



City of
Mountain View

FY 2024-25 Recommended Budget

Public Hearing

MARCH 22, 2024

Budget Development Timeline

Nov-Jan

Prepare and Review Budget Requests from Departments

Briefings with Council Finance Committee members to receive feedback on Budget Document

February

February 27
Midyear Budget Update

Fiscal Years 2023-25 Council Strategic Priorities and Work Plan Update

March

Continuation of budget preparation

April

April 9
CIP Study Session

April 23
FY 2024-25 Federal Annual Action Plan (CDBG/HOME) Public Hearing

May

Continuation of budget preparation

June

June 11
Budget Public Hearing

FY 23-25 Strategic Priorities and Work Plan Update

June 25
CIP Adoption

Prop 218 & Budget Public Hearings and Adoption

- Balance ongoing expenditures with ongoing revenues
- One-time revenues not used for ongoing expenditures
- Adopt structurally balanced annual budgets
- Prioritize paying down long-term liabilities
- Maintain adequate reserves
- Staff with solid financial experience
- AAA credit rating

Continued economic uncertainty

- Persistent inflation
- Rising costs
- Elevated interest rates
- Corporate layoffs
- State Budget deficit (\$45 billion)
- Single family home sales declined
- Record-level commercial vacancy rates
- Conflicts abroad
- Upcoming federal election



- Stable revenues but less growth
- UUT and property tax increasing at slower pace
- Decreasing business license tax
- Stagnant sales tax and TOT revenues

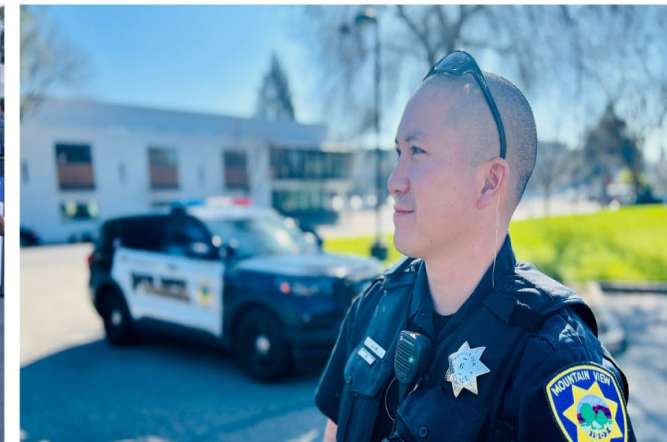


Revenue Measure – November 2024

Need for Additional Funding:

- New public safety building
- Modernize two fire stations
- Improve pedestrian and cyclist safety
- Traffic and railroad safety
- Carbon neutrality by 2045
- Mitigate sea level rise risks
- Fund affordable housing projects
- New parks and open spaces

All Require Significant Financial Investments



- Structurally balanced
- Limited number of new, ongoing positions
- Performance Measures Overhaul
- Focus on:
 - Downtown / Economic Vitality
 - Long-term service delivery
 - Continuous organizational improvements
 - Council strategic priorities
 - Innovative programs important to community



