

May 31, 2024

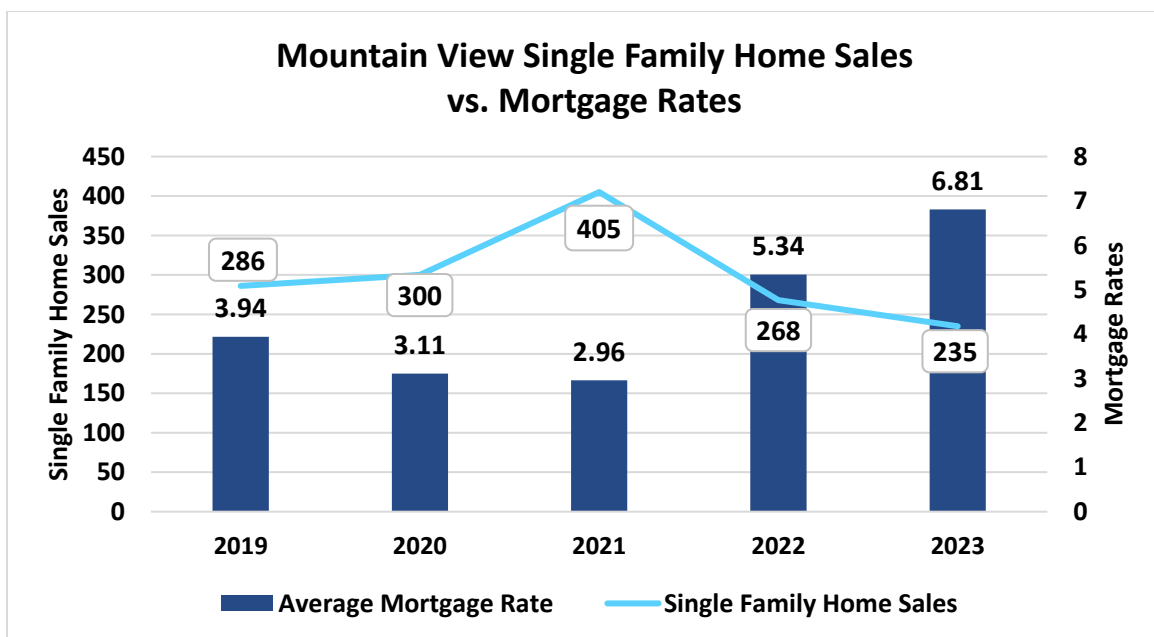
Honorable Mayor and Members of the City Council:

In accordance with the City Charter, I am pleased to submit the Fiscal Year 2024-25 Recommended Budget to the City Council for consideration. The City Council will be presented with the Recommended Budget at a public hearing on June 11, 2024 with formal adoption anticipated at a public hearing on June 25, 2024. This transmittal letter summarizes the key components of the Recommended Budget.

INTRODUCTION

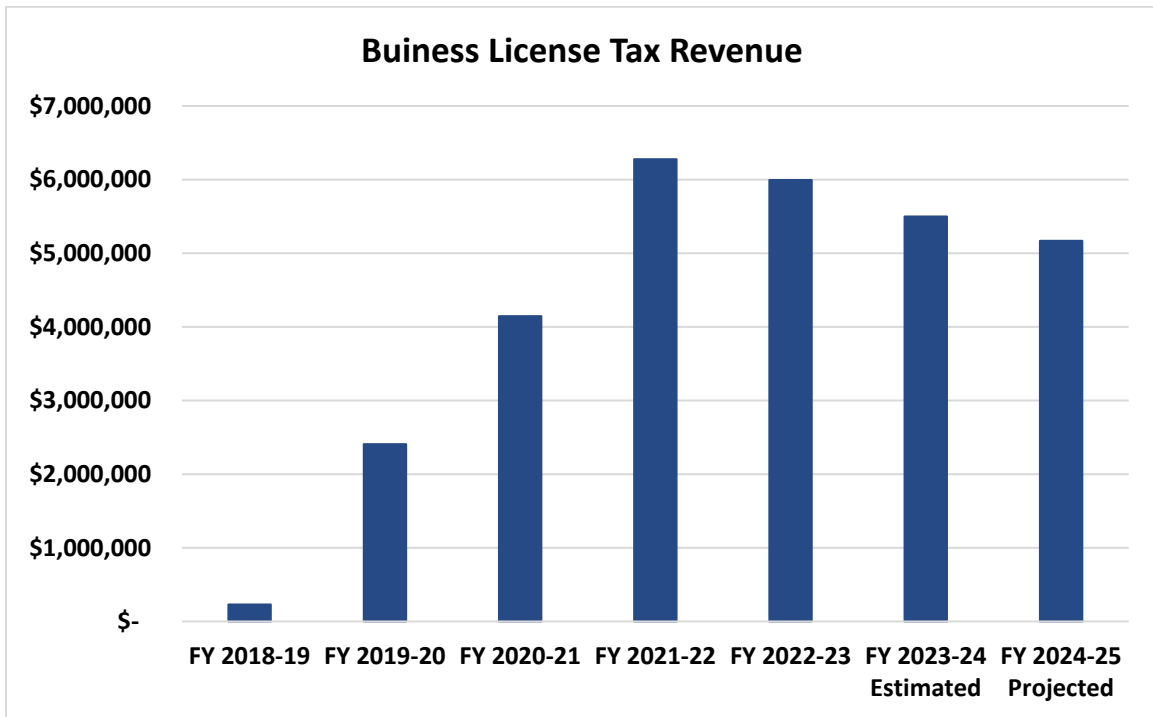
The Fiscal Year 2024-25 Recommended Budget is structurally balanced and allocates resources toward long-term service delivery, Council Strategic Priority areas, continuous organizational improvement efforts, and innovative programs important to our community. Although the budget is stable in Fiscal Year 2024-25, revenues are not growing at the pace the City has experienced in prior years, and there still a great deal of economic uncertainty on the horizon.

The continuation of elevated interest rates has significantly slowed both residential and commercial property transaction volume which, in turn, has reduced the City’s property tax growth projections.



The City’s Business License Tax (BLT) is assessed annually on all businesses known to be operating in Mountain View. Prior to Measure P, which was approved by Mountain View voters in November 2018, the tax rate was generally \$30 per year for most businesses (73%) but reached \$250 for certain types of businesses. The BLT structure changed effective January 1, 2020, whereby the tax is assessed based on a structure of tiered number of employees, or “headcount.” The change was phased in over a three-year period for businesses with more than 50 employees. The City Council earmarked, by resolution, 80% of additional revenue generated from the restructured tax to transportation, 10% to affordable housing, and 10% to general government services.

The BLT has been declining over the last few years due primarily to corporate layoffs. It is projected that BLT revenue will further decline this fiscal year due to actual and potential layoffs of employees of Mountain View businesses. Given the City’s per-head tax structure for each employee laid off, there is a corresponding reduction in taxes collected by the City. This will result in reduced funding for transportation and affordable housing and general government services.



In addition to property and business license tax impacts, sales tax receipts are expected to level off as the slow pace of remote-work employees returning to on-site work on a regular basis has reduced the amount of customers patronizing our local businesses on a regular basis.

Another revenue source that is poised to decrease is the City's excess Education Revenue Augmentation Fund (ERAF). In 1992, as a way of solving its own budget shortfalls, the state enacted legislation that shifted partial financial responsibility for funding K-14 education to local governments. A portion of property tax revenues that belonged to cities, counties, and special districts were shifted to the new ERAF. When the state shifts more local property tax than required, these funds are returned back to cities, counties, and special districts and are known as "excess" ERAF. The City has been receiving excess ERAF revenue since Fiscal Year 2013-14.

Recently, the state has shown an interest in challenging the continued distribution of excess ERAF moneys back to recipient cities like Mountain View. Given the state's projected budget deficit, any effort to discontinue those remittances would have a significant impact on the City's finances as this revenue is primarily used to fund limited-period expenditures and the City's reserves. The City was notified in mid-May that Governor Newsom is proposing to divert a portion of excess ERAF revenue to charter schools. The potential immediate impact to the City's current excess ERAF revenue is a \$757,000 decline.

While the Recommended Budget and General Operating Fund Forecast project sufficient financial resources to maintain current service levels, we need to enhance and diversify the City's revenue streams in order to maintain ongoing fiscal stability and accomplish the bold initiatives the City is advancing.

This includes exploring additional funding via a revenue measure in November 2024 for necessary Citywide enhancements, which may include addressing aging facilities, such as the Police/Fire Administration Building and other Citywide infrastructure, tackling active transportation and road improvement projects, implementing ambitious decarbonization and sustainability programs, and building more affordable housing and parks.

Building 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. In addition, new initiatives to address the evolving nature of modern cities will require additional financial resources.

The provision of best-in-class public safety services has been, and will continue to be, of paramount importance for the City. The City's Police/Fire Administration Building and several of our Fire stations will be reaching the end of their useful lives and require replacement or extensive renovations. For more than 20 years, the City has studied and discussed the need for constructing a new Public Safety Administration Building which houses the Police Department, Fire Department administration, the Emergency Operations Center, and 9-1-1 emergency dispatch. The current building is antiquated and does not meet current seismic standards. In fact, the very building that we rely on for emergencies could itself fall victim to a seismic event. This building is critical to allowing emergency workers to provide rapid 9-1-1 response to the

community during emergencies. The current estimate for a new building is approximately \$200 million and growing.

Another major priority of the City is to improve pedestrian and bicyclist safety and access as well as traffic and railroad operational safety. Mountain View has partnered with the Valley Transportation Authority (VTA) and Caltrain on the design of the Castro Street and Rengstorff Avenue Grade Separation Projects to improve safety, reduce noise, decrease traffic congestion, and enhance traffic movement. Construction of the Rengstorff Grade Separation Project is expected to begin in 2026, with the Castro Street undercrossing to begin once there is sufficient funding.

As a leader in local climate action and in recognition of the serious threat of climate change, Mountain View is committed to achieving carbon neutrality. In 2020, in response to state, national, and internal action on climate change, the City adopted a goal of carbon neutrality by 2045. We recognize that we must rapidly reduce emissions and that, through ambitious decarbonization strategies, real progress can be made. **The City of Mountain View was recently one of only 119 cities, states, and regions across the globe to receive an “A” score from the Carbon Disclosure Project for our sustainability efforts and commitment to environmental transparency.** The City is also exploring opportunities to enhance capacity of the electrical grid and achieve neighborhood-scale electrification in partnership with Silicon Valley Clean Energy and Pacific Gas and Electric. The City will also continue to make progress mitigating sea level rise risks. Work has begun on the development of a Climate Vulnerability Study and Resiliency Plan for Mountain View. The City is also supporting regional climate resilience through participation in the leadership group of the Countywide climate collaborative and co-chairing the sea level rise working group of the collaborative. However, a sustainable future with zero carbon emissions will require a significant funding plan.

In addition, the City is and will continue to be a statewide leader in the development and preservation of affordable housing. **The City was recently designated by the Governor and the State of California Department of Housing and Community Development as a “Pro-Housing Community.” Mountain View is the only city in Santa Clara County to achieve this designation and one of a few across the state, which allows the City to receive additional funding from the state for affordable housing projects.** The City has nine projects and three land dedications in the pipeline, totaling approximately 1,360 units. Additionally, there are 380 Below-Market-Rate (BMR) units in the pipeline across multiple market-rate projects. In sum, the total pipeline of affordable units (100% affordable and BMR) is approximately 1,740 units. This is a significant pipeline that will double the City’s affordable housing supply. At this time, there is an estimated gap of approximately \$50 million and growing to fully fund the affordable housing projects in the pipeline.

Lastly, the forthcoming Parks and Recreation Strategic Plan will identify funding strategies to meet the parks and open space needs of the future and is expected to require ongoing financial investments in the millions.

The City is embarking on important initiatives to keep Mountain View a premier community for residents, businesses, and visitors to thrive. Creating additional ongoing revenue is essential to bring these bold initiatives to fruition. This includes exploring additional funding via a revenue measure in November 2024 for these necessary enhancements. Council has provided direction to staff to explore a revenue measure that would increase the property transfer tax on commercial and residential property sales of more than \$5.0 million. Council is expected to provide final direction to staff on June 25.

Downtown Mountain View

One of the City's Strategic Priorities is Economic Vitality, which affirms the City's commitment to "support a walkable, beautiful, vibrant downtown." The Council work plan to accomplish its Strategic Priorities includes a project to "implement strategies for a vibrant downtown, including the Castro Street Pedestrian Mall."

In October 2022, the City Council adopted an ordinance to establish the Castro Street Pedestrian Mall between West Evelyn Avenue and California Street, permanently eliminating vehicular traffic along the 100, 200, and 300 blocks of Castro Street. (Cross traffic at the intersections of these blocks remains open to vehicles.) This action was a major step forward toward a long-term vision for downtown Castro Street, building on the temporary strategies the City implemented in collaboration with downtown businesses (known as the "Castro StrEats" program) to help keep businesses open during the COVID-19 pandemic.

The vision for Castro Street has four primary areas of focus to create: (1) a thriving business environment; (2) a welcoming space; (3) opportunities for social engagement; and (4) an area where people feel safe. The City is hard at work on various initiatives for the downtown, which are listed in the illustration below as either ongoing, short-term (planned in the 2024-25 Fiscal Year), and longer-term (to take place in the next three-plus years). As shown, while a lot of work is under way, there is still much to be done to address the current high levels of vacancy and attract and retain successful downtown businesses.

To help businesses, residents, and visitors stay informed about the details and status of these efforts, the City has created a comprehensive webpage (MountainView.gov/Downtown) with all downtown information in one place. The City is also producing a monthly *Downtown Digest* newsletter highlighting the most recent updates, which the community can register to receive on the downtown webpage. Businesses, residents, and visitors can also provide feedback and ask questions at the Downtown@mountainview.gov email address.



Several of the key current and upcoming downtown initiatives are summarized below. Some are funded by existing allocations in the Fiscal Year 2023-24 Budget, and some are proposed to be funded in the Fiscal Year 2024-25 Budget.

Outdoor Patio Program

The Outdoor Patio Program, launched in fall 2023, allows businesses to extend operations into the public right-of-way on Castro Street and/or sidewalks. The City has been working closely with downtown businesses over the last several months to help them establish their outdoor patio areas. This entails a permit process to ensure safety, equitable access among businesses, and an inviting look and feel for the patio areas. It also entails the City providing attractive and consistent patio fencing for each of the patio areas as well as the Castro Street intersections between the 100 and 200 and 200 and 300 blocks. As of March 2024, 27 businesses have outdoor dining, with more on the way.

Small Business Outdoor Furnishings Grant Program

In 2023, the City released the Small Business Outdoor Furnishings Grant Program to help address the lingering impacts of COVID-19 on the Mountain View small business community. The City allocated \$200,000 to the grant program, providing 40 eligible businesses with one-time grants of \$5,000 for the purchase of outdoor furnishings. To date, 25 applications have been approved, and those businesses are currently in the contracting process. The program can accommodate

an additional 15 grant recipients, and the City will continue to accept applications until the funds are depleted.

Facade Improvement Program

The City of Mountain View Facade Improvement Grant Program is designed to stimulate investment in commercial retail buildings with first-floor storefront businesses. To encourage economic vitality and commercial viability of storefront businesses, the City will share the costs of improving and enhancing commercial facades with grants of up to \$15,000 for projects that meet the eligibility criteria. Staff is currently finalizing the grant program guidelines and will begin accepting applications soon.

Window Display Grant Program

The City of Mountain View is preparing a Window Display Grant Program to provide financial support to retailers and businesses to design and enhance their window displays. To help create attractive and inviting streetscapes and shopping venues, the City will retain the services of one or more qualified visual merchandisers to provide \$2,500 worth of window display-related services, including business consultations, display design, installation, and development of a maintenance plan. Staff is currently finalizing the grant program guidelines and will begin accepting applications soon.

Public Safety Strategies

Issues regarding road safety, parking, homelessness, unpermitted food vending, theft, and auto burglaries in downtown are always a top priority for the Police Department. The Police Department has increased its physical presence and is actively utilizing both enforcement and outreach to contribute to community safety and accessibility.

Spring/Summer Events

The Community Services Department (CSD) will be bringing back a number of major events to downtown this spring and summer, including: **Concerts on the Plaza** from June through September, **Music on Castro** on the 200 block of Castro Street with the series anticipated to occur April through October for close to 30 weeks of light live music on Wednesday evenings, and **KidStock**, a kid-friendly music series, on select Saturdays from May through July at the Civic Center Plaza.

Decorative Street Treatments

The City is working to bring decorative street treatments in the central walkway of the 100, 200, and 300 blocks of Castro Street to create a more inviting and unique sense of place in Mountain

View's downtown. After presenting three street treatment options to the Visual Arts Committee and the Council Transportation Committee in January 2023, both committees recommended proceeding (with slight modifications) with the "Ribbons" concept and proposed colors. The City will also be bringing more color and art to the barriers at the Castro Street intersections.

