility & Connectivity

- A. Adopt the Local Road Safety/Vision Zero Action Plan
- A. Expand the Safe Routes to School program
- A. Adopt a citywide Transportation Demand Management Ordinance
- A. Develop a City Active Transportation Plan
- B. Work on the Stevens Creek Trail extension
- B. Design and construct the Castro Grade Separation
- B. Prepare a Citywide Travel Demand update
- C. Develop guidelines for micromobility, including a scooter share pilot



Sustainability & Climate Resiliency

- A. Develop a Citywide Decarbonization Plan
- A. Develop a Biodiversity Strategy
- A. Update the Community Tree Master Plan to create an Urban Forest Plan
- B. Develop a Dark Skies ordinance
- B. Complete a Climate Change Vulnerability Assessment



Livability & Quality of Life

- A. Conduct a holistic citywide review of parking regulations
- A. Develop a Parks and Recreation Strategic Plan
- B. Develop an ordinance to ban vaping sales citywide
- B. Review and update the historic preservation ordinance
- C. Explore strategies for enhancing childcare options
- C. Consider revitalization of Gateway Park



Economic Vitality

- A. Implement strategies for a vibrant downtown, including the Castro Pedestrian Mall
- B. Develop a comprehensive citywide storefront activation program
- B. Implement the Economic Vitality Strategy



Organizational Strength & Good Governance

- A. Explore the feasibility of a potential 2024 revenue measure
- A. Complete a Cost Allocation Plan and Master Fee Study
- A. Implement an online permitting system
- A. Explore placing a measure on the ballot to amend the City Charter
- B. Conduct a Public Services Study
- C. Review and make periodic updates to the Municipal Code in a phased approach to remove contradictory, unenforceable, or otherwise outdated sections

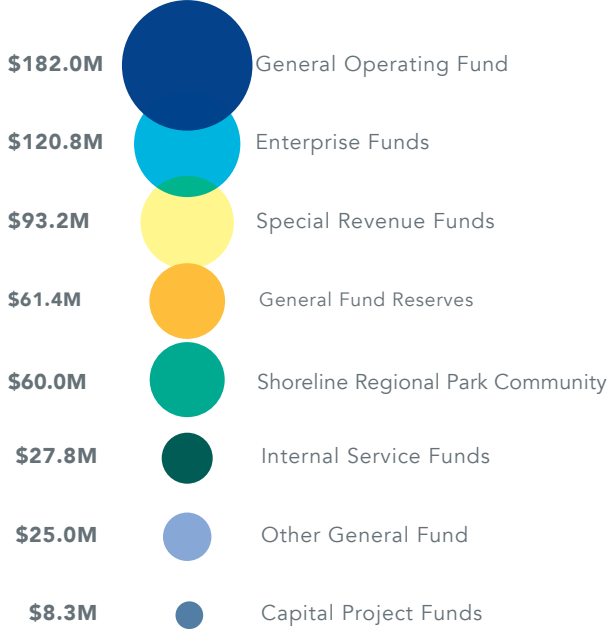
Citywide Budget

FY 2023-24

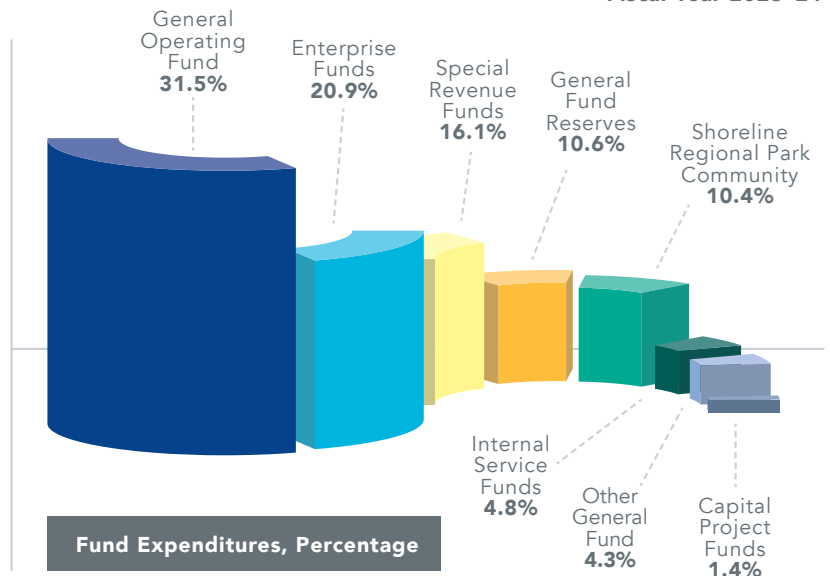
The Adopted Budget and General Operating Fund Forecast currently show sufficient financial resources to maintain the Mountain View of today, but **building the Mountain View of tomorrow will require that we continue to enhance and diversify the City's revenue streams to maintain ongoing fiscal stability and accomplish the bold initiatives the City is advancing.** This includes exploring additional funding via a revenue measure in 2024 for necessary Citywide enhancements, which may include addressing aging facilities and Citywide infrastructure, building new parks and open spaces, implementing ambitious decarbonization and sustainability programs, and building more affordable housing.