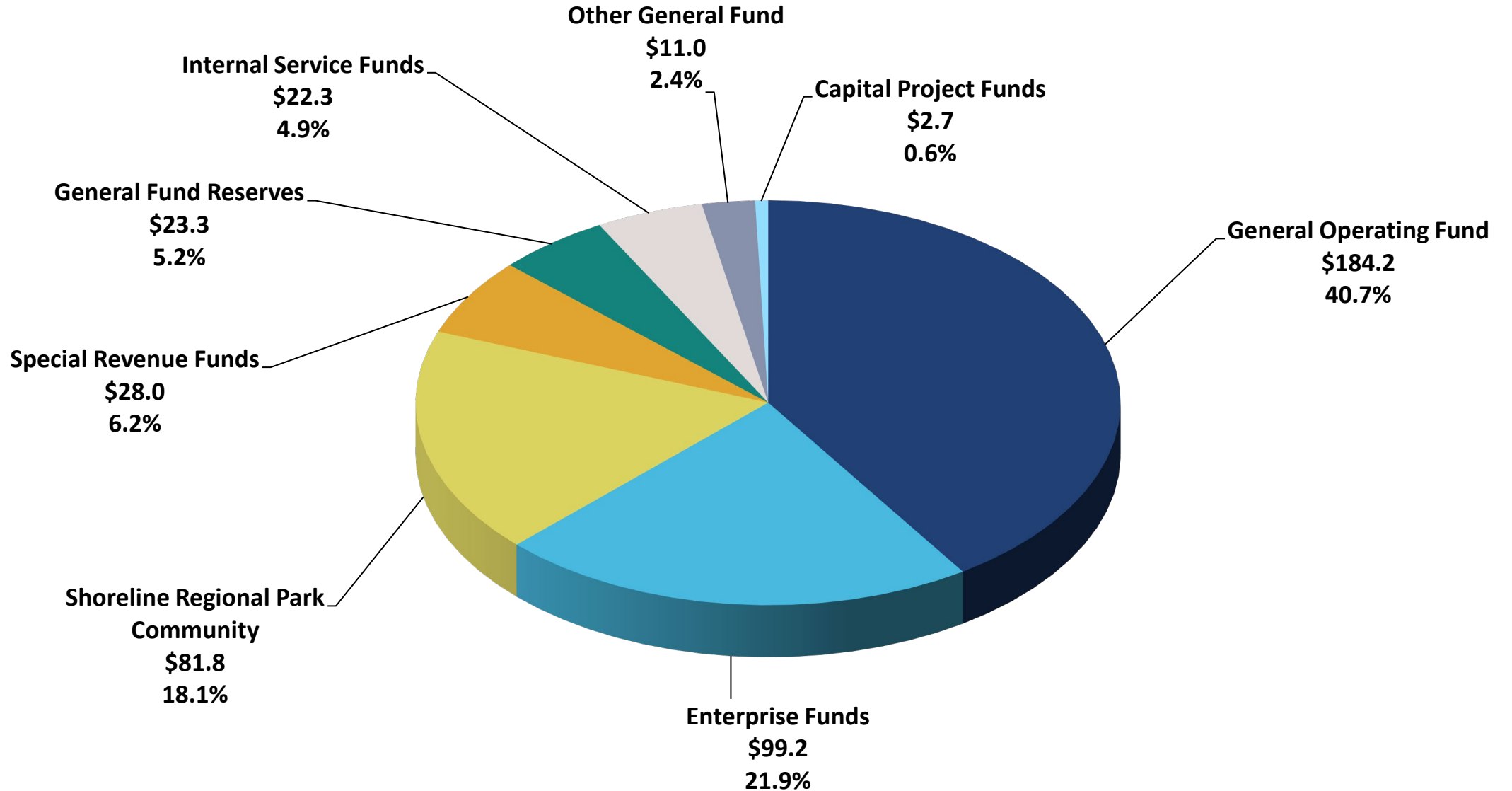
- \$300k – Branding and storytelling
- \$250k – Planning and zoning code changes
- \$100k – Economic Vitality Strategy implementation
- \$75k – Retail consultant for vacant spaces
- \$20k – Storefront window design