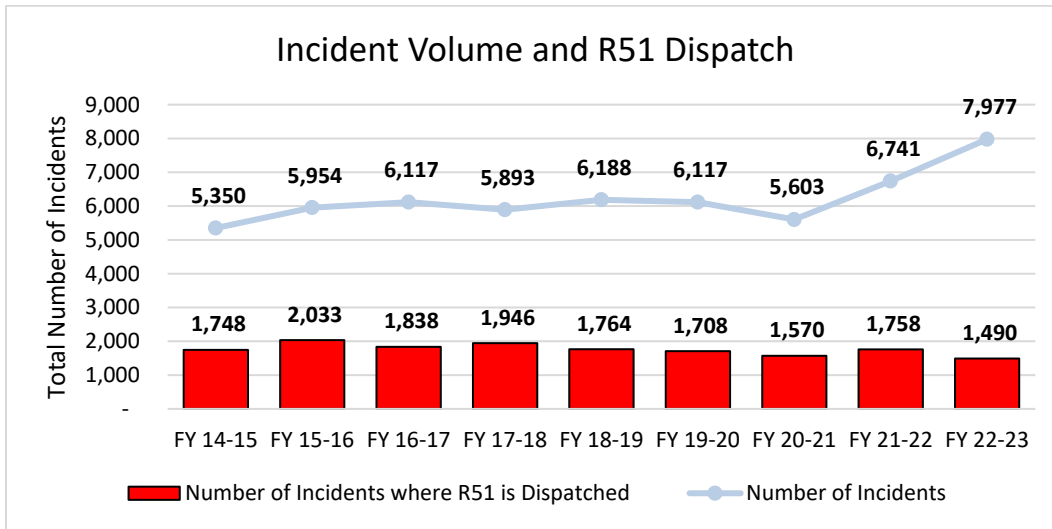
In addition to the items above, the 2024-25 Fiscal Year Proposed Budget includes a total requested appropriation of \$745,000 in limited-period funding from the City's General Non-Operating Fund, demonstrating the importance of Mountain View's downtown and the City's commitment to invest in its success. The proposed resources that will benefit downtown are summarized below.

- \$300,000 in contract services for downtown strategy consulting and to create a communications and branding plan to further establish Mountain View's downtown as a unique and compelling destination and attract development and visitors to downtown.
- \$250,000 in contract services to fund land use planning, zoning changes, and code implementation that will support successful development in downtown.
- \$100,000 in contract services to support the implementation of the Economic Vitality Strategy.
- \$75,000 in contract services for retail consulting to work with business operators to fill vacant building spaces.
- \$20,000 in contract services to provide storefront window design services.

Public Safety Enhancements

The Recommended Budget prioritizes critical new public safety positions. A total of 3.0 new full-time equivalent (FTE) Fire Captain positions, one for each of the three shifts, is recommended for Rescue 51 (R51) as it currently operates without supervisors. A Fire Captain is responsible for direct supervision of Firefighters. R51 was placed into service in the late 1950s and has historically been staffed with two Firefighters and no supervisor. It responds Citywide to a significant number of incidents and, over the decades, has consistently been one of the busiest companies in the Fire Department.

As seen in the chart below, during Fiscal Year 2022-23, out of a total of 11,532 total unit responses, R51 responded to 1,490 calls, or 19% of all calls. Over the course of Fiscal Year 2022-23, the response model for R51 was evaluated with an emphasis to make the unit more available for higher-priority events. This resulted in reducing response redundancies by 5% yearly.



While it may have been efficient to have a two-person rescue company in prior years, the level of service the Fire Department is providing has changed significantly, which requires higher qualifications and supervision of R51. New regulations exist pertaining to incident command supervision, personnel accountability, and patient care, and the Department is experiencing gaps in service for not having a supervisor on each shift or a qualified, well-trained Fire Engineer to drive the fire apparatus. The new Fire Captain positions will provide direction to R51 personnel, assess and report on conditions at the scene, develop an action plan, supervise all firefighting and rescue operations for the company, and be responsible for all of the planning and training for the company.

In addition, a new 1.0 FTE Information Technology (IT) Analyst position is recommended for the Police Department. The Department currently has two IT Analyst positions that have been in the Department since the early 1990s. However, the operational needs and security demands of the Police Department have grown exponentially in 30 years, where 39 additional technology systems have been added during that time without additional resources. The IT positions within the Department monitor and support 44 software programs total. The new position is necessary to support the critical systems and network infrastructure within the Police Department.

Organizational Improvements

For the last several years, the City has been rebuilding and increasing the number of employees that are necessary to meet the ongoing needs of our residents and address the significant workload associated with providing exceptional service. **Even with these strategic staffing additions over the last four years, the City has only recently surpassed its staffing level from 2001. However, during that same time span, the population of Mountain View increased 18%.**

The continued success of our organization during the growth of the last several decades can be directly attributed to the ingenuity and innovation inherent in our employees. The organization

of tomorrow will require that we maintain our commitment to identifying and implementing continuous organizational efficiencies and improvements.

Continuous Improvement Efforts

In 2021, the City Council adopted Organizational Strength and Good Governance as one of its seven Strategic Priorities. This priority calls for the City organization to:

- Continue to innovate, collaborate, and continuously improve to deliver a high level of customer service;
- Recruit, develop, and retain top-notch staff;
- Maintain fiscal responsibility and effective intergovernmental partnerships; and
- Communicate and engage regularly and transparently with our multilingual community.

In keeping with this Strategic Priority, staff has sought to improve efficiency and/or effectiveness of City programs, policies, and processes through process streamlining, implementation of new technology, restructuring to better match staff capacity to operational needs, development of new partnerships, assessments to adapt programs and services to evolving community needs, and significant enhancements in programs and services and advancements in policy. A memorandum has been prepared and included with the budget document as Attachment 1 to provide an update on these efforts.

The memorandum summarizes the most significant initiatives from 2021 to the present, briefly describing the initiative and noting its efficiency outcome. The initiatives are organized by department and then by status (completed, under way, and anticipated) and sorted chronologically, from oldest to most recent.

The approximately 115 initiatives in the memorandum demonstrate that there is a strong commitment to continuous improvement as an integral part of management practice at the City. This commitment is often affirmed as other jurisdictions frequently seek information from us about Mountain View programs and processes, and City staff attending conferences find Mountain View's efforts to be in step with or ahead of the best practices being presented.

Highlights of the recent continuous improvement initiatives include:

- Public Records Act Management System (City Clerk's Office);

- New City website and subsites for Economic Development, Mountain View Public Library, Mountain View Center for the Performing Arts, and Development Review Process (all departments, led by City Manager's Office and Information Technology);
- Organizational restructuring of the Building Division (Community Development);
- Online permitting system (Community Development and Public Works);
- Parks and Recreation Strategic Plan (Community Services);
- Online bidding platform (Finance and Administrative Services);
- Battery extinguishing system technology (Fire);
- Strategic partnerships for external housing funding pool (Housing);
- Employee applicant tracking and onboarding system (Human Resources);
- Cloud-based device management system (Information Technology);
- Electric Bookmobile (Library);
- Live 9-1-1 software (Police); and
- Fleet management system (Public Works).

The initiatives in the memorandum do not cover every recent effort to improve City operations. Dozens of additional initiatives, important but more routine in nature, were identified by department staff but not included in this memorandum in order to keep it focused and more readable.

In addition to the improvements listed in the body of the memorandum, Exhibit A has been included to highlight the dozens of additional innovations, adaptations, and proactive steps the City quickly undertook during the COVID-19 pandemic in order to keep the City operations running amidst constantly changing public health conditions and regulations, meet existing and new community needs, and keep the public and City staff safe.

In order to continue on this path of continuous improvement, the Recommended Budget includes \$200,000 for contract services for continuous improvement consulting/performance auditing review.

Information Technology Strategic Plan

In addition to the technology-driven continuous improvements previously mentioned, the IT Department recently launched the development of a Five-Year Strategic Plan to ensure technology-driven improvements well into the future. The Recommended Budget includes \$100,000 toward this effort. The results of the assessment will be used to develop the City's software application strategy for the next five years, which will focus on:

- Upgrading or replacing applications that no longer meet users' needs;
- Automating manual processes with technology; and
- Identifying commonly used applications, such as project management and workflow software, and replacing them with enterprise-level applications. Migrating to enterprise applications will allow the organization to be more streamlined and efficient.

Collectively, the Strategic Plan will help the organization to prioritize and identify the technology that will help the City conduct business more efficiently and effectively.

Artificial Intelligence in Local Government

No current discussion of organizational efficiencies is complete without mentioning the impact of artificial intelligence (AI) and its potential for efficiency in the government sector.

In November 2023, the [GovAI Coalition](#) was established "to give local government a voice in shaping the future of AI and ensure that AI development is geared toward the benefit of society." The City of Mountain View joined this effort and has been working with a group of representatives from over 250 local, county, and state governments across the nation to promote responsible and purposeful AI in the public sector.

The GovAI Coalition is committed to:

- Using AI for social good;
- Ensuring ethical, nondiscriminatory, and responsible AI governance;
- Promoting vendor accountability;
- Improving government services; and
- Fostering cross-agency collaboration and knowledge sharing.

Over the course of the next year, staff will be working to create a City AI Use Policy to guide employees' use of AI systems, an organizationwide training on the use of AI, use cases, vendor registry, and vendor agreements.

In addition to AI advances in traditional technologies, the use of robotic process automation (RPA) is becoming more adaptable in the public sector. RPA involves the development of computer-coded software to automate tasks that are often repetitive and rules-based. RPA can follow a series of if/then decisions that are frequently associated with repetitive tasks found in financial reporting and forecasting, purchase order creation, and vendor setup. Staff will be exploring the implementation of newer technologies that would enable City staff to focus on high-level priorities rather than repetitive tasks.

Performance Measures Overhaul

In an ongoing effort to be more effective, transparent, and accountable, the City is expanding its work to track more meaningful performance measures in each department. Performance management includes identifying, collecting, analyzing, and reporting on indicators that show how well the City organization performs, both internally and in the delivery of services to the public, and how that performance compares with its targets or with peer organizations. More importantly, as a management tool, performance data is intended not as an end result, but rather as a means to more informed decision-making and a more engaged community.

As part of the Fiscal Year 2024-25 budget development, the City engaged a consultant to collaborate with department staff to review and redesign the Performance Measures to provide meaningful measures with a direct connection to the department functions. Over the course of the past year, City staff worked with the consultant to create new performance measures for inclusion in the Recommended Budget. As a result, new and revised measures have been implemented, with tracking to begin in Fiscal Year 2024-25. The new and revised measures can be found in the Department Budget pages, starting on Page 4-7.

The City will utilize the updated performance and workload measures to demonstrate the effectiveness and efficiency of City operations as well as the staff effort required to provide programs and services to the public. Each department has a series of performance and workload measures that serve to provide City management, the City Council, and the community with timely and relevant information on departmental operations.

In limited cases, staff has identified informational measures. Informational measures are those that are neither a function of workload nor performance but were determined to be important enough to department operations to include with the other measures.

OVERVIEW OF BUDGET DOCUMENT

The Fiscal Year 2024-25 Recommended Budget document, which includes all City funds, is divided into nine sections as follows:

1. Introduction—Includes a summary of the City’s overall financial plan and recommended changes;
2. City and Community Information—Includes the community profile and other information about the City;
3. General Operating Fund Forecast—Includes the General Operating Fund (GOF) five-year revenue and expenditure forecast and an economic update on federal, state, and local trends;
4. Department Budgets—Includes operating plans for all City departments;
5. Fund Schedules—Includes adopted budgets for all funds;
6. Capital Improvement Projects—Includes the Recommended Capital Improvement Program (CIP) for Fiscal Year 2024-25;
7. Miscellaneous Information—Includes description of the budget process, position listing, debt administration and payments, and other information;
8. Shoreline Regional Park Community—Includes the adopted budget for the Shoreline Regional Park Community; and
9. Glossary and Index—Includes the glossary and index for this document.

This 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.

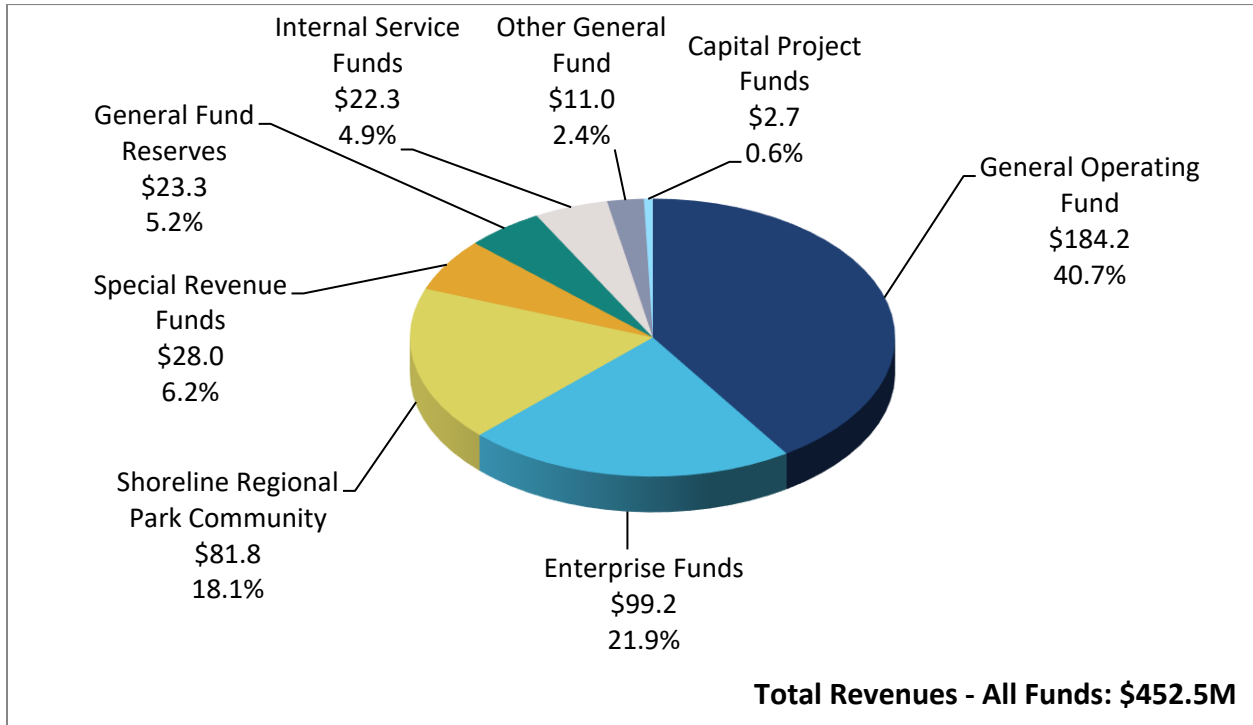
FISCAL YEAR 2024-25 BUDGET OVERVIEW

The Fiscal Year 2024-25 Recommended Budget incorporates a slightly positive, yet slowing, economic outlook that stems from fairly stable key economic indicators, offset by slowing or minimal growth in property tax, sales tax, and other local tax revenues.

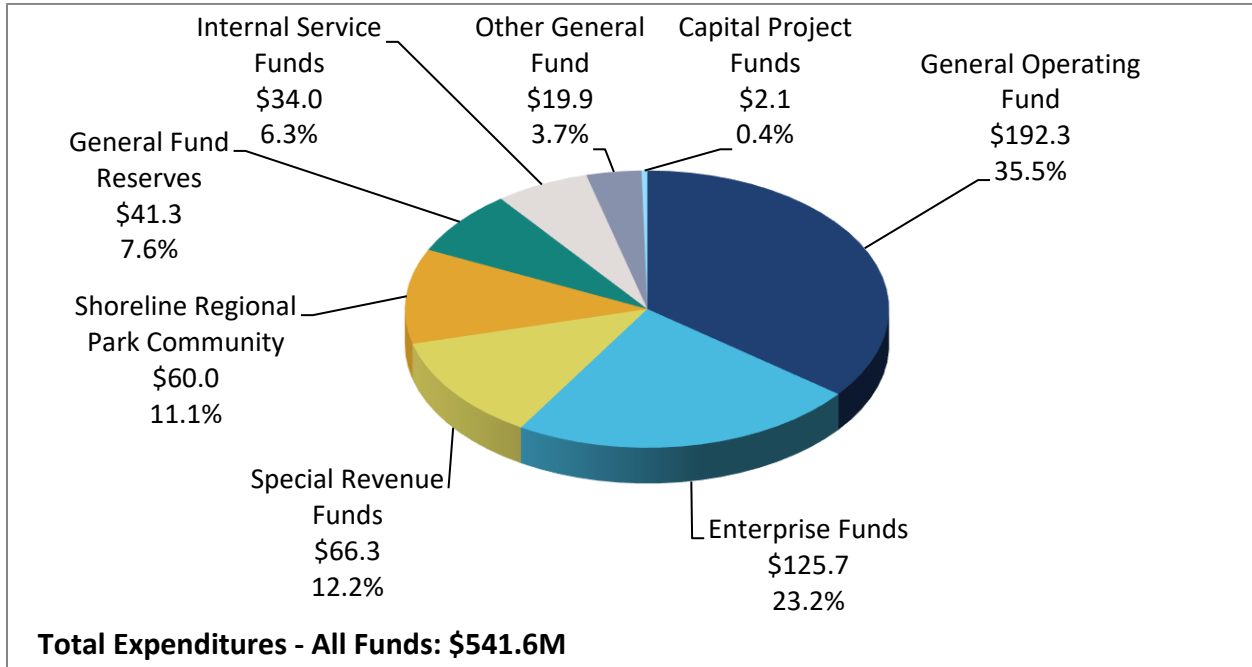
The total Recommended Budget for Fiscal Year 2024-25 is \$452.5 million in revenues and \$541.6 million in expenditures (excludes \$11.0 million of projected budget savings). Expenditures are greater than revenues as some expenditures, such as capital projects, are

funded from existing available resources. The Fund Schedules Section of this document presents the City’s financial picture in detail.

