



FY 2021-22 Midyear Budget Report

Presenters: Kimbra McCarthy, City Manager

Jesse Takahashi, Finance & Administrative Services Director

February 22, 2022

Item 6.1



Background

- Budget Update on November 16--Appeared On-Track
- Uncertainty from COVID-19 Continues to Impact Economy
- Since November 16:
 - Positive COVID tests increase significantly due to Omicron
 - Pandemic has continued much longer than expected
 - More people receiving vaccinations and boosters
 - Most of the SIP restrictions have been lifted
 - Economy continues to recover

FY 2021-22 GOF

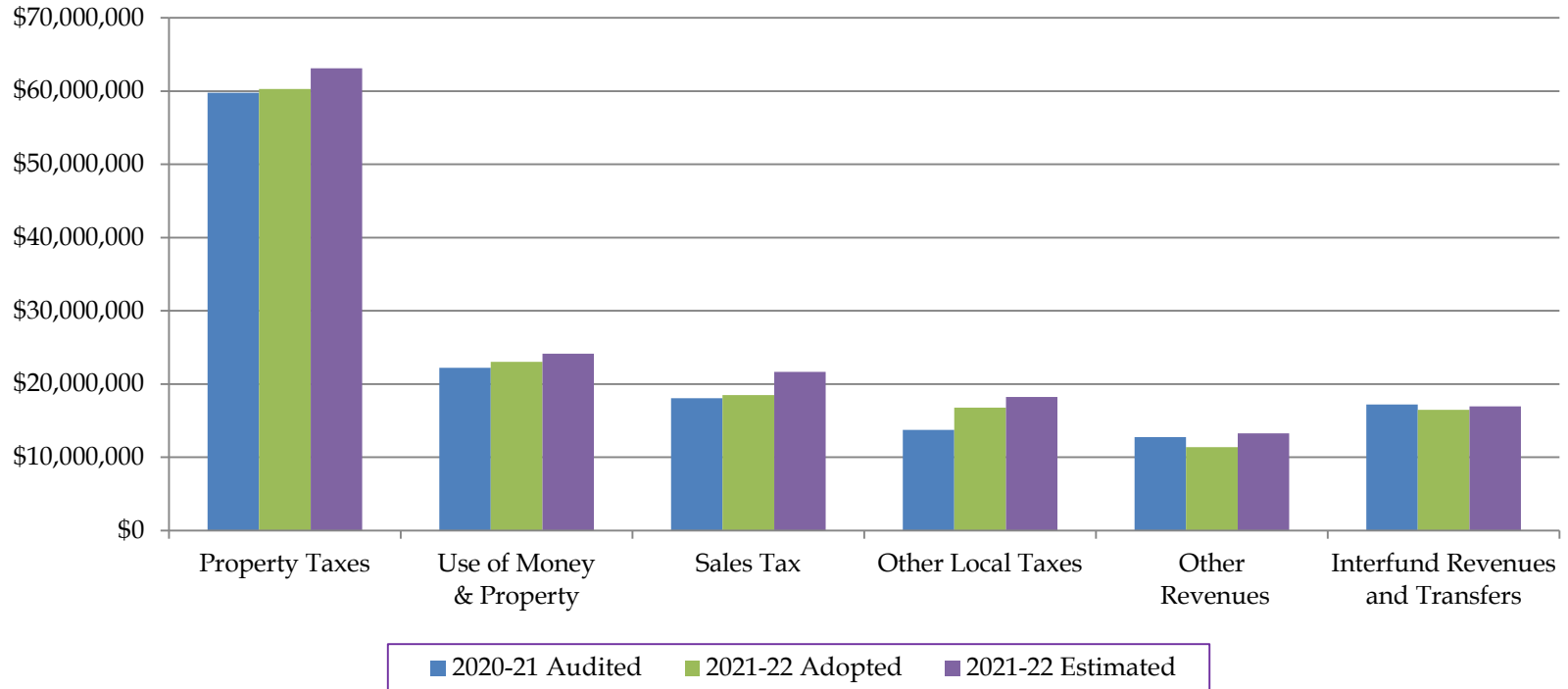
(dollars in thousands)