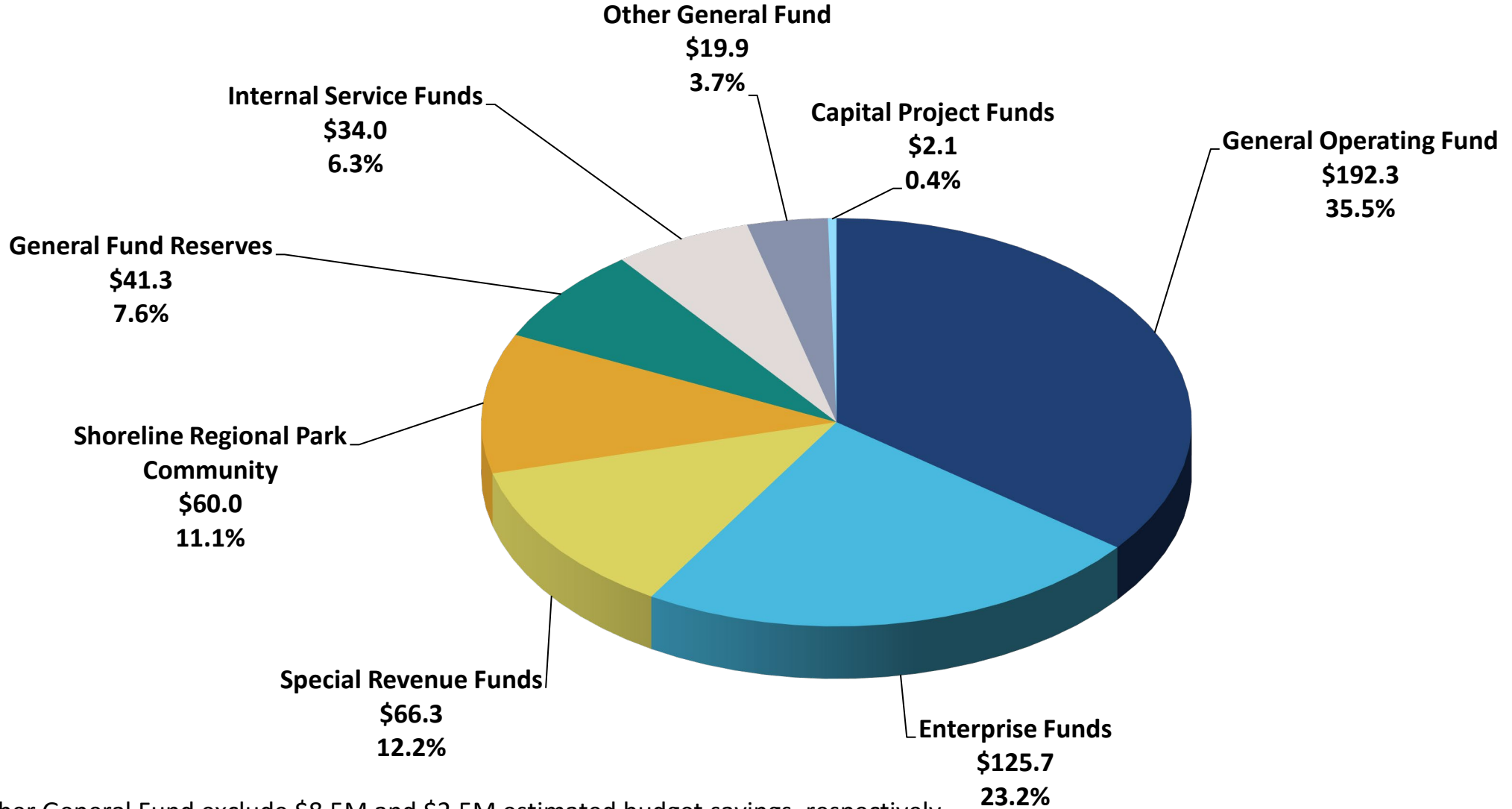


BUDGET OVERVIEW

FY 2024-25 Recommended Revenues – All Funds \$452.5M (dollars in millions)

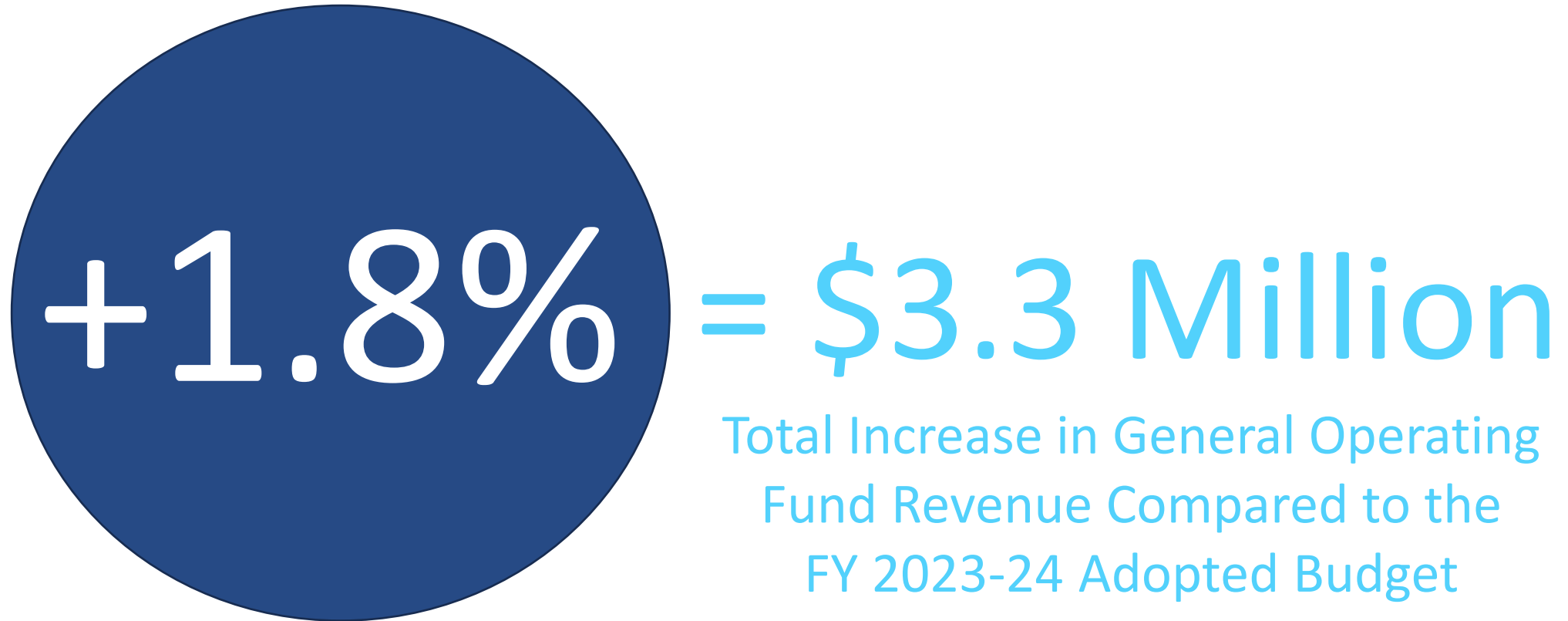


FY 2024-25 Recommended Expenditures – All Funds \$541.6M (dollars in millions)