**Total Fiscal Year 2024-25 Recommended Revenues—All Funds
(dollars in millions)**



**Total Fiscal Year 2024-25 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.

GENERAL OPERATING FUND

The GOF is the single largest City fund and provides funding for core community services, such as public safety (Police and Fire), Parks, Recreation, Library, some Planning, Public Works, Sustainability, and all City Administration support functions, including City Attorney, City Clerk, City Manager, Human Resources, Finance and Administrative Services, and Information Technology. These core community services, paid for in the General Operating Fund, are primarily supported by major revenue sources that include property taxes, sales taxes, use of money and property (lease revenue), and other local taxes (business license, transient occupancy, and utility users). These four major GOF revenue sources account for \$156.2 million, or 84.9%, of the GOF revenue in the Fiscal Year 2024-25 Recommended Budget. The remainder of revenues in the GOF are generated by a variety of other resources.

The GOF’s financial health is shaped in large part by positive and negative economic forces beyond the City’s control. Many GOF revenues are driven by the economic climate of Silicon Valley, the greater Bay Area, and the state. During the Great Recession of 2008, due primarily to declines in property taxes, sales taxes, and transient occupancy tax (TOT) revenues, the GOF faced structural deficits before corrective actions were taken for four consecutive fiscal years. In strategically and proactively addressing these ongoing structural deficits, the City was able to better position itself for the economic recovery in the ensuing years leading up to today. In

addition, the City's sound fiscal practices and budget discipline have allowed the City to maintain its AAA credit rating for more than 10 years, a status held by only a minority of other California cities.

The local economy has fully recovered to COVID-19 prepandemic levels. The City's major revenues have generally remained strong and have benefited from inflation as well as the increase in interest rates. Staff continually monitors the GOF revenues and expenditures throughout the year. Despite incorporating the most recent available data into the forecasting process, a considerable amount of volatility and uncertainty yet remains about the future of the economy for various reasons, including the Russia-Ukraine conflict, the Israel-Palestine conflict, escalation of tensions between China and Taiwan, global supply chain disruptions, pace of corporate layoffs, increased commercial property vacancy rates, and continued elevated interest rates. Until such time as the volatility settles down and greater stability returns, the ability to more accurately forecast future revenues and expenditures will continue to be challenging.

The City maintains fiscally prudent budgeting practices of balancing ongoing expenditures with ongoing revenues and adopting structurally balanced operating budgets. In recent years, the City has experienced strong revenue growth with a larger-than-normal net operating balance that has allowed the City to address a portion of its infrastructure needs and unfunded liabilities. This situation has also helped the City to weather the revenue losses experienced during the COVID-19 pandemic. Although it is difficult to forecast revenues under this climate of extreme uncertainty, the GOF Recommended Budget for Fiscal Year 2024-25 continues in the tradition of balanced budgets and is projected to achieve a nominal operating balance.

A summary of the GOF Recommended Budget is summarized below (dollars in thousands):

Total Revenues	\$184,144
Total Expenditures	<u>(183,833)</u>
Operating Balance	<u>\$ 311</u>

Based on the current available information and assumptions, the GOF is projected to end the fiscal year with an operating balance of approximately \$311,000.

As with recent budgets and as proposed in the Fiscal Year 2024-25 Recommended Budget, the City is able to address a few of the critical staffing needs that have been on hold for several years. In Fiscal Year 2024-25, the Recommended Budget includes \$3.5 million of new ongoing expenditures, including 4.25 new regular and converted limited-period positions to regular positions in the GOF. These new GOF positions include:

- 3.0 Fire Captain FTEs in the Fire Department;
- 1.0 IT Analyst FTE in the Police Department; and
- 0.25 Parks and Open Space Worker II in the Community Services Department.

A summary of the Fiscal Year 2024-25 GOF Recommended Budget is provided below. Details of the Recommended GOF revenues and expenditures are included Fund Schedule Section of this document.

California Public Employees Retirement System (CalPERS) Pension and Post-Employment Benefits

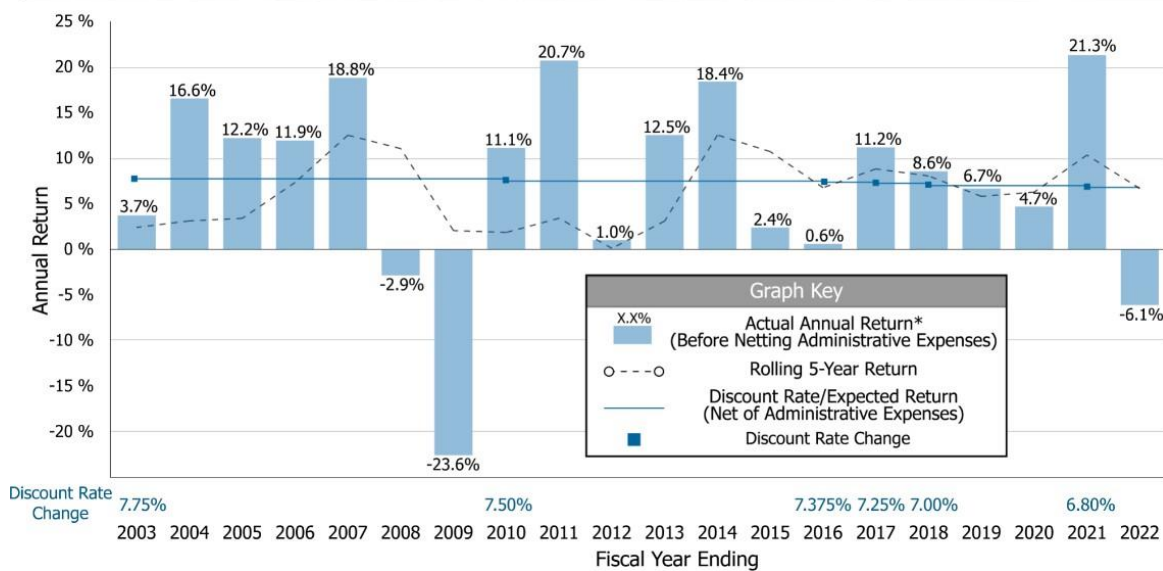
The City of Mountain View provides a defined benefit pension plan for all full-time employees and some part-time benefitted employees as part of their total compensation package. Defined benefit plans provide a fixed, preestablished benefit payment for employees in retirement based on a formula which considers an employee's years of service and highest average annual salary. The defined benefit pension has been a standard part of compensation in governmental organizations and in Mountain View and is in lieu of participating in Social Security, except for the required Medicare rate of 1.45% of all wages.

The City's pension plans over the past several decades, like all other CalPERS participants, have experienced unfavorable investment returns, changes in actuarial assumptions, and unfavorable demographic shifts which have outweighed any positive plan experiences. These unfavorable actuarial experiences have resulted in rising employee-related costs due to the corresponding escalation in payments to fully fund benefits.

An Unfunded Accrued Liability (UAL) obligation represents the market value of the pension plan assets minus the discounted value of the future liabilities. When a plan's Market Value of Assets is less than the Actuarial Accrued Liability, the difference is the plan's UAL. When there is a UAL, the City must make up the difference. The City's most recent actuarial report from CalPERS (released in July 2023) indicates that the City has a UAL of \$142.2 million in the Safety Plan and \$141.4 million in the Miscellaneous Plan, for a total of \$283.6 million as of June 30, 2022, up from \$169.0 million a year prior, an increase of 67.8%. This large increase is primarily attributable to CalPERS realizing an investment loss of approximately 6.1% in Fiscal Year 2021-22, which is actually 12.9% less than the assumed investment return of 6.8%.

As of June 30, 2022, the City's funded status was 69.3% for its Safety Plan and 73.3% for its Miscellaneous Plan, down from 79.6% and 84.3% respectively. Overall, the combined funded status on June 30, 2022 was 71.4%, compared to 82.1% a year earlier. Notably, the 6.1% investment loss for Fiscal Year 2021-22 offsets the significant investment return of 21.3% that CalPERS realized in Fiscal Year 2020-21. Thus, the funding level for both the Safety and Miscellaneous Plan have reverted back to slightly below the June 30, 2020 combined funding level of 71.8%. The following is a chart with the 20-year historical annual returns of the CalPERS Public Employees' Retirement Fund for each fiscal year ending June 30, as reported by the CalPERS Investment Office.

History of Investment Returns (2003 - 2022)



* As reported by the Investment Office with a three-month lag on private equity and real assets.

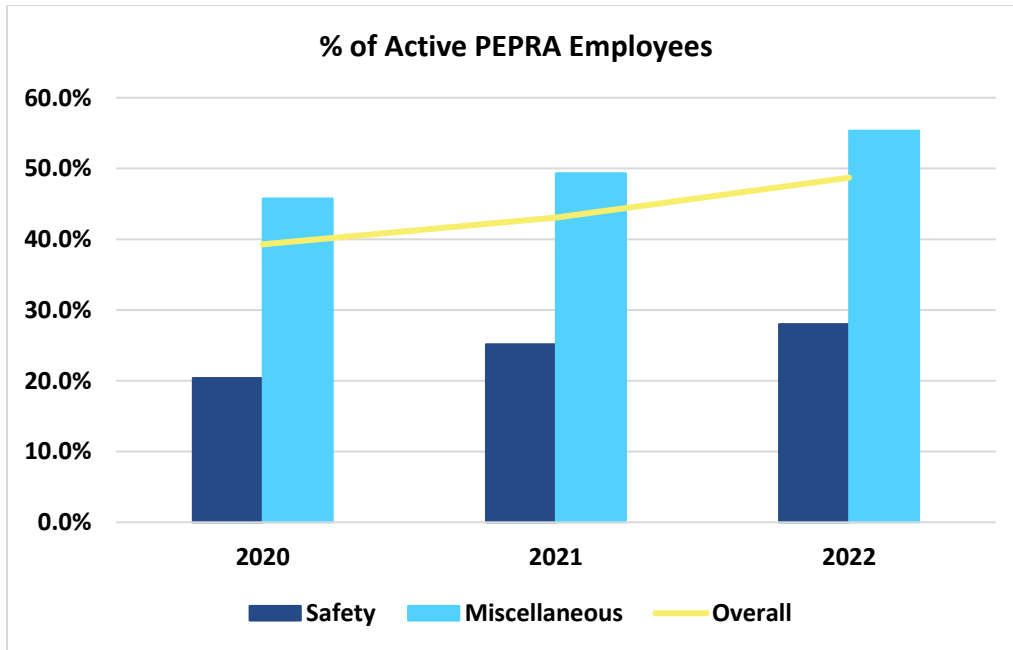
Source: CalPERS Actuarial Valuation—June 30, 2022

The City prudently recognized the potential impacts to future service delivery if unfunded pension obligations were not addressed and additional funding strategies not identified. For the CalPERS pension liability, the City Council adopted a strategy to contribute a significant lump-sum contribution of \$10.0 million (General Fund) in Fiscal Year 2017-18 as well as proportionate contributions from other funds. As part of this strategy, an additional \$10.0 million General Fund payment was proposed to come from future Google Parking Lease revenues as well as proportionate contributions from other funds. These lease payments are on a calendar-year basis and began January 2021. In Fiscal Year 2024-25, \$930,000 is budgeted from the Google Parking Lease, and with proportionate contributions from other funds a total payment of \$1.2 million is included in the Fiscal Year 2024-25 Recommended Budget.

In 2013, California pension reform became law under the Public Employees’ Pension Reform Act (PEPRA). PEPRA, effective for all new employees hired after January 1, 2013, made broad prospective changes to pensions in California with the goal to create a more sustainable pension system by reducing an employer’s pension liabilities and increasing employee contributions toward their pension benefits. As a result, the pension costs associated with a PEPRA employee are lower than an employee hired prior to January 2013. However, it is expected that substantial savings from the reform will take many years to be realized.

As shown in the chart below, the overall percentage of active PEPRA employees employed by the City has gradually increased over the last three years, from 39.3% to 48.7%, based on the most recent valuation from CalPERS, meaning that the City’s active employees are roughly 50% PEPRA

and 50% Classic formula. This split should change, with PEPRA employees beginning to outnumber Classic formula employees as time passes. There are more PEPRA employees in the Miscellaneous Plan than in the Safety Plan, by a ratio of nearly two to one, with 55.3% of miscellaneous employees versus 28.0% of safety employees.



The City has engaged a pension consultant to explore potential budget and interest savings that would result if additional discretionary payments (ADP) above the contributions calculated by CalPERS were allocated. In addition, the pension consultant’s scope of work includes research and the possible recommendation of implementing a Section 115 pension trust fund that could assist in paying off the City’s pension liability early by allowing the City to safely and securely set aside funds, separate and apart from the state retirement system, in a tax-exempt, irrevocable trust to reduce pension liabilities and stabilize pension costs. The opportunity to contribute additional discretionary payments to CalPERS or to fund a Section 115 pension trust fund would be dependent on the availability of operating balances or one-time funds. A final report from the pension consultant should be available in late fall and will be shared with the City Council at that time with staff recommendations, if any.

A second category of retirement-related benefits which impact the City’s finances is the City’s retiree health program, also called Other Post-Employment Benefits (OPEB). In 2009, the City established a Section 115 OPEB trust account through the California Employer’s Retiree Benefits Trust (CERBT) program to fund retiree health benefits. As of March 30, 2024, there was a balance of approximately \$167.3 million in the trust account.

As of the most recent actuarial report based on the June 30, 2023 valuation, the City's Actuarial Accrued Liability (AAL) was \$163.7 million and Actuarial Value of Assets was \$170.1 million, resulting in a funded status of 103.9%. Compared to the prior actuarial report, as of June 30, 2021, the funded status has dropped from 107.2% to 103.9%. The decrease in funded status was partially a result of a decrease in the assumed investment rate of return from 6.0% (used for the June 30, 2021 report) to 5.6% (used in the June 30, 2023 report).

General Operating Fund Five-Year Financial Forecast

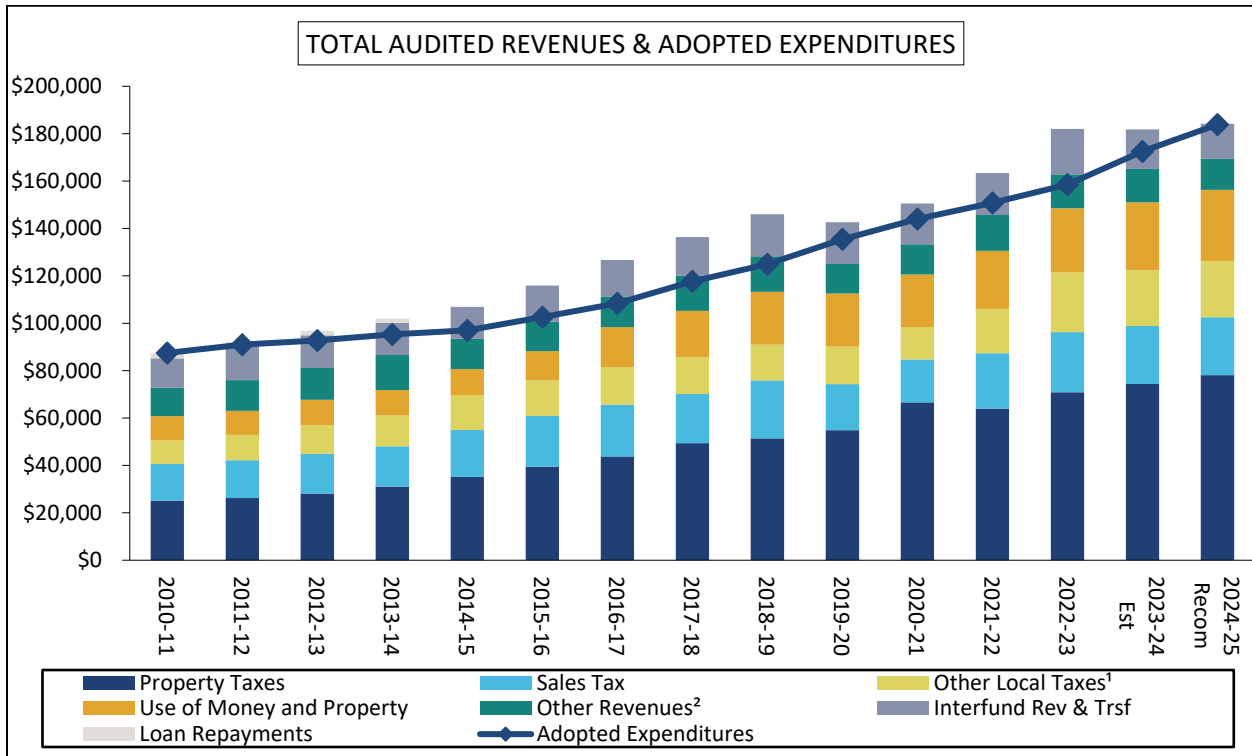
Included in this Recommended Budget document is a detailed Forecast beginning on Page 3-1. Forecasting is a best practice and an important part of a city's financial planning process as it provides an outlook on a city's future financial condition by identifying financial needs and potential budget imbalances. The Forecast is designed to enhance the City's ability to identify key drivers and trends in revenues and expenditures and paint a helpful picture of the future economy of the City. While it is challenging to accurately predict local government revenues due to the variable nature of the revenue sources and their connection to regional, state, national, and even international economic conditions, it is generally possible to identify reasonable financial trends and provide a conceptual financial picture for a multi-year period, which is useful to the City Council's decision-making. However, with the degree of uncertainty surrounding the current economic climate, forecasting financial trends is difficult to project. The Forecast includes staff's best estimates for the projected fiscal outlook for the GOF (including the Fiscal Year 2024-25 Recommended Budget).