\$578.5M Total Expenditures, All Funds

(dollars in millions)



Fiscal Year 2023-24



NOTE: General Operating Fund does not include the \$6.5 million estimated budget savings and Other General Fund does not include the \$2.5 million estimated budget savings.



Budget Overview

FY 2023-24

As stewards of public funds, the City of Mountain View prides itself on providing transparency and accountability. The City of Mountain View adopts an annual balanced budget, which means that revenues meet or exceed expenditures. This budget provides an operational plan for delivering services to the community and allocates resources toward long-term service delivery, increased staffing levels, and innovative programs for Mountain View to thrive in the future.

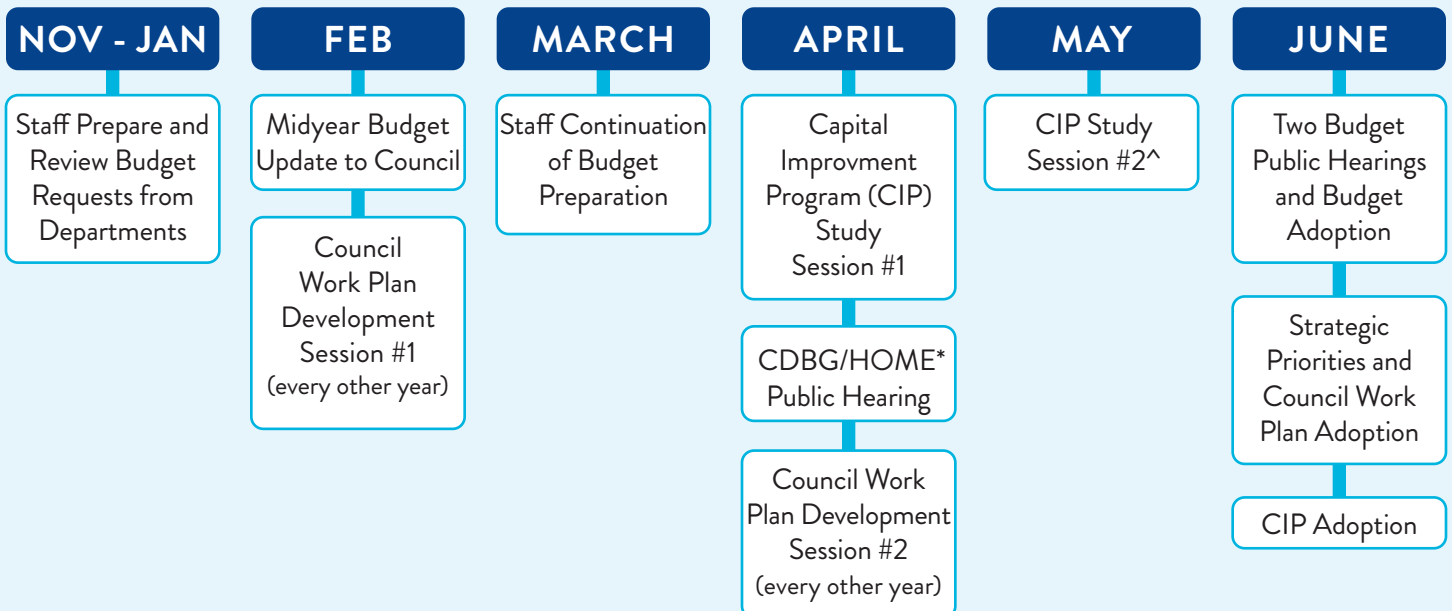
In June 2023, the City Council passed and adopted the annual operating budget for the Fiscal Year 2023-24 as well as a Capital Improvement Program (CIP) budget. The budgets fund the Council's continuing commitment to providing high levels of service to the City's residents, visitors and business community.