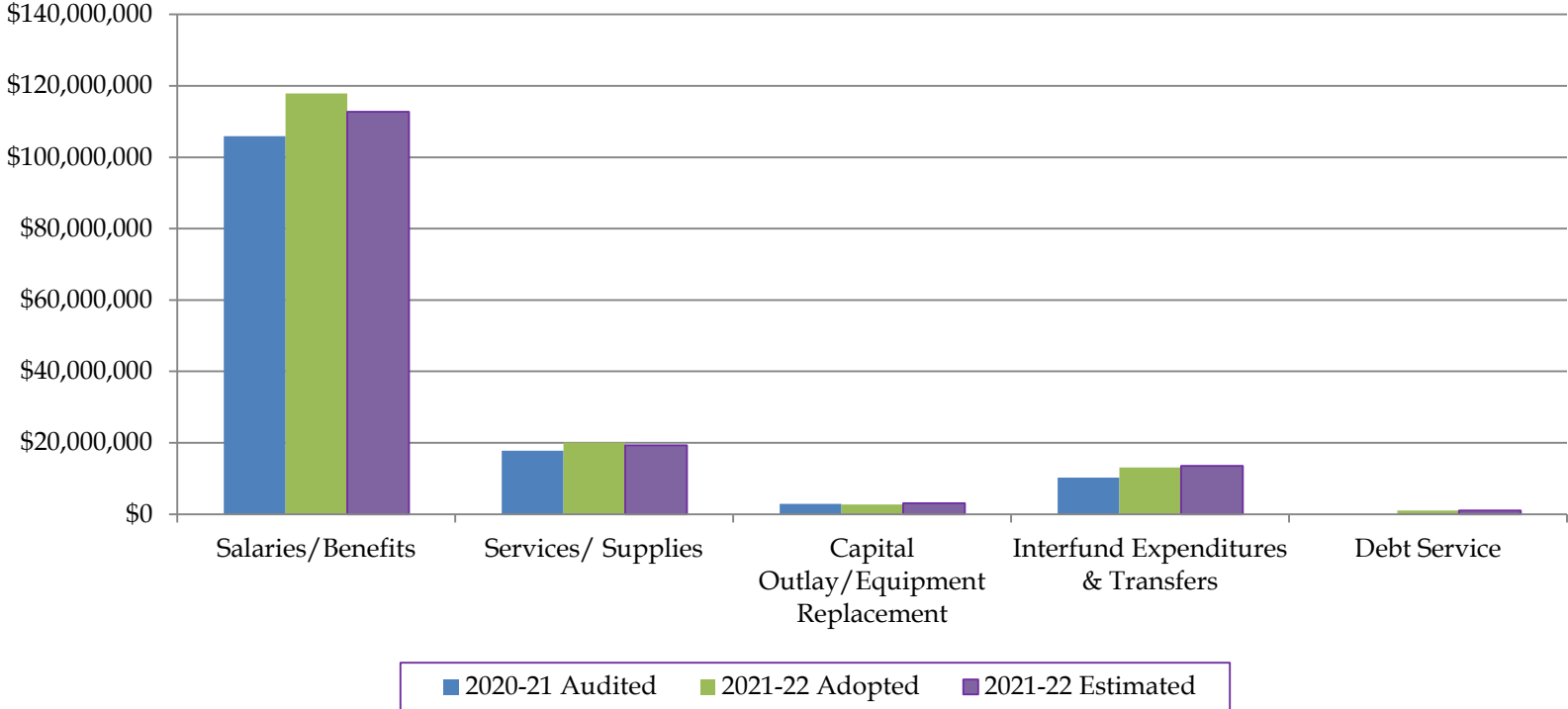
		2020-21 <u>Audited</u>	2021-22 Adopted <u>Budget</u>	2021-22 <u>Estimated</u>
Revenues	\$	143,706	146,412	157,308
Expenditures		(136,811)	(150,804)	(149,624)
Rebudgets		<u>(5,235)</u>	<u>-0-</u>	<u>-0-</u>
Operating Balance		1,660	(4,392)	7,684
Transfer to GNOF		(8,501)	-0-	-0-
Excess ERAF		<u>6,841</u>	<u>5,836</u>	<u>-0-</u>
Ending Balance	\$	<u><u>-0-</u></u>	<u><u>1,444</u></u>	<u><u>7,684</u></u>



FY 2021-22 GOF Revenues



FY 2021-22 GOF Expenditures



FY 2021-22 Midyear Budget Status

Other Major Funds



Fund	Revenues	Expenditures
Development Services	Below budget	Below budget
Shoreline Golf Links/ Michaels at Shoreline Restaurant	Below budget	Below budget
Shoreline Regional Park Community	Above Budget	Below budget

FY 2021-22 Midyear Budget Status

Utility Funds



Fund	Revenues	Expenditures
Water	Below Budget	Below budget
Wastewater	Above budget	Below budget
Solid Waste Management	On-track	Below budget