The Forecast was prepared assuming positive revenue trends for the future years and does not include a potential recession. For Fiscal Year 2024-25, the GOF is estimated to end with an estimated \$311,000 operating balance. The Forecast projects the fund will end with negative balances in the remaining forecast years. Although concerning, the deficits are 2% or less of projected revenues. **Based on current projections, balancing the GOF in future years and maintaining a structurally balanced budget may require a pause in adding new staffing positions and forgoing the addition of new programs and/or enhancement of current programs, unless additional dedicated ongoing funding sources are attained.**

Fiscal Year 2024-25 General Operating Fund

Revenues

For Fiscal Year 2024-25, GOF revenues are projected to grow \$3.3 million (1.8%), compared to the Fiscal Year 2023-24 Adopted Budget, to \$184.2 million. More detail on each revenue source can be found in the Forecast. The City's recent revenue history and estimated revenues for the current fiscal year and projected revenues for Fiscal Year 2024-25 are as follows (dollars in thousands).



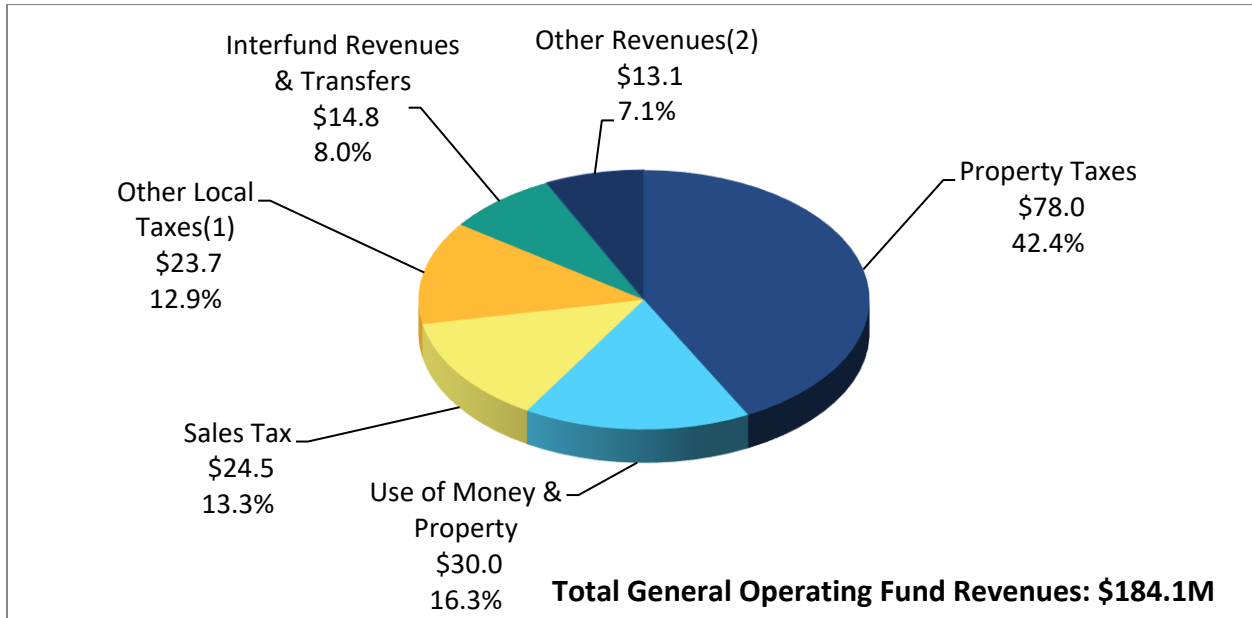
¹ Other Local Taxes consist of Transient Occupancy Tax, Business Licenses, and Utility Users Tax.

² Other Revenues consist of Licenses, Permits and Franchise Fees, Fines and Forfeitures, Intergovernmental, Charges for Services, and Miscellaneous Revenues.

The chart above demonstrates the cyclical nature of the City’s balance between revenues and expenditures. In recessionary years, small margins existed between GOF revenues and expenditures while that gap widens during high-revenue-growth years. The recommended expenditures in the chart include budget savings; however, for Fiscal Year 2010-11, the actual budget saving results were greater than adopted and were necessary to maintain a positive operating balance due to revenue shortfalls compared to budget.

A summary of the major categories of GOF Revenues for the Fiscal Year 2024-25 Recommended Budget is as follows.

**Fiscal Year 2024-25 General Operating Fund Recommended Revenues
 (dollars in millions)**



¹ Other Local Taxes consist of Transient Occupancy Tax, Business Licenses, and Utility Users Tax.

² Other Revenues consist of Licenses, Permits and Franchise Fees, Fines and Forfeitures, Intergovernmental, Charges for Services, and Miscellaneous Revenues.

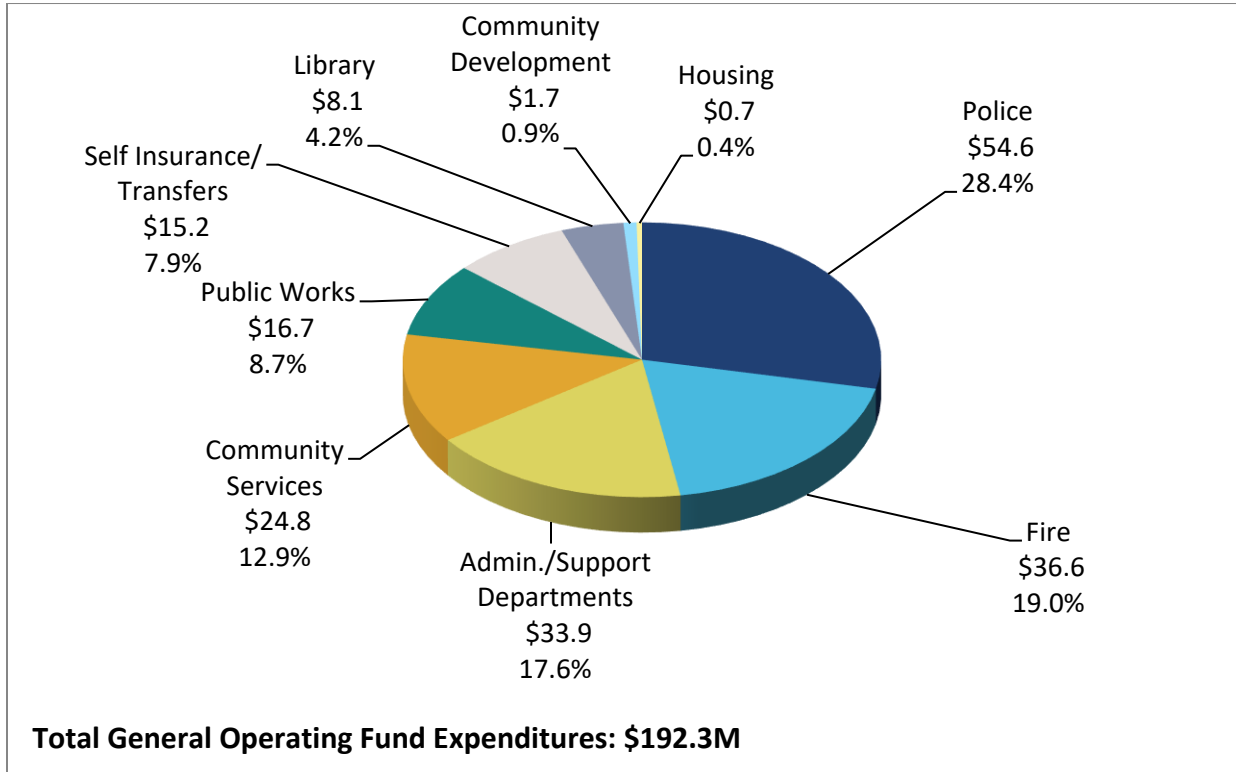
Expenditures

The Recommended Budget includes the addition of necessary expenditures. To address heavy workloads, current demands for resources are primarily being addressed through limited-period funding.

Recommended expenditures for Fiscal Year 2024-25 include the addition of \$1.6 million of net nondiscretionary increases, which are necessary to preserve current service levels, and \$1.9 million of net discretionary additions for resources to meet increased demands. In total, including increases for personnel costs, there is a 7.4% increase in expenditures from the Fiscal Year 2023-24 Adopted Budget. The majority of the increase is related to increases in personnel costs. Included in the Recommended Budget expenditures is an estimated budget savings of \$8.5 million based on average expenditure savings over the prior five fiscal years.

The major components of GOF adopted expenditures by department are as follows.

**Fiscal Year 2024-25 General Operating Fund Recommended Expenditures
 (dollars in millions)**



* Admin./Support Departments include: City Council, City Clerk, City Attorney, City Manager, Information Technology, and Finance and Administrative Services.
 NOTE: Excludes the \$8.5 million estimated budget savings.

Fiscal Year 2024-25 Recommended Budget Changes

The following is a discussion of major recommended expenditure changes for Fiscal Year 2024-25.

Nondiscretionary Increases

For Fiscal Year 2024-25, a total of \$1.6 million of net nondiscretionary increases are included to fund existing and new required operational costs, such as increases in information technology costs, utility costs, crossing guard service costs, janitorial costs, and employee benefit costs. A

listing of all nondiscretionary items, over \$50,000 in total, is as follows (see the complete listing of nondiscretionary items with descriptions under the Miscellaneous Information Section).

- **Information Technology Services, Licenses, and Software Renewals: \$632,300**
- **Gas and Electricity Cost Increase: \$557,000**
- **Recreation Classes and Programs: \$86,000**
- **Janitorial Cost Increases: \$80,400**
- **Professional Development and Tuition Reimbursement Increases: \$75,000**

Discretionary Expenditures

Net new expenditures totaling \$1.9 million are included for high-priority ongoing programs; \$1.6 million is related to personnel (fully loaded cost). These are included in the Fiscal Year 2024-25 Recommended Budget and future projections in the Forecast. A listing of all discretionary items, \$50,000 and over, is as follows (see the complete listing of discretionary items with descriptions under the Miscellaneous Information Section).

- **Fire Captain Positions (3.0 FTE): \$1,197,600**
- **IT Analyst I/II Position (1.0 FTE): \$247,500**
- **Reclassification of three Firefighter/Paramedics to Fire Engineer/Paramedics: \$89,700**

Limited-Period Expenditures

Funding of \$9.1 million for limited-period items is included in the Recommended Budget; \$1.7 million is related to personnel, most of which is a continuation of current staffing (notated with an asterisk (*)). A listing of all limited-period items, \$50,000 and over, is as follows (see the complete listing of limited-period items with descriptions under the Miscellaneous Information Section).

- **Community Services Agency Capital Funding: \$1,000,000**
- **Safe Parking Program: \$700,000**
- **888 Villa Lease for City Operations: \$482,000**
- **Contract Services and Advertisement of the General Municipal Election: \$333,700**
- **Downtown Strategy Consulting: \$300,000**
- **Small Business Grant Program: \$275,000**
- **Federal and State Legislative Advocacy: \$270,000**
- **Police Equipment: \$269,800**
- **Housing Element Implementation: \$250,000**
- **IT Analyst I/II Position (1.0 FTE): \$247,500**
- **Senior Management Analyst Position (1.0 FTE): \$247,500**
- **Website Coordinator Position (1.0 FTE)*: \$246,700**
- **Hourly Staff for Human Resources: \$245,000**

- **Facilities Testing and Monitoring: \$220,000**
- **Succession Planning: \$205,000**
- **Homelessness Response Funding and Consulting: \$200,000**
- **Continuous Improvement Consulting: \$200,000**
- **Consulting Services for IT Projects: \$200,000**
- **Human Resources Technician Position (1.0 FTE)*: \$198,800**
- **Contract Services for Economic Vitality Implementation: \$195,000**
- **Management Fellow Position (1.0 FTE)*: \$191,900**
- **Firefighter Recruit Academy: \$189,900**
- **Hourly Staff to Support the Traffic Section: \$180,000**
- **Administrative Assistant Position (1.0 FTE)*: \$168,100**
- **Lead Security Services Guard (1.0 FTE)*: \$157,200**
- **Contract Services for Sidewalk Ramping, Grinding, and Inspecting: \$150,000**
- **Senior Stagehand Position (1.0 FTE): \$146,400**
- **Traffic Maintenance and Repair: \$132,000**
- **Library Security Services: \$100,200**
- **Community Events: \$100,000**
- **Employee Relations/Labor Negotiations Attorney Services: \$200,000**
- **Information Technology Strategic Plan: \$100,000**
- **Labor Negotiations Attorney: \$100,000**
- **Outreach and Education for Urban Forestry: \$100,000**
- **Porter Services: \$90,000**
- **Consulting Services for Organization Structure: \$75,000**
- **Contract Management Software: \$75,000**
- **Tactical Paramedic EMS Training: \$66,000**
- **Community Services Agency Contract: \$60,000**
- **Nonprofit Funding: \$60,000**
- **Hourly Staff to Support the Transportation Section: \$50,000**

* Represents continuation of limited-period position.

General Fund Carryover Available for Allocation

The Fiscal Year 2023-24 estimated GOF operating balance carryover of \$2.3 million (subject to changes in assets and liabilities and grant/donations carryover), prior fiscal year unallocated balance of \$17.7 million, and one-time revenue of \$10.0 million provides an available balance of \$30.0 million, which is sufficient to fund the following items included in the Recommended Budget:

- \$9.1 million for limited-period expenditures;
- \$5.0 million for the Capital Improvement Reserve;
- \$2.5 million for the General Fund Reserve;

- \$2.0 million for the Development Services Fund (DSF);
- \$1.2 million for the Compensated Absences Reserve;
- \$1.2 million set aside for Excess ERAF clawback;
- \$1.0 million for the Parental Leave Reserve; and
- \$1.0 million for the General Liability Fund.

The resulting available balance, after funding the above priorities, is \$7.0 million. Staff will return to Council after the conclusion of the fiscal year-end audit with any modifications and final balances available for allocation.

OTHER MAJOR FUNDS

Other General Funds

Development Services Fund

Development Services is a General Fund program separated from the GOF to facilitate better tracking and accounting. This separation was established to allow for an effective way to match revenues and expenditures. Initially created for Building Services, this fund was expanded in Fiscal Year 2014-15 to encompass all development activity more fully.

For Fiscal Year 2024-25, operating revenues are projected at \$11.0 million, including a \$2.0 million transfer from the General Operating Fund. The operation expenses are projected at \$17.5 million, including \$2.5 million projected budget savings—results of \$6.4 million of an operating deficit. The deficit is primarily due to development fees being received in advance, while services are provided over several years (such as building inspections throughout the construction period of a project). Part of this deficit is also due to the slowdown of the current economic development and the potential that fees collected do not recover the full cost of staff time required to review the projects. Currently, staff, in coordination with a cost-recovery consultant, is conducting a comprehensive Citywide Fee Study with the objective of achieving full cost-recovery, correcting the structural deficit, and implementing any necessary adjustments to the number of staff that charge to the DSF. The DSF has a projected negative fund balance of \$6.8 million in Fiscal Year 2024-25 if no changes to the staffing or updates to the fees are made.

Special Funds

Shoreline Regional Park Community Fund

The Shoreline Regional Park Community (Shoreline Community) was created by legislation in 1969, known as the Shoreline Regional Park Community Act (Act), for the development and support of the Shoreline at Mountain View Regional Park (Shoreline Park) and to economically and environmentally enhance the surrounding North Bayshore Area. In accordance with the Act,

all tax revenues received by the Shoreline Community are deposited into a special fund and used to pay the principal of and interest on loans, advances, and other indebtedness of the Shoreline Community. The Act prescribes the powers of the Shoreline Community, including the construction and replacement of the infrastructure needed to serve the Shoreline Community, such as streets, curbs, gutters, parking lots, sidewalks, water and sewer services, lighting, waste disposal, power and communications, and housing and levees as well as operations and maintenance of Shoreline Park.

The Shoreline Community is a separate legal entity with its own budget and financial statements but is considered a blended component unit of the City, and financial activities are reported with the City's financial documents. A separate budget for the Shoreline Community is adopted by the Board of the Shoreline Community and is included in a separate section of this Recommended Budget document.