Budget Development

The development of the Fiscal Year 2023-24 budget is guided by City Council's strategic priorities, budget policies, long-range fiscal sustainability, legal mandates and service level prioritization.

The City's Finance and Administrative Services Department (FASD), with direction from the City Manager, works closely with each department to prepare the budget based on available resources. During this process, the City Manager's Office and FASD staff collaborate and meet with each department to review their budget and develop recommendations to be made to the City Council. A recommended budget is then presented to City Council by the City Manager for further review and input during two public hearings. The City Council will then adopt the budget prior to the beginning of the fiscal year, which starts on July 1.



*Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME)

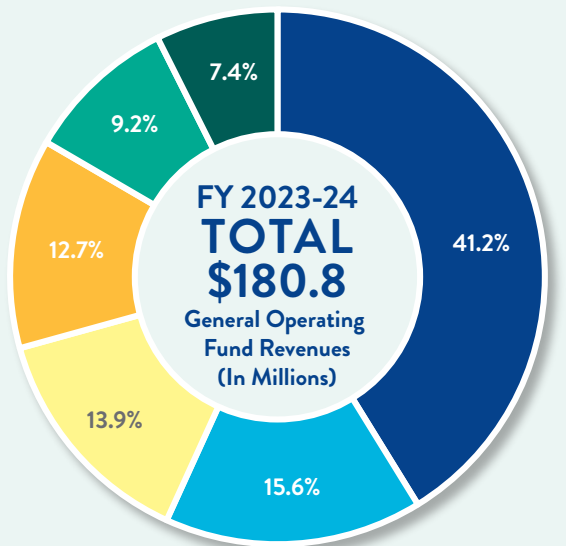
^ Two CIP study sessions are held every other year.

General Fund Revenues

FY 2023-24

The City of Mountain View has a relatively diverse revenue base. Due to variables outside of the City's control, volatility can occur as a result of fluctuations in the local economy, consumer habits and demands, political events, and legislative changes. Volatility is primarily related to sales tax and transient occupancy tax revenues, both generated by consumers. In the past decade however, other revenue sources, such as property taxes and lease revenues, have led to a more stable and predictable overall revenue base.

For Fiscal Year 2023-24, General Operating Fund (GOF) Revenues are projected at \$180.8 million, with over 41 percent generated from property taxes, 15.6 percent from use of money and property, including lease revenues, and 13.9 percent from sales tax revenue.



- Property Taxes : \$74.6
- Use of Money & Property : \$28.2
- Sales Taxes : \$25.1
- Other Local Taxes¹ : \$22.9
- Interfund Revenues & Transfers : \$16.7
- Other Revenues² : \$13.3

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.



Enterprise Funds

Enterprise Funds, often referred to as "Business Activities", are distinguished from government funds by their similarity to private sector enterprises and are financed solely through user charges. The City's three enterprise funds and their budgets are:

Fund Type	Revenues	Expenses
Water Fund	\$39.8M	\$55.7M
Wastewater Fund	31.7M	42.5M
Solid Waste Fund	37.0M	43.5M