Strategic Roadmap Action Plan Six-Month Significant Accomplishments

<p>Community for All</p> <ul style="list-style-type: none"> • Mobile Home Rent Stabilization • Guaranteed Basic Income Pilot • Responsible Construction • Wage Theft • Alternative Mental Health Crisis Response 	<p>Intentional Development & Housing Options</p> <ul style="list-style-type: none"> • Lot 12 • Housing Element • Crestview Hotel
<p>Mobility & Connectivity</p> <ul style="list-style-type: none"> • Castro Pedestrian Mall Feasibility Study • City Active Transportation Plan 	<p>Sustainability & Climate Resiliency</p> <ul style="list-style-type: none"> • South Bay Salt Ponds Project
<p>Livability & Quality of Life</p> <ul style="list-style-type: none"> • Visual Arts 	<p>Economic Vitality</p> <ul style="list-style-type: none"> • Covid-19 Recovery • Economic Vitality Strategy
<p>Organizational Strength & Good Governance</p> <ul style="list-style-type: none"> • Enhanced Legislative Program • City Buildings Workspace Study • Transient Occupancy Tax 	



Recommended Midyear Adjustments

- Appropriations for Increased Janitorial Costs
- New Positions (various funds)
 - 3.0 FTE Junior/Assistant Associate Engineers (PW, LP to Ongoing)
 - 1.0 FTE Executive Assistant (PW)
 - 1.0 FTE Payroll Accountant (FASD)
 - 1.0 FTE Analyst I/II (CDD, Rent Stabilization Program)



Recommended Midyear Adjustments

- Mobile Home Rent Stabilization Ordinance Implementation
 - One-Time Funding of \$107,000 from GNOF to start the program
 - Loan of \$292,000 to cover the staffing costs
- Appropriate \$20,000 for the GASB 87 Implementation Costs
- Adopt Resolution to Amend Classification & Salary Plan

FY 2022-23 Preliminary GOF Forecast

(dollars in thousands)



	2021-22 Adopted <u>Budget</u>	2021-22 <u>Estimated</u>	2022-23 Preliminary Forecast
Revenues	\$ 146,412	157,308	161,106
Expenditures	<u>(150,804)</u>	<u>(149,624)</u>	<u>(157,659)</u>
Operating Balance	(4,392)	7,684	3,447
Transfer to GF Reserve	-0-	-0-	(1,500)
Excess ERAF	<u>5,836</u>	<u>-0-</u>	<u>-0-</u>
Ending Balance	\$ <u><u>1,444</u></u>	<u><u>7,684</u></u>	<u><u>1,947</u></u>



FY 2022-23 Forecast Assumptions

- Property tax base increase by 2%
- SIP restrictions lifted and economic activity slowly increasing
- Sales tax and TOT gradually recovering
- Other revenue still impacted by COVID-19
 - Facility rentals, charges for service (CPA), etc.



Next Steps

- April 12: CIP Study Session
- April 26: Budget Update & Check-In
Public Hearing for CDBG/HOME Consideration of
FY 2022-23 Annual Action Plan & Funding Recs.
- June 14: Public Hearing for the Recommended Budget
- June 28: Public Hearing for Utility Rates and Budget
Adoption
CIP Adoption



Recommendations

1. Receive and file the Fiscal Year 2021-22 Midyear Budget Status Report, the six-month status of the Fiscal Year 2021-22 Performance/Workload Measures (Attachment 1 to the Council report), the Fiscal Year 2022-23 Preliminary General Operating Fund Forecast, and the Strategic Roadmap Action Plan six-month update (Attachment 3 to the Council report).
2. Transfer and appropriate the following:
 - a. \$6,100 from the General Non-Operating Fund to the Community Services Department, General Operating Fund, for increased janitorial costs. (Five votes required)
 - b. Acting as the Board of Directors of Shoreline Regional Park Community, appropriate \$24,300 in the Community Services Department, Shoreline Community, for increased janitorial costs.



Recommendations

3. Authorize the following new positions:

- a. -3.0 FTE Junior/Assistant/Associate Engineers (convert from limited-period to ongoing) (Public Works Department)
- b. -1.0 FTE Executive Assistant (Public Works Department)
- c. -1.0 FTE Payroll Accountant (Finance and Administrative Services Department)
- d. -1.0 FTE Analyst I/II (Community Development Department, Rent Stabilization Program)

4. Authorize establishment of a new special revenue fund for the Mobile Home Rent Stabilization Ordinance and appropriate \$292,000 as a loan from the General Non-Operating Fund to cover certain staffing costs needed to implement this ordinance.



Recommendations

5. Appropriate \$107,000 from the General Non-Operating Fund for the Community Development Department Rent Stabilization Program to cover the startup cost of implementing the Mobile Home Rent Stabilization Ordinance. (Five votes required)
6. Appropriate \$20,000 in the Finance and Administrative Services Department, General Non-Operating Fund, to cover the cost of implementing GASB 87. (Five votes required)
7. Adopt a Resolution of the City Council of the City of Mountain View Authorizing the City Manager or Designee to Amend the Classification and Salary Plan for Regular Employees for Fiscal Year 2021-22, to be read in title only, further reading waived (Attachment 2 to the Council report).