For Fiscal Year 2024-25, operating revenues are projected at \$81.8 million, \$13.6 million higher than the Fiscal Year 2023-24 Adopted. This is primarily due to higher property tax revenues. It is important to note that Assessed Value in the Shoreline Community can be significantly impacted by economic conditions. Operating expenditures are recommended at \$42.5 million, \$4.6 million higher than Fiscal Year 2023-24 Adopted, primarily due to payments to the County and school districts increasing by \$3.3 million. Ongoing changes of \$550,000 are included as well as limited-period expenditures of \$180,000. In addition, there is a \$17.5 million transfer to capital projects to fund necessary projects that benefit the Shoreline Community.

The General Reserve, based on 25.0% of operating expenditures (similar to other reserves) net of intergovernmental payments, is \$6.0 million; a Site Contamination Reserve for expected clean-up obligations is \$5.0 million; the Reserve for Bond Proceeds is estimated at \$4.0 million; the Landfill Reserve is increasing from \$12.0 million to \$13.0 million (incrementally increased in case of a catastrophic event); the Sea Level Rise Reserve is increasing \$6.0 million; and the Development Impact Fee Reserve is estimated at \$982,000. After meeting policy reserve requirements, the remaining balance available is projected to be \$78.2 million. Importantly, remaining reserve balances are obligated for current and future funding requirements of the Shoreline Community.

The 2021 Shoreline Sea Level Rise Study identified sea level rise projects costing \$122.0 million. Staff is developing a feasibility analysis to prioritize the projects for funding. It is anticipated additional reserves will be needed to provide for increased mitigation over that which was recommended by the Initial Study. In addition, the current Educational Enhancement Reserve Joint Powers Agreement (JPA) is anticipated to be renewed for three additional years starting in July 2024. The Shoreline Community and the school districts are in the process of negotiating a successor agreement that continues to provide payments to the school districts while meeting the obligations and fulfilling the statutory purpose of the Shoreline Park District. Future payments to the school districts could impact the financial condition of this fund.

Shoreline Golf Links and Michaels at Shoreline Restaurant Fund

Shoreline Golf Links and Michaels at Shoreline Restaurant returned to full operations in Fiscal Year 2021-22. This fund is being impacted by the increase in the City's minimum wage and the labor shortage, which resulted in additional overtime pay to be able to support the operation. For Fiscal Year 2024-25, revenues are projected at \$4.7 million, and recommended expenditures are \$4.5 million, leaving an operating balance of \$176,000.

Housing Fund

The Housing Fund is comprised primarily of BMR subfund, Housing Impact Fee subfund, Rental Housing Impact fee subfund, General Housing subfund, and other miscellaneous housing grant subfunds. Expenditures are for operations related to developing affordable housing, managing the City's BMR housing program, and for capital and special projects that produce new affordable housing for the City. For Fiscal Year 2024-25, revenues are projected at \$3.4 million, and recommended expenditures are projected at \$37.6 million. Reserve for identified housing projects is \$11.7 million, leaving \$50.0 million for future housing projects.

Utility Funds

The City's enterprise utility funds are fully funded by the rates charged to customers; there is no General Fund support to the utility funds. Utility rates charged by governmental entities for water, sewer, and trash/recycling/compost services are considered property-related fees and are subject to the procedural requirements of Proposition 218, Article XIII, of the California Constitution. Proposition 218 requires governmental agencies to conduct a majority protest hearing prior to adopting any changes in utility rates. A notice is required to be mailed no later than 45 days prior to the public hearing and is required to include the proposed rate adjustment, the calculation methodology, and describe the process for submitting a protest vote. The legislation also provides for future rate increases within prescribed limits to be approved without holding a hearing each year for up to an additional four years.

A Proposition 218 hearing for all three utility funds is scheduled for June 25, 2024, prior to the adoption of rate modifications. Notice of the public hearing was mailed to all utility accounts by May 10, 2024, which is 45 days prior to the public hearing. Cost-of-service studies were conducted for all three utility funds during the past year. As such, rates are being adjusted to reflect the cost of services rather than across-the-board rate increases.

Water Fund

For Fiscal Year 2024-25, the proposed wholesale water rate increase from the San Francisco Public Utilities Commission (SFPUC) is 8.8%, in addition to a 14.1% increase in meter rates. The

Santa Clara Valley Water District (Valley Water) proposed a 12.9% increase for groundwater (well production) and a 12.2% increase for treated water. Potable water consumption costs accounts for approximately 67.0% of operating costs. The recommended rates for Fiscal Year 2024-25 account for an overall 6.0% revenue increase as well as adjustments to the rate structure to align rates with the cost of providing service. Due to the initial rate structure adjustments, first-year impacts will vary based on account type, meter size, and billed usage. This results in a monthly increase of \$5.92 for the average single-family residence using seven units of water monthly.

The recommended water rates for future years include base annual rate increases of up to 2.5% for each of Fiscal Years 2025-26 through 2028-29 to gradually increase funding for water system operations and capital improvement needs. In addition, the City proposes to continue its historical practice of implementing future additional annual pass-through rate adjustments to account for wholesale water rate increases from the SFPUC and SCVWD, and inflation.

The Recycled Water consumption rate is increasing due to upcoming capital improvement costs and is recommended not to exceed 85% of the potable uniform water consumption charge through Fiscal Year 2028-29. As mentioned in last fiscal year's budget transmittal, the City Council approved the Recycled Water Feasibility Study Update Draft Report, which discussed future CIP needs ranging from \$92.0 million to \$102.0 million over approximately 25 years. The cost of these projects will most likely require a bond issue and will have a significant impact on the recycled water rate.

The majority of the City's water main infrastructure was installed in the 1950s and 1960s. Staff has previously indicated through the CIP process that there are major City water main replacement projects necessary over the next 10 years. As identified previously, capacity and development impact fees have provided a source of funding for some projects; however, the fees received are not sufficient to fund all projects. There continue to be significant capital improvement projects above the annual \$3.4 million funded annually from rates. For Fiscal Year 2024-25, an additional \$1.8 million will be funded from capacity fees. There remain approximately \$33.0 million (today's dollars) of priority infrastructure improvement projects needed over the next 10 years. While some projects can be funded from the capacity and development fees collected, there is insufficient available balance to fund all the \$33.0 million in the near future. There is also another approximately \$5.1 million (today's dollars) of lower-priority projects unscheduled beyond the 10-year horizon.

Fiscal Year 2024-25 projected operating revenues, with the recommended rate adjustments, are \$45.9 million, and recommended operating expenditures are \$44.6 million (excluding depreciation expense and transfers to capital projects), resulting in an operating balance of \$1.3 million. Included in expenditures are the rate adjustments to wholesale water costs as provided and the minimum water purchase from SFPUC.

For Fiscal Year 2024-25, there are capital projects of \$3.5 million funded from the rate, additional capital projects of \$1.8 million funded by capacity fees and \$3.4 million being returned to development impact fees. There are projected Fiscal Year 2024-25 reserve balances of \$28.0 million, which includes the water transfer reserve, the balance of capacity and development impact fee revenues received, and the interest earned on the balance as well as the full reserve requirement for the fund. The projected ending balance for this fund is \$9.6 million, and the cash-available goal is \$5.3 million, or 10.0% of total expenditures.

Wastewater Fund

For Fiscal Year 2024-25, costs for the Palo Alto Regional Water Quality Control Plant (Treatment Plant) are increasing by 3.2%. The recommended rates for Fiscal Year 2024-25 account for an overall 3.0% revenue increase as well as adjustments to the rate structure to align rates with the cost of providing service. These rate structure adjustments are being phased-in over two years. Due to the rate structure adjustments, impacts will vary based on account type and billed usage. The recommended rates include a 2.0% increase for Treatment Plant capital costs. This results in a monthly increase of \$1.50 for a single-family residence.

The recommended rates for future years include phased-in rate structure adjustments and base annual rate increases of up to 2.5% for each of Fiscal Years 2025-26 through 2028-29, 0.5% to gradually increase funding for wastewater system operations and capital improvement needs, and up to 2.0% for Treatment Plant capital costs. In addition, the City proposes to continue its historical practice of implementing additional annual pass-through rate adjustments to account for Treatment Plant operating increases and inflation.

The majority of the City's sanitary sewer trunk main infrastructure was installed in the 1950s and 1960s. Staff has previously indicated through the budget and CIP process that there are major City sewer main replacement projects necessary over the next 10 years. As identified previously, capacity and development impact fees have provided a source of funding for some projects; however, the fees received are not sufficient to fund all projects, and staff recommended issuing debt to secure additional funds. On October 23, 2018, the City Council approved a \$10.1 million loan financing for Wastewater infrastructure projects, and the proceeds have funded multiple capital projects allocated over three fiscal years. The financing structure includes the ability to draw funds as needed for the first 18 months, lowering interest cost, and the ability to prepay 10.0% of the outstanding balance each year and all of the outstanding balance after 10 years without penalty. All funds have been fully drawn, and annual payments will be approximately \$852,000 henceforth.

In addition to the \$10.1 million loan noted above to fund infrastructure capital projects, Capacity and other Development Fees have provided an additional source of funding for some of these infrastructure capital projects where allowed. However, there continue to be significant capital improvement projects above the annual \$2.5 million funded annually from rates. For Fiscal

Year 2024-25, an additional \$6.8 million will be funded from available balance and \$8.5 million from capacity fees. There remain approximately \$40.0 million (today's dollars) of priority infrastructure improvement projects needed over the next 10 years. While some projects can be funded from the capacity and development fees collected, there is insufficient available balance to fund all the \$40.0 million in the near future. There is also another approximately \$50.0 million (today's dollars) of lower-priority projects unscheduled beyond the 10-year horizon. In addition, Treatment Plant capital cost estimates have increased significantly, and staff is recommending up to another five years of the additional 2.0% increase beyond the original 10-year plan.

Fiscal Year 2024-25 projected operating revenues, with recommended rate adjustments, are projected at \$34.4 million (including \$3.9 million in revenue generated by the rate increases for planned Treatment Plant capital costs that is being reserved and/or used to pay new capital debt costs), and recommended operating expenditures are \$30.0 million (excluding depreciation expense and transfers to capital projects), resulting in an operating balance of \$4.4 million. Of the \$3.9 million revenue generated for Treatment Plant capital costs, \$2.7 million will be used for up-front capital costs and new debt, and the balance will be reserved for future debt.

For Fiscal Year 2024-25, there is \$9.3 million for capital projects funded by rates and available balance, \$8.5 million in capital projects funded by capacity fees, and \$1.0 million being returned to development impact fees. There are projected Fiscal Year 2024-25 reserve balances of \$29.8 million, which includes the Treatment Plant reserve, the balance of capacity and development impact fee revenues received, and the interest earned on the balance as well as the full reserve requirement for the fund. The projected ending balance for Fiscal Year 2024-25 is \$7.9 million, and the cash-available goal is \$3.6 million.

Solid Waste Management Fund

For Fiscal Year 2024-25, the increase for Recology for collection services is 4.87%, based on projected expenditure increases and revenue requirements in accordance with the City's contract with Recology. The City's share of SMaRT® Station costs are increasing 14.3% for Fiscal Year 2024-25. Operations for services provided through both agreements include efforts to reduce the amount of waste sent to landfills as well as to abide by Senate Bill 1383, which mandates residential and commercial organics composting. City operating costs increased significantly in Fiscal Years 2021-22 and 2022-23 due to changes to include these efforts and resulted in an unbalanced operating budget.

The recommended rates for Fiscal Year 2024-25 account for an overall 16.0% revenue increase as well as adjustments to the rate structure to align rates with the cost of providing service. These rate structure adjustments are being phased-in over three to four years. Due to the rate structure adjustments, impacts will vary based on account type and billed usage. There is sufficient available balance to absorb the phase-in of increases needed over the three- to four-year period. This results in a monthly increase of \$4.45 for a 32-gallon cart.

Fiscal Year 2024-25 projected operating revenues are projected at \$18.8 million (\$40.2 million, including Recology), and recommended operating expenditures are \$23.6 million (\$45.0 million, including Recology, and after excluding depreciation expense and transfers to capital projects). The operating balance is projected to be a negative \$4.8 million; however, this includes a one-time payment of \$4.0 million from the Reserve for Future Facility Equipment for the City's share of SMaRT Station capital improvements. This fund is projected to draw from reserves to fund ongoing expenditures and \$300,000 in capital projects for Fiscal Year 2024-25. The fund is projected to end the 2024-25 fiscal year with a reserve at the policy level of \$4.9 million. The projected ending balance for Fiscal Year 2024-25 is \$9.6 million, and the cash available goal is \$2.0 million.

Reserves

Most reserves are established pursuant to Council Policy A-11, Financial and Budgetary Policy, and others have been approved as needed by Council (see summary in Miscellaneous Section). Reserves can be classified as those uncommitted but designated for a specific purpose and those created to fund liabilities. Given the Fiscal Year 2023-24 GOF operating balance carryover balance, the Recommended Budget provides strategic allocations to multiple critical reserves. Among others, this includes \$5.0 million to the Capital Improvement Reserve, \$2.5 million to the General Fund Reserve, \$1.2 million to the Compensated Absences Reserve, and \$1.0 million to the Parental Leave Reserve.

Since the Fiscal Year 2017-18 budget, the City began transferring leasing-related revenues generated from the Ameswell Hotel and Office development into the City's Budget Contingency Reserve to be utilized for funding limited-period expenditures until such time as these funds could be used to pay for debt service on a new Public Safety Administration Building. Until the City establishes a funding plan for the project, the annual revenue being generated from Ameswell, estimated to be \$4.1 million in Fiscal Year 2024-25, along with an estimated \$18.3 million previously deposited into the Budget Contingency Reserve, shall be set aside and dedicated for the Public Safety Building until such time it is needed for construction costs and/or debt service.

In total, the Recommended Budget allocates \$13.9 million toward reserves. For more information on the City's reserve policy, please refer to the Miscellaneous Information section of the Recommended Budget.

SUMMARY AND CONCLUSION

Although the Recommended Budget takes a cautious approach to any growth due to weakening revenue streams, I believe the ingenuity and innovation inherent in our organization will continue to drive Mountain View forward. This budget builds on and improves our exceptional services

and programs for the community and advances Council's Strategic Priorities. The Fiscal Year 2024-25 Recommended Budget positions the City well to embark on the Mountain View of tomorrow. However, as with most municipalities, repairs, maintenance, and eventual replacement of facilities and infrastructure will continue to be an ongoing need in the future. In addition, new initiatives to address the evolving nature of modern cities will require additional resources. Importantly, creating additional, ongoing revenue is essential to bring the Mountain View of tomorrow to fruition. This includes exploring additional funding via a revenue measure in November 2024 for necessary Citywide enhancements, which may include addressing aging facilities and Citywide infrastructure, maintaining best-in-class public safety services, building new parks and open spaces, implementing ambitious decarbonization and sustainability programs, and building more affordable housing.

I would like to express my appreciation to the City Council and to staff in all departments for their cooperation and assistance in the development of this budget. In particular, I would like to thank the department heads and the Budget Review Team, including Assistant City Manager Arn Andrews and Finance and Administrative Services Director Derek Rampone, and with special thanks to Assistant Finance and Administrative Services Director Grace Zheng, Senior Financial Analyst Ann Trinh, and Financial Analyst Natalie Poon for their assistance with the Operating Budget; Purchasing and Support Services Manager Ann Mehta, and Assistant City Clerk Merry Monlux for their assistance with the capital outlay process; and the Document Processing Center and Copy Center staff for their invaluable support in the preparation of this document.

Respectfully submitted,



Kimbra McCarthy
City Manager

KMC/GZ/6/FIN
541-05-31-24L

MEMORANDUM

City Manager's Office

DATE: May 31, 2024

TO: City Council

FROM: Kimbra McCarthy, City Manager

SUBJECT: **City of Mountain View Continuous Improvement Initiatives**

In 2021, the City Council adopted Organizational Strength and Good Governance as one of its seven Strategic Priorities. This priority calls for the City organization to:

- Continue to innovate, collaborate, and continuously improve to deliver a high level of customer service;
- Recruit, develop, and retain top-notch staff;
- Maintain fiscal responsibility and effective intergovernmental partnerships; and
- Communicate and engage regularly and transparently with our multilingual community.

On February 27, 2024, during its midyear check-in on the first year of the two-year Council Work Plan (Fiscal Years 2023-25), City Councilmembers discussed how best to promote and stay informed about the City's efforts to make continuous improvements in City operations. The City Manager commented on staff's ongoing work, as part of the organization's culture, to seek to improve efficiency and/or effectiveness of City programs, policies, and processes. She further committed to providing an update to the City Council summarizing recent continuous improvement initiatives. This memorandum provides that update.

Staff in each department was asked to submit information about initiatives undertaken from 2021 to the present that sought to improve effectiveness and/or efficiency through process streamlining, implementation of new technology, restructuring to better match staff capacity to operational needs, development of new partnerships, assessments to adapt programs and services to evolving community needs, and significant enhancements in programs and services and advancements in policy.