Funding of the Council Neighborhoods Committees

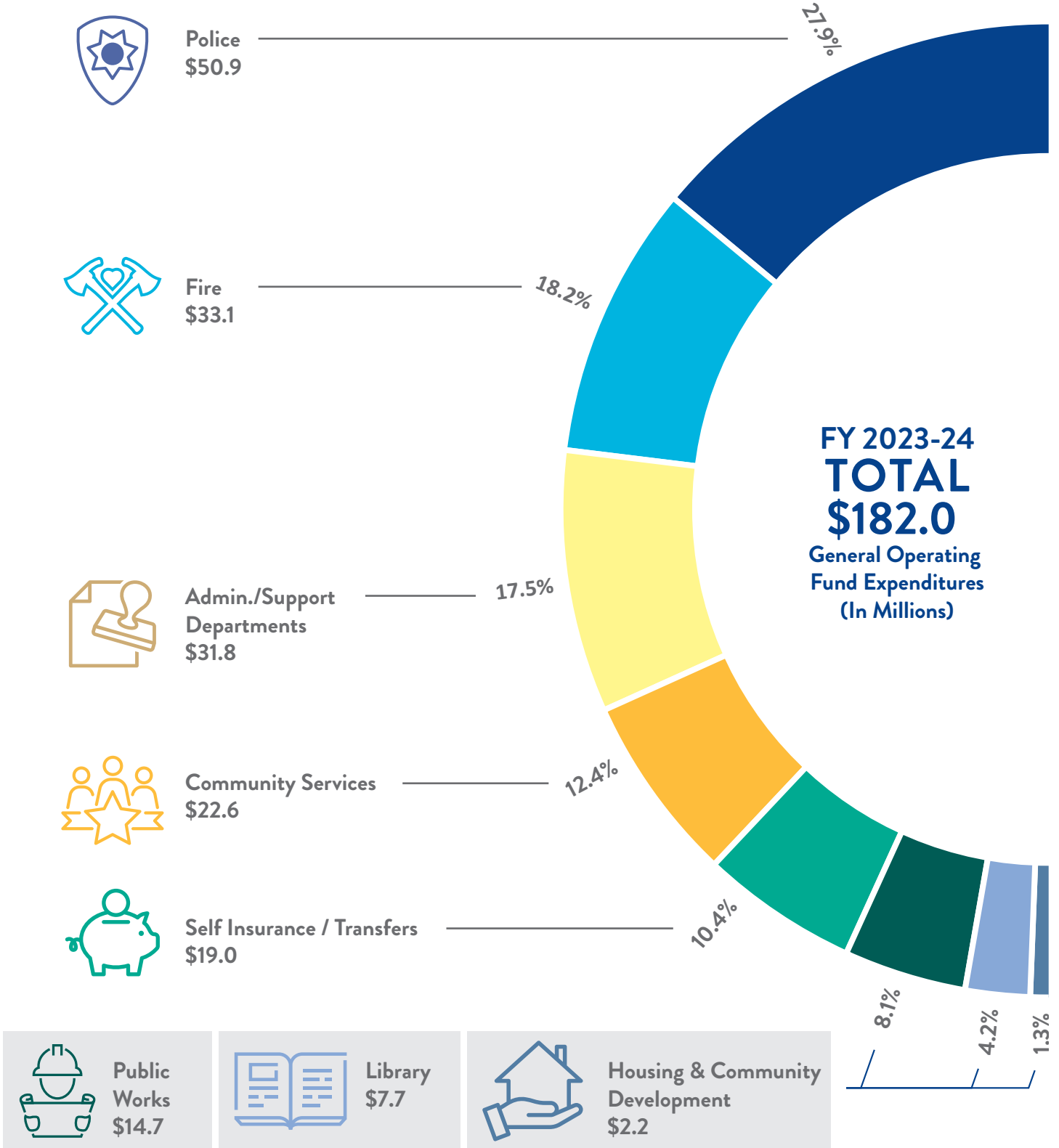
FY 2023-24
Neighborhood Grant Program

COMMUNITY ACTION TEAM	2023-24 Adopted
Blossom Valley Neighborhood Association	\$ 1,333
Community Action Team	3,333
Cooper Park Neighborhood Association	1,333
Cuesta Park Neighborhood Association	3,333
Dutch Haven Neighborhood Association	1,333
Gemello Neighborhood Association	1,467
Greater San Antonio Community Association	1,600
Hedgerow Group	1,200
Monta Loma Neighborhood Association	2,667
Moorpark Mobile Homes	1,467
North Whisman Neighborhood Association	2,000
Old Mountain View Neighborhood Association	3,333
Rex Manor Neighborhood Association	2,000
Santiago Villa Neighborhood Association	1,333
Shoreline West Association of Neighbors	3,333
Springer Meadows Neighborhood Association	1,333
Springer Tree Neighborhood Association	1,467
Sunset Estates Mobilehome Owners Association	1,467
Varsity Park Neighborhood Association	2,000
Wagon Wheel Neighborhood Association	2,667