The following sections of this memorandum summarize the most significant of these initiatives, briefly describing the initiative and noting its efficiency outcome. The initiatives are organized by department and then by status (completed, under way, and anticipated) and sorted chronologically, from oldest to most recent.

The approximately 115 initiatives below demonstrate that there is a strong commitment to continuous improvement as an integral part of management practice at the City. This commitment is often affirmed as other jurisdictions seek information about Mountain View programs and processes and City staff attending conferences find Mountain View's efforts to be in step with or ahead of the best practices being presented.

Highlights of the initiatives include:

- Public Records Act Management system (City Clerk's Office).
- New City website and subsites for Economic Development, Mountain View Public Library, and Mountain View Center for the Performing Arts (all departments, led by City Manager's Office and Information Technology).
- Organizational restructuring of the Building Division (Community Development).
- Online permitting system (Community Development and Public Works).
- Parks and Recreation Strategic Plan (Community Services).
- Online bidding platform (Finance and Administrative Services).
- Battery extinguishing system technology (Fire).
- Strategic partnerships for external housing funding pool (Housing).
- Employee applicant tracking and onboarding system (Human Resources).
- Cloud-based device management system (Information Technology).
- Electric Bookmobile (Library).
- Live 9-1-1 software (Police).
- Fleet management system (Public Works).

The initiatives below do not cover every recent effort to improve City operations. Dozens of additional initiatives, important but more routine in nature, were submitted by department staff. They have not been included in this memorandum in order to keep it focused and more readable. In addition, the sections below do not include the dozens of innovations, adaptations, and proactive steps the City undertook during the COVID-19 pandemic in order to keep the City

operations running amidst constantly changing public health conditions and regulations, meet existing and new community needs, and keep the public and City staff safe. These COVID-19 initiatives are listed separately as Exhibit A to this memorandum.

In order to continue on this path of continuous improvement, the proposed Fiscal Year 2024-25 budget includes \$200,000 for contract services for continuous improvement consulting/performance auditing review.

City Attorney’s Office

Upcoming Initiatives

- **Document Management System (iManage Work)** (est. 2024, Q2): Developing a document management system (iManage Work), a legal-centric document and email management application that will organize all documents, emails, and files by matter/department in one place with fast search capabilities. **Efficiency Outcome:** Will permanently organize and store documents efficiently and effectively, exponentially increase productivity, and enable the City Attorney’s Office to become almost completely paperless.

City Clerk’s Office

Completed Initiatives

- **California Public Records Act Request Management** (2021, Q4): Implemented a system to accept, track, and fulfill public records requests in one place to increase transparency and compliance. **Efficiency Outcome:** Streamlines process for staff interaction and oversight of all public records requests and reporting metrics for Citywide public records requests.
- **Access to All Advisory Body Meeting Files on InSite** (2022, Q2): Trained all advisory body liaisons to produce agendas and minutes in Legistar. **Efficiency Outcome:** Ensures consistency in formatting, content, and one-point access of meeting files for the public.

Initiatives Under Way

- **Automated Board, Commission and Committee Compliance Tracking** (est. Fiscal Year 2024, Q2): Implementing an automated tracking system for board, commission, and committee member completion of Code of Conduct, Brown Act training, and ethics training and automated notice of vacancy and Maddy Act generation. **Efficiency Outcome:** Will save staff time and resources spent doing manual data entry.
- **On-Site Digital Document Recording** (est. 2025, Q4): Coordinating with the County of Santa Clara and setting up a dedicated workstation to record City documents electronically.

Efficiency Outcome: Will save staff time and resources spent physically transporting items to San Jose and retain control of the City's original documents.

- **Electronic Document Management Software and Implementation of Trusted System** (est. 2025, Q4): Updating Electronic Document Management System technology to comply with Secretary of State standards for a trusted system. **Efficiency Outcome:** Will eliminate the need to retain redundant physical copies of digitized records and make files easier to locate and produce for staff use and public records requests.

City Manager's Office

Completed Initiatives

- **General Fund Public Services Grants** (2022, Q2): Transferred the management of the General Fund Public Services Grants to Human Services from the Finance and Administrative Services Department. Streamlined the application and launched the use of a Zoom Grants portal for invoice and report management. **Efficiency Outcome:** Improved processes and work flow.
- **Formation of the Human Services Division** (2022, Q3): Formed a new division to further the development of policy recommendations and response strategies and coordination with community-based organizations, nonprofits, faith, and intergovernmental partners to assist the homeless, unstably housed, and other vulnerable residents through housing services, behavioral health services, case management services, and other basic needs and human services. **Efficiency Outcome:** Increased coordination and support for the most vulnerable members of our community.
- **Website Redesign** (2023, Q2): Launched a new website, MountainView.gov, that features a modern design with better mobile compatibility, enhanced navigation, upgraded web accessibility, and improved search function. As part of the project, there are now dedicated subsites, designed for their specialized audiences, for Economic Development, Mountain View Public Library, and Mountain View Center for the Performing Arts. The project also included an email notification system for subscribing to City topics of interest, including news releases, general updates, newsletters, event announcements, and public meeting details, all in one location. **Efficiency Outcome:** Provides a user-friendly website that better addresses visitors' information and online service needs while also being easier for staff to maintain and keep content updated. *(This initiative was undertaken collaboratively by the City Manager's Office and Information Technology Department.)*
- **Collaborate Mountain View** (2023, Q2): Expanded use of an online platform providing the public with an easy and convenient way to engage with the City of Mountain View and provide input on significant projects and initiatives in one central location. **Efficiency**

Outcome: Consolidates individual project websites into one website at a lower cost to the City, enables both staff and project consultants when applicable to update content and engage with stakeholders, and maintains City control over the web platform after a consultant contract has ended.

Initiatives Under Way

- **Intranet Redesign** (est. 2024, Q2): Redesigning the intranet on a modern platform that will transform the employee’s digital workplace experience. Employees will soon have an updated and simple-to-navigate intranet that will help them stay up to date on City events, programs, policies, and procedures. **Efficiency Outcome:** Will provide a modern intranet that can be more easily updated and kept current without technical issues. Will consolidate to one website content management system to manage and update content on both the internal- and public-facing websites.
- **Stakeholder Mapping Tool** (est. 2024, Q4): Developing an interactive mapping tool that identifies, organizes, and visualizes Mountain View community stakeholder groups in various categories and their associated contacts based on their relationships to various sustainability topics. The map highlights the diverse ways the City interacts with stakeholder groups, including assisting frontline communities and offering language services in Spanish and Chinese. Staff is working to expand this tool to include stakeholder relationships that are relevant to other departments and divisions. **Efficiency Outcome:** Will enable staff to efficiently select and reach contacts for more inclusive community engagement and collaboration on sustainability projects and ultimately on multi-departmental or Citywide initiatives.
- **Homelessness Response Strategy and Expenditure Plan (HRSEP)** (2025, Q2): Developing a clear vision and action plan to guide decisions about goals, actions, funding, and programs for unhoused or unstably housed residents. **Efficiency Outcome:** Will improve alignment of resources to needs.
- **Climate Strategy Development** (est. 2025, Q4): Developing the 2035 Climate Strategy to integrate decarbonization and climate resiliency, building on the City’s progress, and taking the necessary next steps to reduce and adapt to climate change impacts. **Efficiency Outcome:** Will provide focus for the City over the next 10 years on the policies and programs that will most effectively accelerate decarbonization and enhance resiliency.

Anticipated Initiatives

- **Planning for Public Services Needs** (est. 2025, Q4): Will assess future service needs considering projected population forecasts related to the City’s long-range plans and

anticipated development. **Efficiency Outcome:** Will proactively anticipate future needs enabling effectiveness in planning and preparation.

Community Development Department—Departmentwide

Completed Initiatives

- **Permit Center Digital Forms and Handouts** (2021, Q2–2024, Q1): Updated and transferred all Permit Center handouts and forms to digital formats for use on the City website or to allow electronic signature. Some forms were converted into dedicated web pages. Previously, many forms were only available in person at the Permit Center. **Efficiency Outcome:** Improves access to online information for the public and allows for easier electronic signature on forms and more efficient online payment processing.
- **Innovation Team** (2021, Q4): Established the Innovation Team consisting of Community Development and Public Works Directors and key division managers who meet twice per month to resolve project-related issues and provide policy or procedural direction to staff to expedite project review. **Efficiency Outcome:** Allows for efficient project and procedural resolution on any conflicting interpretations of City regulations between departments and allows ongoing coordination of cross-departmental programs, procedures, or policy projects.
- **Permit Navigator Position** (2022, Q3): Established Permit Navigator roles in Planning, Building, and Public Works as part of key supervisor positions to help resolve permit issues, improve permit procedures, and increase cross-departmental coordination. A new Assistant Community Development Director position was created in Fiscal Year 2022-23 to lead the Permit Navigation team. **Efficiency Outcome:** Allows City staff to resolve customer permit issues more rapidly by having dedicated communication channels and develop and implement new, more efficient permit procedures, forms, and materials to streamline the development review process.
- **Development Permits Website** (2024, Q1): Developed a branded set of webpages with user-friendly navigation to better assist the public in planning for and obtaining various City permits necessary for development. The launch focused on common single-family residential and small business-related permits. The public has direct access to permit review timeline information online 24/7. New content and updates will continue to be added to the website to include all facets of development. **Efficiency Outcome:** Improves customer service, improves access to consistent information and resources by the public and City staff, and reduces questions raised by the public to City staff.

Community Development Department—Building**Completed Initiatives**

- **Virtual One-Stop Appointments—Fire Permits** (2023, Q1): Enabled customers to schedule fire permit review at a virtual appointment on Zoom with the applicant/applicant team and Fire Protection staff. **Efficiency Outcome:** Increases accessibility of appointments for customers and their contractor/design team, more efficient use of time for staff and the customer/contractor, and reduced review time of permits as corrections are given after the meeting.
- **Online Paperless Building/Fire Permits (ePermitsMV)** (2023, Q2): Launched online technology for the public to submit electronic online building and fire protection permit applications. The ePermitsMV portal allows online 24/7 access to submit, track status, pay, and communicate with City staff on their permit. **Efficiency Outcome:** Increases available space for staff desks, increases the volume of applications the City accepts per day for processing, increases transparency on the permit process for applicants and their teams, and increases efficiency for City staff reviewers as all comments/corrections are visible to all reviewers.
- **Solar App+** (2023, Q3): Launched an online application for permit approvals for single-family residential photovoltaic (solar) installations. **Efficiency Outcome:** Allows instantaneous automatic permit approvals, improving customer service, and accelerating the transition to carbon-free energy.
- **Organizational Restructure of Building Division** (2024, Q1): Created and filled two Deputy Building Official positions to oversee field inspections and the Permit Center. These positions establish a day-to-day supervisor in key operational functions of the Division and are focused on leading and training staff and improving procedures and operations. Also created two Senior Permit Technician positions to manage building permits for larger, more complex developments and act as daily team leads to other Technicians. **Efficiency Outcome:** Establishes daily supervisors of main operational areas which allows for improved service to customers with quicker responses, greater consistency, and more professional expertise to collaborate on Citywide initiatives and efficiency improvements.
- **Building/Fire Protection Inspector Computer Tablets** (2024, Q1): Provided all Building and Fire Protection Inspectors with tablets to allow seamless access to approved permit plans, the ability to redline plans on the spot, and review online Building and Fire Codes when conducting on-site field inspections. **Efficiency Outcome:** Improves in-field accuracy, reliability and consistency of information, and customer service overall.

Initiatives Under Way

- **Accessory Dwelling Unit (ADU) Preapproval Program** (est. 2024, Q4): Working with private prefabricated/manufactured construction design and technologies with plans consistent with City requirements to make adding an ADU easier, quicker, and more cost-efficient for property owners. The City will host vendor information and plans on the Development Permits website and establish a faster plan check review process than the standard ADU review process. **Efficiency Outcome:** Will reduce cost of permitting and construction for property owners with preapproved designs, reduce staff time spent on plan checking, allow for faster building permit issuance, and maintain compliance with state law and City Housing Element goals.
- **Virtual One-Stop Appointments—Single-Family Residential and Small Commercial Tenants** (est. 2025, Q1): Developing a virtual one-stop appointment service for single-family home and small commercial tenant improvement building permits held on Zoom with the applicant, their design team, and City staff to review the proposed plans and provide City corrections after the meeting. **Efficiency outcome:** Will increase accessibility of appointments for customers and their contractor/design team, will more efficiently use time for staff and the customer/contractor, and will reduce review time of permits.

Community Development Department—Planning

Completed Initiatives

- **Project Coordination Committee (PCC)** (2021, Q3): Established a virtual weekly cross-departmental meeting to review and discuss Planning Permit applications under review. PCC aims to ensure City comments and feedback are clear, comprehensive, and consistent. Approximately 75 City staff are involved in the PCC meetings, attending when necessary to discuss any assigned projects. **Efficiency Outcome:** Improves clarity and collaboration across City departments, resulting in improved comments to applicants; and improves customer service and on-time response rates for all permitting City departments, with a typical on-time response rate of 90% to 100%.

Initiatives Under Way

- **Online Paperless Planning Permits (ePermitsMV)** (est. 2024, Q2): Working with a vendor to expand ePermitsMV to include online planning permit submissions and review. The online portal allows 24/7 access to submit, track status, pay, and communicate with City staff on their paperless permit. **Efficiency outcome:** Will increase transparency on the permit process for applicants and their teams; increase efficiency for City staff reviewers as all comments/corrections are visible to all reviewers; and allow for customers to be on the same permit platform for all City development permits (Planning, Building, and Public

Works). *(This initiative is being undertaken collaboratively by the Community Development, Public Works, and Information Technology Departments.)*

Community Development Department—Economic Development

Completed Initiatives

- **Customer Relationship Management (CRM) Software** (2021, Q2): Adopted an online Customer Relationship Management software to share business contact information and track communication and engagement. **Efficiency Outcome:** Improves customer service and supports ongoing business relationships.
- **Online Mountain View Public Art Map** (2023, Q2): Launched a new online public art map that includes 100-plus art pieces in Mountain View that are publicly accessible. The new map is easier to navigate using a mobile device and includes the artist’s name and installation date where available. **Efficiency Outcome:** Improves public access to information and saves staff time as the new map is more easily updated.
- **Mountain View Economic Development Website** (2023, Q2): Launched a new Economic Development website, consolidating several prior pages on Downtown Mountain View into one central location with easy-to-use navigation. **Efficiency Outcome:** Improves public access to information and begins to establish a branded identity for economic development in Mountain View.

Community Services Department—Administration

Completed Initiatives

- **Volunteer Pollinator Gardens Pilot Program** (2021, Q4): Established a pilot process for volunteer groups who want to plan and maintain a pollinator garden on City property, providing staff with consistent steps, decision criteria, guidelines, policies, and consideration of City resource limitations. **Efficiency Outcome:** Increases consistency and efficiency and enhanced opportunities for community groups to make valuable contributions to the City.

Initiatives Under Way

- **Parks and Recreation Strategic Plan** (est. 2024, Q4): Working with a consultant to conduct robust community engagement and assessment of current operations and facilities to develop a Parks and Recreation Strategic Plan that will guide the future of the City’s park and open space resources, community facilities, and recreation programming. **Efficiency Outcome:** Will recommend enhancements to park and recreation services and facilities to

meet the needs of the public and updates to City policies and procedures to improve efficiency and effectiveness.

Community Services Department—Forestry and Parks

Completed Initiatives

- **Reorganization of Roadway and Park Maintenance Staff** (2022, Q3): Shifted the duties of six Park Maintenance Workers from roadway landscaping to park maintenance to create a new central parks crew which includes downtown. Executed a roadway median landscaping contract. **Efficiency Outcome:** Provides additional staff resources needed to support the rapid growth of and increasing demands related to the City’s parks, trails, and open space system; maintain newly constructed and upcoming parks; assist with Castro Pedestrian Mall efforts; accommodate special projects; and allow for cross-training and succession planning.
- **Irrigation Audit** (2022, Q4): Performed a Citywide irrigation audit (29 sites, 3,000 sprinkler heads) to identify equipment deficiencies. **Efficiency Outcome:** Identified sprinkler heads needing repair or replacement, resulting in water savings.

Initiatives Under Way

- **Heritage and Street Tree Removal Applications Software (Project Dox)** (est. 2022, Q4): Transitioning the Heritage and street tree application process from paper to online submittals to be consistent with tree removal applications submitted through Planning. Intake, review, correspondence, payment, and permitting will all be done through one central hub. **Efficiency Outcome:** Will improve efficiency and consistency in processing and practices, create a central database for general and historical reference, and improve customer service.
- **Work Order and Asset Management Software** (est. 2025, Q2): Purchasing and implementing automated work order and asset management software to replace the current paper-based process. **Efficiency Outcome:** Will allow staff to submit work orders while in the field, develop automated maintenance schedules, and accurately store/track/monitor data and City assets for easy reference and historical knowledge.
- **Biodiversity and Urban Forestry Plan** (est. 2025, Q4): Developing a Biodiversity and Urban Forest Plan to inform City plans, projects, and ordinances regarding vegetation, wildlife, and species that will increase local habitats, withstand climate change, and create a more resilient environment. The strategy will include an Urban Forest component which will replace the existing 2015 Community Tree Master Plan and provide an updated blueprint and reporting process for preserving and enhancing tree canopy. **Efficiency Outcome:** Will

serve as the road map for all City departments, processes, and plans to support policy and decision-making that restores habitat, enhances and preserves green spaces and natural resources, increases tree canopy, and promotes environmental adaption and resiliency.