\$ 40,000

General Fund Expenditures

FY 2023-24



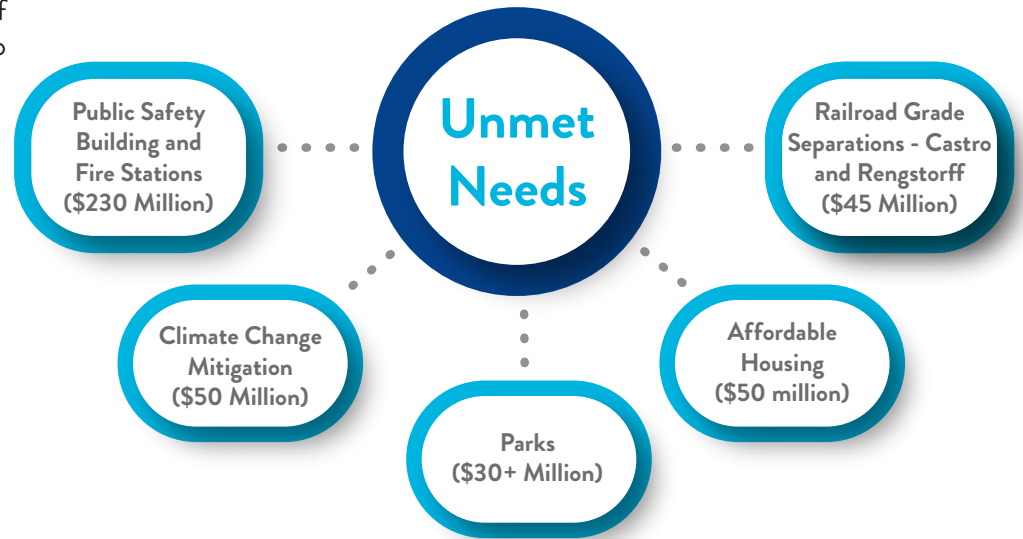
NOTE: General Operating Fund does not include the \$6.5 million estimated budget savings.

The Mountain View of Tomorrow

As with most municipalities, repairs, maintenance, and eventual replacement of facilities and infrastructure will continue to be an ongoing need in the future.

The City is exploring additional funding through a possible revenue measure in 2024 for necessary Citywide enhancements, which may include:

- Addressing aging facilities and Citywide infrastructure
- Building new parks and open spaces
- Implementing ambitious decarbonization and sustainability programs
- Building more affordable housing



The Mountain View of Tomorrow will require additional revenue streams.

FINANCIAL RECOGNITION



Distinguished Budget Presentation

Received from the Government Finance Officers Association of the United States and Canada for the 30th year for the City's FY2022-23 budget document. This is the highest form of recognition in government budgeting.



Certificate of Achievement in Financial Reporting

Received from the Government Finance Officers Association of the United States and Canada for the 33rd consecutive year for the City's Annual Comprehensive Financial Report (ACFR). This is the highest form of recognition in government accounting and reporting.



Highest Possible Bond Rating

Received a AAA bond rating from Standard & Poors, the highest possible bond rating. Rates reflect sound financial management, including prudent fiscal practices and budget discipline, safety of investing in City bonds, and allows the City to borrow at low interest rates.

Capital Improvement Program

CIP FY 2023-24



Capital Improvement Program (CIP) projects include, but are not limited to, facilities, mobility related infrastructure, park development/rehabilitation, and utilities projects. These projects are usually multi-year and extend beyond the annual budget.

The total Fiscal Year 2023-24 CIP budget is balanced and maintains all fund reserves as required by Council policy. The Fiscal Year 2023-24 CIP identifies 27 annual/periodic infrastructure maintenance nondiscretionary projects at a total cost of approximately \$17.8 million, 18 discretionary projects at a total cost of approximately \$21.6 million, and 36 amendments to existing projects at a total cost of approximately \$86.9 million.