Community Services Department—Performing Arts

Initiatives Under Way

- **Home Company Program** (est. 2024, Q4): Reviewing the existing Home Company Program to recommend changes to the City Council that may enhance the Home Company Program while also providing additional dates for non-Home Company facility renters. **Efficiency Outcome:** Will provide more diverse programming for Center attendees.
- **Venue-Management Software** (est. 2024, Q4): Purchasing new venue-management software. **Efficiency Outcome:** Will automate billing, rental schedules, and reporting; allow payment by credit card for rentals; and improve financial reporting.

Community Services Department—Recreation

Completed Initiatives

- **Online Appointment System for Facility Reservations** (2021, Q3): Implemented an online appointment system for the public to book appointments for facility tours and reservations. The appointment system also automatically links to staff's Outlook calendars, so appointment time availability is updated in real time. **Efficiency Outcome:** Improves customer service and efficiency.
- **Pool Automation Upgrade** (2022, Q3): Updated the Eagle Park Pool chemical controller hardware and software to allow for remote monitoring. This allows staff to better understand chemical usage and troubleshoot issues remotely. **Efficiency Outcome:** Enables the pool to stay open instead of waiting for staff to arrive on-site and allows staff to document and graph equipment runtime and chemical usage.
- **Pool Sensor Upgrade** (2023, Q3): Replaced the motor pit sensor at Eagle Park Pool with a new sensor that interfaces with the chemical controller, alerts staff via text message, and shuts off the equipment. **Efficiency Outcome:** Increases safety for staff, the public, and equipment by more quickly shutting down the equipment when needed.
- **Volunteer Management Software** (2023, Q4): Implemented a volunteer management software used by other City divisions and departments to manage and coordinate the Citywide volunteer program, accepting applications, scheduling shifts, recording hours, and

communicating with volunteers. **Efficiency Outcome:** Streamlines all volunteer-related processes/tasks while keeping a central database for all volunteers within the City.

Finance and Administrative Services Department

Completed Initiatives

- **PlanetBids eProcurement (Online Bidding)** (2022, Q1): Implemented an online bidding platform to provide electronic bid advertising and maintain bid management services. **Efficiency Outcome:** Minimizes hard copies of bid documents, consolidates bid management, improves convenience for proposers/bidders, increases transparency of the City’s bidding process, and increases outreach and competition.
- **Council Policy A-10, Authorization to Execute City Contracts and Agreements** (2024, Q1): Increased the threshold for formal Council approval from \$100,000 to \$250,000 with an annual adjustment tied to the Consumer Price Index, and increased approval authority for department heads from \$20,000 to \$60,000. **Efficiency Outcome:** Reduces processing time for procurement and contracts and preparing agenda items for City Council.
- **Automated Export of Budget Data to the OpenGov Public Platform** (2024, Q1): Enhanced the City’s current contract with OpenGov to include automated daily extract of budget and actual data from Central Square to the OpenGov software. **Efficiency Outcome:** Reduces staff time and improves public access to real-time budget and actual financial data.
- **Labor Compliance Software** (2024, Q1): Implemented labor compliance software to track and ensure compliance with federal, state, and local prevailing wage requirements for payment requests by City contractors. **Efficiency Outcome:** Enables more efficient review of certified contractor and subcontractor payrolls and processing of invoices and supports compliance.

Initiatives Under Way

- **Purchase of an Accounts Payable Module** (est. 2025, Q3): Exploring the possibility of purchasing an Accounts Payable module to interface with the City’s financial software system. **Efficiency Outcome:** Will save staff time and reduce invoice processing time.

Fire Department

Completed Initiatives

- **Tablet Command** (2022, Q2): Implemented Tablet Command, an iOS-based application that serves as an end-user CAD platform for fire dispatch. In addition to providing incident

information, unit status, and mapping, the platform serves as an incident management, situational awareness, and personnel accountability tool. **Efficiency Outcome:** Ensures consistency across the three suppression shifts and reduces hardware and infrastructure costs. *(This initiative was undertaken collaboratively by the Fire and Information Technology Departments.)*

- **Battery Extinguishing System Technology (BEST)** (2023, Q4): Implemented Battery Extinguishing System Technology (BEST), an extinguishing system for high-voltage lithium-ion batteries in electric vehicles. BEST works by a piercing nozzle penetrating the car battery housing and flooding it with water at eight gallons per minute. **Efficiency Outcome:** Reduces the time it takes to cool an electric vehicle battery in thermal runaway from approximately five to six hours to one hour. This is the only suppression appliance of its kind in Santa Clara County and has been requested through mutual aid to help other agencies.

Housing Department

Completed Initiatives

- **Below-Market-Rate (BMR) Guidelines** (2021, Q2; 2023, Q4): Modified the program by increasing the BMR ownership requirement to 15% of the total number of ownership units, incorporating a moderate-income category, and modifying the in-lieu fee methodology. In 2023, staff returned to Council to conduct a comprehensive three-year review and received policy changes to ensure that the program is meeting its objective. **Efficiency Outcome:** Has increased the projected percentage of BMR rental and ownership units from 4.7% to 14% and 7.7% to 17.2%, respectively.
- **Mobile Home Online Registration Portal** (2022, Q2): Launched an online platform for mobile home park owners to annually register their property as required by the Mobile Home Rent Stabilization Ordinance Regulations, Chapter 4. **Efficiency Outcome:** Enables property owners/managers to easily register and update property information, saves staff time, reduces manual entry errors, and consolidates data into one location for more robust analysis.
- **Housing Help Center** (2022, Q3): Created and expanded the Housing Help Center to connect tenants and landlords with housing specific information and support services. **Efficiency Outcome:** Enhances accessibility to information and fosters faster resolution of housing-related issues.
- **External Funding Pool through Strategic Partnerships** (2021, Q4): Collaborated with federal, state, county, and philanthropic partners to secure external funding to build affordable housing units to help homeless, unstably housed, and displaced residents

transition to permanent housing. Examples include securing \$80 million in County Measure A funds, \$8 million from Senator Becker’s Office, State Project Homekey funds, and federal CDBG/HOME funds, among others. **Efficiency Outcome:** Increases financial resources beyond local revenue sources.

- **Council Neighborhoods Committee (CNC) Application Processing and Invoicing** (2022, Q3): Adopted FormStack to receive and process CNC grant applications to simplify the application and reimbursement process. **Efficiency Outcome:** Reduces processing time and improves operational efficiency.
- **Community Stabilization and Fair Rent Act (CSFRA) and Mobile Home Rent Stabilization Ordinance (MHRSO) Regulations, Chapter 12—Compliance and General Remedies** (2023, Q2): Adopted and implemented RHC Regulations to improve compliance with mandatory registration and fee payment requirements under the CSFRA and MHRSO. **Efficiency Outcome:** Increases registration and fee payment compliance for properties covered by the CSFRA and MHRSO, saves staff time following up with noncomplying properties, and decreases the number of unlawful rent increases and petitions filed.
- **New Housing Department** (2023, Q3): Created a new Housing Department to implement existing programs and new initiatives to continue to be responsive to the wide range of housing needs of the community and Council priorities. **Efficiency Outcomes:** Facilitates the addition of 1,300 affordable housing units across 12 pipeline projects over the next five years and supports effective implementation of tenant protection programs covering approximately 14,300 CSFRA-covered rental units and 1,100 mobile home spaces.
- **Performance Monitoring of CDBG Public Service Grantees** (2023, Q3): Implemented technology (e.g., Zoom Grants) to monitor CDBG Public Service Grantees’ compliance with quarterly performance metrics and streamlined the application/reimbursement process. **Efficiency Outcomes:** Increases transparency, accuracy, and timeliness of quarterly reporting. Additionally, grantees have reported higher satisfaction levels due to the streamlined and user-friendly interface of the new system.
- **Online Payment Integration of Annual Rental Housing Fee Payment in Portal** (est. 2024, Q2): Centralizing the annual rental housing fee payment processing into the rent stabilization online portal. **Efficiency Outcome:** Reduces staff time manually calculating rental housing fees and penalties; reduces manual entry errors; consolidates information and payments into one location; and improves ability to track and follow up on delinquent accounts.

Initiatives Under Way

- **Department Website Redesign** (est. 2024, Q4): Creating an enhanced design of the Department's dedicated webpages to better serve the community by implementing user-friendly interfaces and providing comprehensive information. **Efficiency Outcome:** Aims to streamline access to housing resources, facilitate communication with stakeholders, and promote simple and effective information sharing.

Human Resources Department

Completed Initiatives

- **Sole Deferred Compensation Record Keeping Provider and Plan** (2021, Q3): Transitioned from three to a single 457(b) deferred compensation plan and record keeper and automated enrollment process. **Efficiency Outcome:** Reduces recordkeeping and fund fees, saving employees money; improves oversight of fund performance, and streamlines plan administration, saving staff time.
- **Policy Updates Related to Leaves of Absences and Time Off** (2024, Q1): Updated Administrative Instructions regarding Family and Medical Leave (with addition of Paid Parental Leave), Catastrophic Leave, Bereavement Leave, Reproductive Loss Leave (New), and Hourly Paid Sick Leave. **Efficiency Outcome:** Streamlines leave approval process for both employees and Human Resources staff, improves accuracy of leave processing, and ensures compliance with recent state legislation.
- **New Hire Process and Onboarding** (2024, Q1): Updated new hire onboarding materials, digitized new hire paperwork, and compiled all new hire resources into an electronic binder. **Efficiency Outcome:** Improves new employee first impressions and access to up-to-date information and reduces staff time and paper needed for printing materials.

Initiatives Under Way

- **Applicant Tracking and Onboarding System and Recruitment Process** (est. 2024, Q2): Implementing a new portal for applicant tracking (NeoGov) and reviewing the recruitment process action plan to reduce the time to hire. **Efficiency Outcome:** Will improve the candidate experience, reduce time to hire (from job posting to offer) and fill vacancies, save Human Resources staff time, and improve records retention, compliance, and reporting on hiring analytics.
- **Human Resource Intranet Content** (2024, Q2): Updating, expanding and reorganizing Human Resources content related to benefits, forms, training, wellness, engagement, policies, and other important employee resources on the redesigned intranet site.

Efficiency Outcome: Will improve staff access to accurate, current information; saves Human Resources staff time in responding to employee inquiries; and enhances employee engagement.

Information Technology Department

Completed Initiatives

- **Hybrid Public Meetings** (2024, Q3): Upgraded key City conference rooms in City Hall and the Library to AV/Zoom rooms to enable hybrid committee and advisory body meetings. **Efficiency Outcome:** Increases community access to public meetings.
- **Website Redesign** (2023, Q2): Launched a new website, MountainView.gov, that features a modern design with better mobile compatibility, enhanced navigation, upgraded web accessibility, and improved search function. As part of the project, there are now dedicated subsites, designed for their specialized audiences, for Economic Development, Mountain View Public Library, and Mountain View Center for the Performing Arts. The project also included email notification system for subscribing to City topics of interest, including news releases, general updates, newsletters, event announcements, and public meeting details, all in one location. **Efficiency Outcome:** Provides a user-friendly website that better addresses visitors' information and online service needs while also being easier for staff to maintain and keep content updated. *(This initiative was undertaken collaboratively by the City Manager's Office and Information Technology Department.)*
- **Migration to Personal Laptops** (2023, Q2): Transitioned from desktop computers and virtual PCs (VDIs) to personal laptops. **Efficiency Outcome:** Increases portability, which supports telework, collaboration, and flexible work arrangements. Increases efficiency as employees can seamlessly transition between office, home, and on-the-go work environments.
- **Security Information and Event Management** (2022, Q2): Implemented a Security Information and Event Management service, which assists in monitoring and analyzing City network activity and reports suspicious behavior or potential security threats to the IT operations team. **Efficiency Outcome:** Enhances the City's cybersecurity, enabling IT to respond to cyber threats swiftly, and safeguarding the City's digital assets.
- **Microsoft Intune Device Management System** (2023, Q3): Implemented Microsoft cloud-based Intune endpoint management for City-owned computing devices, supplanting the City's legacy on-premises solution. This provides the IT Help Desk team a centralized management tool to manage computer assets and application deployment. **Efficiency Outcome:** Streamlines the process of provisioning, configuring, and monitoring computer assets across the City's computing inventory, regardless of their physical location. Reduces

IT Help Desk staff time, allowing them to automate routine tasks such as software updates, security patches, and policy enforcement.

- **Online Fire Incident Response** (2022, Q3): Migrated to an online Fire Incident Response process, routing fire-related emergency calls directly to the Tablet Command app on iPads with more up-to-date underlying GIS maps and on-site plans. **Efficiency Outcome:** Improves incident management and emergency response time and saves Firefighter time. *(This initiative was undertaken collaboratively by the Fire and Information Technology Departments.)*
- **CCTV Manager Assessment of Sewer Pipe Internal Condition** (2023, Q1): Implemented CCTV Manager to use pipe inspection data to visualize the sewer mains and make this data available on a map. **Efficiency Outcome:** Improves access to and analysis of inspection data and helps to prioritize the maintenance of sewer pipes and gain insight into the overall picture of the sewer system.
- **Microsoft-Hosted Mail System and Personal OneDrive Storage** (2023, Q1): Migrated from an on-premises email server hardware to Microsoft's hosted Exchange System. Personal network directories have been migrated to Microsoft OneDrive. **Efficiency Outcome:** Eliminates the need for IT staff to support hardware for these systems, including refreshing hardware and applying updates and patches. Improves employee access to these systems from anywhere.

Initiatives Under Way

- **Online Paperless Planning Permits (ePermitsMV)** (est. 2024, Q2): Working with a vendor to expand ePermitsMV to include online planning permit submissions and review. The online portal allows 24/7 access to submit, track status, pay, and communicate with City staff on their paperless permit. **Efficiency Outcome:** Will increase transparency on the permit process for applicants and their teams; increase efficiency for City staff reviewers, as all comments/corrections are visible to all reviewers; allow for customers to be on the same permit platform for all City development permits (Planning, Building, and Public Works), and foster interdepartmental collaboration. *(This initiative is being undertaken collaboratively by the Community Development, Public Works, and Information Technology Departments.)*
- **IT Strategic Plan—IT Needs Assessment** (2024, Q3): Collecting feedback from all departments about their use of and needs for software and technology and establishing an IT Governance Committee to prioritize enterprise solution to support identified projects. **Efficiency Outcome:** Will implement enterprise solutions to improve staff efficiency and productivity.

- **Redundant Internet Service Provider** (2024, Q3): Deploying a redundant internet circuit. **Efficiency Outcome:** Will provide two internet providers via two different physical network connections, reducing service interruptions for City staff.
- **Asset Inventory and Request for Proposals (RFP) for Work Order Management System (CMMS)** (est. 2024, Q4): Consolidating and synchronizing City asset data, such as street signs, pavement markings, forestry, parks, and utilities, for the new GIS-enabled enterprise CMMS and preparing a CMMS request for proposals. **Efficiency Outcome:** Will eliminate redundancy and discrepancies in paper and online records, reduce maintenance efforts, and enable sharing of information across multiple City applications.
- **Utility Billing System** (est. 2025, Q4): Transitioning from an outdated legacy technology that no longer adequately supports existing business processes to a new, more modern platform with improved usability and security and decreased need for customizations. **Efficiency Outcome:** Will enhance customer service for the City's utility customers, simplify and streamline business operations, and increase efficiency by automating meter reading, payment processing, and invoice issuing. Will enable tracking of spending and invoicing within finance systems, ensuring smoother operations overall. *(This initiative is being undertaken collaboratively by the Information Technology, Finance and Administrative Services and Public Works Departments and the City Manager's Office.)*
- **Zoom Room Capabilities in City's Conference Room** (est. 2025, Q4): Implementing Zoom room capabilities in multiple City conference rooms. Completed conference rooms are: Atrium, Plaza, Bay View, Public Works, Walnut, Library Program Room, and Atlantic. Future conference rooms to receive Zoom room capabilities are: Maple, FASD, Community Services, City Clerk, and 888 Villa. **Efficiency Outcome:** Meetings with remote staff, consultants, and vendors can be scheduled without requiring users to commute to City facilities.

Anticipated Initiatives

- **Land Management System for Community Development and Public Works Departments** (2025, Q4): As identified in the Matrix Report as a critical need, implementing an enterprise-level land-management system, which, in conjunction with the paperless permitting system, will enable applicants to engage with City plan reviewers and track project progress. The system will also be integrated with the City's GIS system, allowing staff to identify all activities associated with a parcel in the City. **Efficiency Outcome:** Improved customer service, transparency, and efficiency.

Library Department**Completed Initiatives**

- **Student Connect Card ID Number** (2021, Q1): Simplified digital access card for students in Mountain View Los Altos Unified High School District to match student school identification numbers. **Efficiency Outcome:** Reduces staff time searching for lost digital numbers; and improves customer experience for students as identification numbers are easy to remember and use.
- **Storytime Program Practices** (2021, Q3): Eliminated registration requirement for storytime programs. Moved story time programs outdoor to accommodate larger crowds. **Efficiency Outcome:** Increased access for more families and reduced staff time.
- **Catalog Linked Reading Recommendations and Grade Lists** (2021, Q4): Recommended reading lists are linked to catalog for customer review of available titles, holds, and synopsis. **Efficiency Outcome:** Decreases staff reference time in management of books lists and improves consistency in staff reference services.
- **Catalog Station Upgrades** (2022, Q1): Replaced old desktop computer catalogs with touchscreen kiosks. **Efficiency Outcome:** Improves customer access to the catalog.
- **Department Restructuring/Creation of Assistant Director Position** (2022, Q3): Created an Assistant Library Director position to oversee core operations and division managers. **Efficiency Outcome:** Addresses succession planning needs and enables the Library Director to focus on strategic and department-level policy matters.
- **Streamlined Data Reporting** (2022, Q3): Used Formstack to create online forms to simplify and streamline reporting of program statistics and satisfaction survey results and sending invoices to the Library's Friends group. **Efficiency Outcome:** Improved efficiency and consistency across workgroups in reporting statistics and survey results and generating reports.
- **Library Website** (2022, Q4): Launched a new Library website with simplified menu items and navigation, reduced text and use of jargon, appealing modern look, and implementation of a mobile-responsive site. **Efficiency Outcome:** Improves access and ease of use for Library customers. *(This initiative was undertaken in collaboration with the City Manager's Office and Information Technology Department.)*
- **Security Services Guard** (2024, Q1): Created and hired new lead security services guard to provide consistent security staffing at the Library. **Efficiency Outcome:** Provides more

hours of security coverage at the Library to address behavioral issues and maintain a safe environment for Library patrons and staff. Frees up staff time to perform job duties.

- **Electric Bookmobile** (2024, Q1): Launched smaller-profile electric Bookmobile and carts off vehicle model, which enabled placement of Library services within entrances and inside service buildings. **Efficiency Outcome:** Improves outreach to formerly hard-to-reach areas of Mountain View. Improves customer service with curated materials. Increases access to Library materials as carts come off vehicle to meet customers where they are. Electric vehicle contributes to reduction of greenhouse gasses.

Initiatives Under Way

- **Shelf-Ready Library Materials** (est. 2024, Q2): Implementing contract services to streamline cataloging and processing of Library materials before they are received. **Efficiency Outcome:** Reduces staff time spent cataloging and processing materials. Decreases the amount of time it takes for materials to reach to shelves once they have arrived at the Library.

Police Department

Completed Initiatives

- **Leadership/Executive Coaching Program** (2021, Q1): Partnered with St. Mary's University's Executive Leadership Program coaches and launched a leadership/executive coaching program for newly promoted department Sergeants and above to support their transition to new leadership roles. **Efficiency Outcome:** Improves the newly promoted member's ability to grow and develop in their roles, making them more efficient and adaptive learners and leaders.
- **Records Management System (RMS)** (2021, Q1): Implemented a new RMS for all Police reports and records management, replacing a legacy system which had limited reporting capabilities and required extensive maintenance. **Efficiency Outcome:** Improves reporting and reduces staff time.
- **Racial Identity Profile Act (RIPA) Data Collection Software** (2022, Q1): Implemented software (Veritone) to comply with State Assembly Bill 953 requirements related to the collection of RIPA data. **Efficiency Outcome:** Ensures compliance with RIPA in an efficient and effective manner. Saves staff time and improves public access to the data.
- **Traffic Stop Research** (2022, Q2): Hired Ph.D. Research Fellow to examine the Department's traffic stop data to look for potential bias. **Efficiency Outcome:** Received

research results with no finding of bias and established a research methodology to enable ongoing review of Police detentions.

- **Military Equipment Funding and Reporting** (2022, Q3): Developed a Military Equipment Funding, Acquisition, and Use policy in compliance with Assembly Bill 481 for Council adoption. **Efficiency Outcome:** Increases transparency and public access to information. Facilitates assessment and removal or destruction of equipment.
- **Stanford University School of Medicine Partnership** (2022, Q4): Partnered with Stanford University School of Medicine to test and evaluate stress and neuroscience-based intervention to improve Police performance. **Efficiency Outcome:** Provides feedback to officers on how they react to stressful situations and how best to regulate stress to improve performance.
- **School Resource Officer (SRO) Memorandum of Understanding (MOU) and Procedure Manual** (2023, Q1): Based on feedback from a Public Safety Advisory Board review of the SRO program and Council direction, the Police Department developed an MOU with the school districts and a Procedure Manual for the SRO Program. **Efficiency Outcome:** Improves clarity, consistency, and effectiveness of the SRO Program.
- **Live 9-1-1 Software** (2023, Q1): Implemented technology enabling Officers in patrol vehicles to hear 9-1-1 calls in real time and respond prior to being dispatched. **Efficiency Outcome:** Decreases response times for priority calls and improves public safety without increasing staffing to the Department.
- **Santa Clara County Specialized Enforcement Team (SCCSET)** (2023, Q2): Assigned an MVPD Lieutenant to command the Santa Clara County Specialized Enforcement Team (SCCSET) focusing on fentanyl investigations. **Efficiency Outcome:** Enables greater access to a highly trained team of investigators who are tasked with investigating fentanyl cases in Santa Clara County.

Public Works Department—Engineering

Completed Initiatives

- **Online Bidding for Public Works Projects** (2021, Q2): Implemented online plan room and bidding platforms to allow electronic bid advertising and bid management services for Public Works projects. **Efficiency Outcome:** Minimizes the need to reproduce hard copies of bid documents and consolidates bid management.
- **Public Works Development Review** (2021, Q3): Partnered with the Community Development Department to engage a consultant to assess the Public Works development

review process and provided recommendations related to the internal review processes, standardizing documents and procedures, providing training, and implementing a land use management software system. **Efficiency Outcome:** Provides consistency for customers, improves tracking of application status, streamlines the review to improve cycle times, and improves customer experience.

- **Graphic Information System (GIS) Software for City Infrastructure** (2022, Q1): Created and maintained an interactive web-based map of the City’s geographic data, such as FEMA flood zone, sanitary sewer, water, recycled water, and storm drainage systems. **Efficiency Outcome:** Improves coordination between departments and provides staff with easy and efficient access to key information in one location to help with decision-making, processing of permits, emergency repairs, and public questions.
- **Bluebeam Software for Public Works Projects** (2022, Q1): Introduced and increased use of Bluebeam to more efficiently receive and sort technical design comments on Public Works projects. **Efficiency Outcome:** Improves collaboration between the Public Works sections involved in plan review and transparency between commentors and reduces conflicting comments.
- **Building Permit e-Permit System, ProjectDox** (2023, Q2): Partnered with the Community Development Department to implement a public-facing, online permit system for online submittal and review of building permits, improvement plans, and final/parcel maps. Allows work flows to be assigned to e-documents by staff and applicants to track submittal status in real time. **Efficiency Outcome:** Improves customer experience and ease of submittal process and response status. Saves applicant time and printing costs and reduces trips to City Hall.
- **Development Permits Website** (2024, Q1): Partnered with the Community Development Department to launch the development permits website to serve the public with a comprehensive resource on permitting requirements and processes. **Efficiency Outcome:** Improved customer service with a one-stop permit website, providing key information and expectations regarding the development process.

Public Works Department—Transportation and Business Services

Completed Initiatives

- **Fleet Management Software** (2022, Q2): Initiated and implemented new fleet management software to manage the City’s vehicles and equipment. **Efficiency Outcome:** Allows efficiency and optimizes operations by tracking vehicle needs, parts inventory, maintenance, and asset management.

- **Fuel Inventory Management System** (2023, Q1): Implemented a new fuel inventory management system allowing easy access to track and manage fuel inventory from delivery to usage. **Efficiency Outcome:** Provides real-time fueling data and accuracy with fueling reports/inventory for best optimization and decision making.

Initiatives Under Way

- **New Work Order System and Asset Management Software** (2025, Q4): Identifying a new work order system to schedule, track, and assign work orders for maintenance and operations. Also pursuing an asset management software to track key facility assets and manage corrective and preventative maintenance. **Efficiency Outcome:** Will improve user and asset management for tracking, scheduling, and budgeting for planned replacements.

Public Works Department—Public Services

Completed Initiatives

- **GIS Utility Maps via GIS** (2022, Q4): Implemented mobile device access to the GIS mapping application-FieldMaps for Utilities staff. **Efficiency Outcome:** Enables Utilities staff to open a map on a phone or tablet and instantly see the underground utility infrastructure to help mark utility lines, plan jobs, and troubleshoot issues.
- **Abandoned Shopping Cart Tracking and Invoicing** (2023, Q1): Implemented a new system of impounding abandoned shopping carts at the Municipal Operations Center and charging stores to recover their impounded carts. **Efficiency Outcome:** Increases store responsibility to prevent shopping carts from leaving store property; reduces City staff time collecting abandoned shopping carts from the public right of way; and improves access in the right-of-way.
- **Sidewalk Offset Process** (2023, Q1): Implemented a new process, using a tablet, to assess and document sidewalk offsets. **Efficiency Outcome:** Increases efficiency in documenting sidewalk conditions and making repairs; and reduces resident complaints and liability.
- **Underground Pipeline Assessment Procedures** (2023, Q1): Standardized annual sewer utility main condition assessment projects, splitting the City into eight equal sections, and uploading condition assessment data directly into the City's GIS system. **Efficiency Outcome:** Enables consistent and predictable condition assessments each year and makes assessment data instantaneously available to staff for system troubleshooting, repairs, and project planning.

Initiatives Under Way

- **GIS for Landfill Gas System** (est. 2024, Q2): Creating a GIS layer for the landfill gas infrastructure to locate landfill gas mains, laterals, leachate lines, and air lines. **Efficiency Outcome:** Will enable staff to more easily generate custom exhibits and maps and be more efficient and effective in calculating landfill project cost estimates; will save staff time savings by having one location to search to find relevant information; and using FieldMaps will pinpoint staff's current location at the landfill in relation to the landfill infrastructure layer, which is currently difficult since Shoreline Landfill is vast and without streets or easy reference points.

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Exhibit: A. Improvement Initiatives in Response to COVID-19

IMPROVEMENT INITIATIVES IN RESPONSE TO COVID-19

During the COVID-19 pandemic, the City of Mountain View pivoted quickly to respond to the crisis, developing creative new programs to meet community needs and new operating procedures to keep the organization running, while maintaining safety for City employees and the public. The Citywide team embraced innovations, streamlined processes, and transformed operations. Improvement initiatives include the following:

- Conducting meetings virtually by Zoom video conference, including City Council meetings and numerous advisory body meetings;
- Implementing a paperless permitting process and digital plan review for new projects;
- Installing automatic pedestrian recall (“no touch”) at 23 traffic intersections;
- Activating the Emergency Operations Center (EOC) and drafting the COVID-19 recovery plan;
- Placing more than 15 portable restrooms and handwashing stations around the City for the homeless and unstably housed;
- Implementing an online employee wellness program;
- Networking through 90 Spanish-language Ambassadors and Chinese and Russian community groups;
- Holding a virtual Town Hall to provide the latest information to residents and hear from Congressional leadership;
- Presenting regular COVID-19 updates to the public at City Council meetings;
- Launching #TogetherMV with the creation of an online donation portal on the City’s website, where individuals donated money to Rent Relief or Small Business Assistance;
- Securing State Project Homekey funding of \$12 million and pioneering an innovative private-public partnership with LifeMoves, the County of Santa Clara, Google, and LinkedIn to build within six months and open LifeMoves Mountain View, an interim, transitional modular housing project with over 100 units for homeless, unstably housed, and displaced residents;
- Distributing over \$900,000 in zero-interest microloans to more than 100 small businesses through the Small Business Resiliency Program, including City funding of \$400,000, a \$400,000 match from Google, and \$100,000 from LinkedIn;

- Providing 97 grants totaling \$500,000 to Mountain View small businesses to support the recovery of the local economy;
- Implementing nine of the 10 Small Business Action Plan items to assist the City's small businesses during the pandemic and strengthen their resilience for the longer term;
- Collaborating with the Mountain View Chamber of Commerce to develop the www.ilovemv.org online marketplace for local small businesses;
- Implementing "Outdoor Mountain View" (OMV) guidelines to allow downtown restaurants and businesses to temporarily operate outside on private property or authorized public property;
- Redeploying Fire Department staff to work at the County of Santa Clara Public Safety COVID-19 Vaccination Clinic;
- Redeploying Firefighter/Paramedics to two hospitals to assist with critical COVID-19 patient care during the height of the pandemic;
- Coordinating a Citywide Strategic Communications Team to provide multi-layered pandemic response information to the public, including extensive multilingual outreach in Spanish, Chinese, and Russian;
- Creating the Mountain View Resiliency Roundtable made up of over 40 community leaders and stakeholders to collaborate on how to move forward together as a community;
- Approving equitable rent adjustments on various City leases to accommodate financial hardships to tenants caused by COVID-19;
- Redeploying City staff to help nonprofit community organizations with food distribution efforts and translation services;
- Adopting an action plan to support youth mental health and wellness;
- Creating a small-business call center where employees called over 700 small businesses to provide resources and support;
- Adapting Recreation programming to virtual activities, including after-school programming, 5K/10K runs, holiday kits, and many other community programs;
- Converting City contracts to electronic review and approval;
- Developing an online reporting module for both non-Workers' Compensation and Workers' Compensation COVID-19 cases to enable faster reporting times;

- Implementing the Library “Grab and Go Holds” pickup program to provide access to Library materials during the pandemic;
- Launching an online Spanish language story time and a Spanish language parenting program;
- Adding new digital services and additional e-books to provide more electronic options for people to utilize the Library from anywhere;
- Revamping the Community Development permit center into both an outdoor and online permit center to respond to the closure of City Hall during the pandemic;
- Developing safe return-to-work plans for employees and facility reopening plans in line with state and local COVID-19 protocols;
- Holding regular employee Town Hall meetings to communicate to all employees about the latest COVID-19 updates and other City developments;
- Streamlining the telecommuting program and supporting over 400 employees working remotely and providing enhanced technology resources as part of that effort;
- Allocating over \$2 million toward the development and implementation of Elevate MV, the City’s Guaranteed Basic Income pilot program, to provide \$500 in monthly income to 166 low-income residents with children;
- Contributing \$1.8 million and working in partnership with the Mountain View Solidarity Fund and Los Altos Mountain View Community Foundation to disburse one-time flexible financial assistance to extremely low-income residents;
- Providing over \$4 million in funding for rent relief and other direct assistance to low-income residents through the Community Services Agency, establishing one of the largest local rent-relief programs in the Bay Area;
- Creating the City’s first Human Services Division operating in the City Manager’s Office and funded through a staff reduction in the Police Department;
- Securing \$16.6 million in Homekey funding from the state to redevelop the Crestview Hotel into permanent affordable housing with 67 units in partnership with the County;
- Operating three 24/7 safe parking lots with capacity for more than 101 vehicles to park to assist unstably housed residents, the largest program in the County;

- Providing extensive, hands-on, ongoing outreach to vulnerable populations to connect them with pandemic relief resources;
- Launching *The Briefing* e-newsletter weekly to inform the community about the latest COVID-19 updates and, building upon that effort, launching the *City Hall Connection* e-newsletter to include updates about City events and projects;
- Providing essential services for unhoused and unstably housed residents;
- Conducting ongoing housing help center/eviction prevention clinics facilitating access to rent relief and legal services;
- Developing a Mobile Home Rent Stabilization Ordinance and updating the Tenant Relocation Assistance Ordinance to provide protections to mobile home tenants;
- Implementing a utility bill relief program for residential and small business customers experiencing economic impacts due to the COVID-19 pandemic;
- Securing over \$1 million through the federal Shuttered Venue Operators Grant to reimburse the Center for the Performing Arts staff expenses and offset revenue losses due to COVID-19;
- Supporting COVID-19 testing at the Mountain View Community Center and Mountain View Center for the Performing Arts in conjunction with the County and a drive-through testing site at Shoreline Athletic Fields with Planned Parenthood;
- Supporting the County's first mass COVID-19 vaccination clinic site at the Community Center, taking just one week to open, to provide vaccinations to the public, including booster shots and vaccinations for youth, with 137,561 vaccinations completed from January 22, 2021 through April 30, 2022 and over 62,000 completed in Fiscal Year 2021-22;
- Operating the Fire Department's COVID-19 mobile vaccination program in coordination with the Santa Clara County Public Health Department, administering vaccinations and booster shots to elderly and homebound Mountain View residents;
- Providing robust internal communication and recognition efforts to keep employees informed and engaged, highlighting employee and team accomplishment, wellness resources, employee events, and COVID-19 protocols;
- Developing the Castro StrEATs program to close downtown Castro Street to vehicles in support of COVID-19 recovery for downtown restaurants and businesses, safe pedestrian access, and physical distancing;

- Implementing an enterprise scheduling application for departments to manage appointments with the community;
- Deploying an online appointment scheduling system for Building, Fire, Planning, and Police; and
- Upgrading the Council Chambers to enable “hybrid” (in-person and remote) Council meetings.