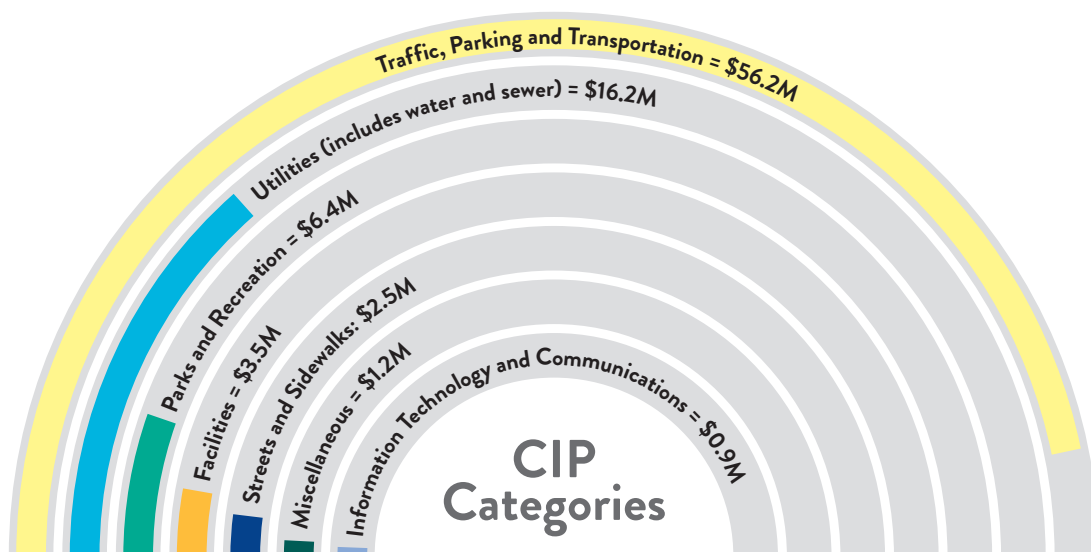
The emphasis for the Fiscal Year 2023-24 CIP includes:

- Review, refinement and funding of Fiscal Year 2023-24 projects identified in the Five-Year CIP adopted by the City Council for Fiscal Year 2021-22.

- Identification and funding of additional new projects for Fiscal Years 2023-24 as well as amendments to active projects given anticipated financial and staffing resources that:
 - Support City Council Work Plan Projects
 - Address health and safety concerns
 - Comply with regulatory requirements
 - Increase our Pavement Conditions Index (PCI)
 - Associate with a local match or cost-sharing agreement to secure grants or other funding
 - Generate operational savings or revenues
 - Benefit and/or do not burden communities of color and/or low-income residents

The CIP is funded from a variety of sources. Some funding sources, such as the Capital Improvement Reserve and Construction/Conveyance Tax (C/C Tax) Funds, have no restrictions on their use. Other CIP funding sources must be used for specific purposes (e.g., Water Fund—water system infrastructure and maintenance; Wastewater Fund—sewer system infrastructure and maintenance; Shoreline Regional Park Community (Shoreline Community) Fund—projects that facilitate development in the City's North Bayshore Area and/or support Shoreline at Mountain View Regional Park operations; and Gas Tax Fund—design and construction of roadway improvements).

Functional Area Funding



Mountain View at Work



Utilities

- Average daily wastewater treated: 6,130 thousands of gallons per day
- Average daily water consumption: 8,265 thousands of gallons per day
- Storm drain pipelines: 114 miles
- Sanitary sewer main pipelines: 157 miles
- Water main pipelines: 188 miles



Public Safety

- Number of fire calls for service: 6,741
- Primary fire inspections conducted: 1,321
- Environmental safety inspections conducted: 1,841
- Fire hydrants: 2,117
- Police responses to service calls: 39,194
- Communication center calls answered: 107,424



Parks and Community Events

- Parks: 44 parks over 215.8 acres
- Playgrounds: 35
- Baseball fields: 8
- Recreation class participants: 8,709
- Performing arts center performances: 396



Infrastructure and Facilities

- Miles of streets: 140.1
- Potholes repaired: 684 square feet
- Street lights: 4,270
- Traffic signals: 88



City of
Mountain View

Mountain View City Hall

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City Council

CityCouncil@mountainview.gov

Mayor Alison Hicks
 Vice Mayor Pat Showalter
 Councilmember Margaret Abe-Koga
 Councilmember Ellen Kamei
 Councilmember Lisa Matichak
 Councilmember Lucas Ramirez
 Councilmember Emily Ann Ramos

City Manager Kimbra McCarthy
 City Attorney Jennifer Logue
 City Clerk Heather Glaser
 Assistant City Manager Audrey Seymour Ramberg
 Assistant City Manager Arn Andrews
 Asst. City Manager/Community Dev. Director Aarti Shrivastava
 Deputy City Manager Kimberly Thomas
 CIO/Information Technology Director Roger Jensen
 Chief Communications Officer Lenka Wright
 Chief Sustainability and Resiliency Officer Danielle Lee
 Community Services Director John Marchant
 Finance and Admin. Services Director Derek Rampone
 Fire Chief Juan Diaz
 Housing Director Wayne Chen
 Human Resources Director Sue Rush
 Library Services Director Tracy Gray
 Police Chief Mike Canfield
 Public Works Director Dawn Cameron