* GOF and Other General Fund exclude \$8.5M and \$2.5M estimated budget savings, respectively.

Limited Growth in FY 2024-25

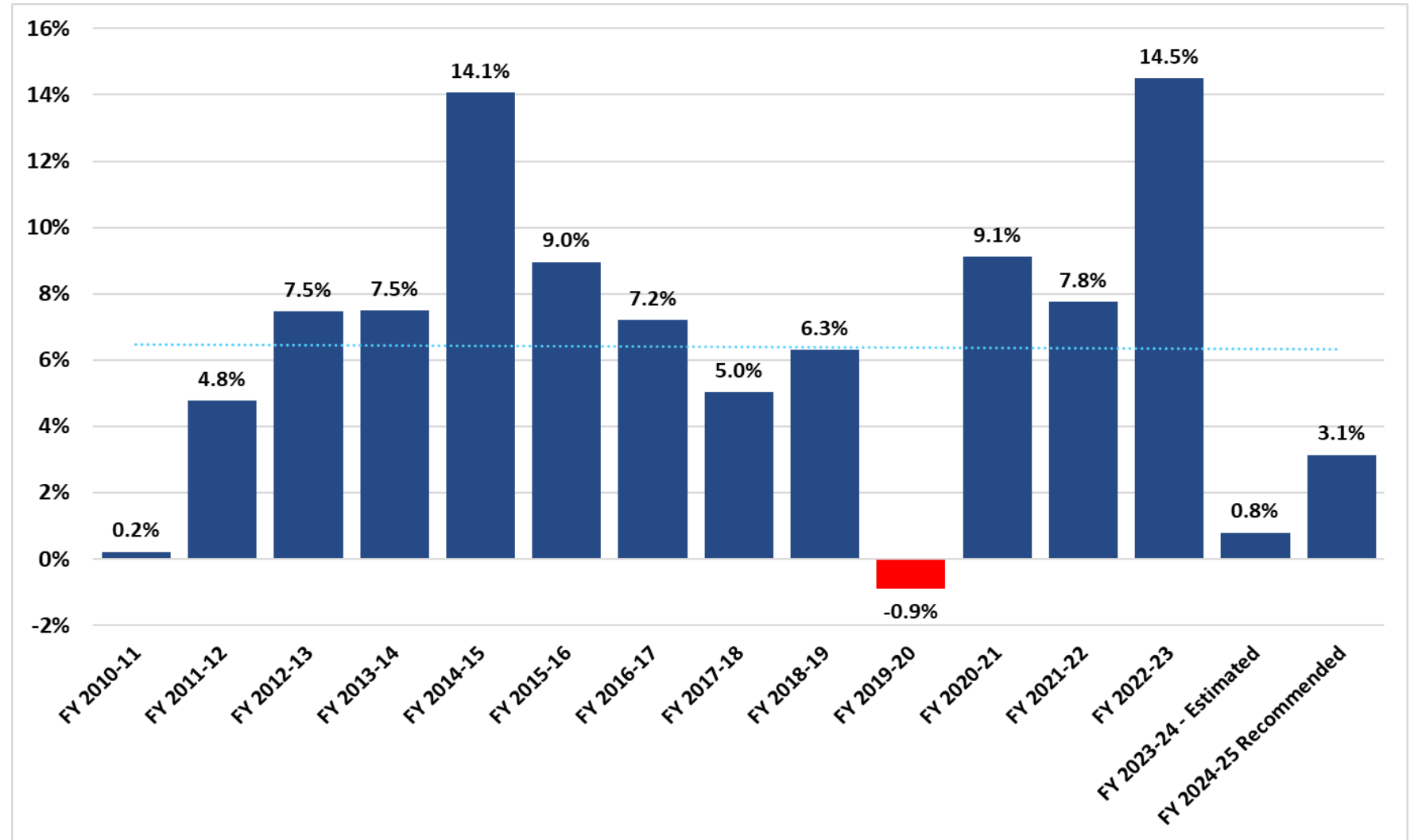


Economically Sensitive Revenue Sources

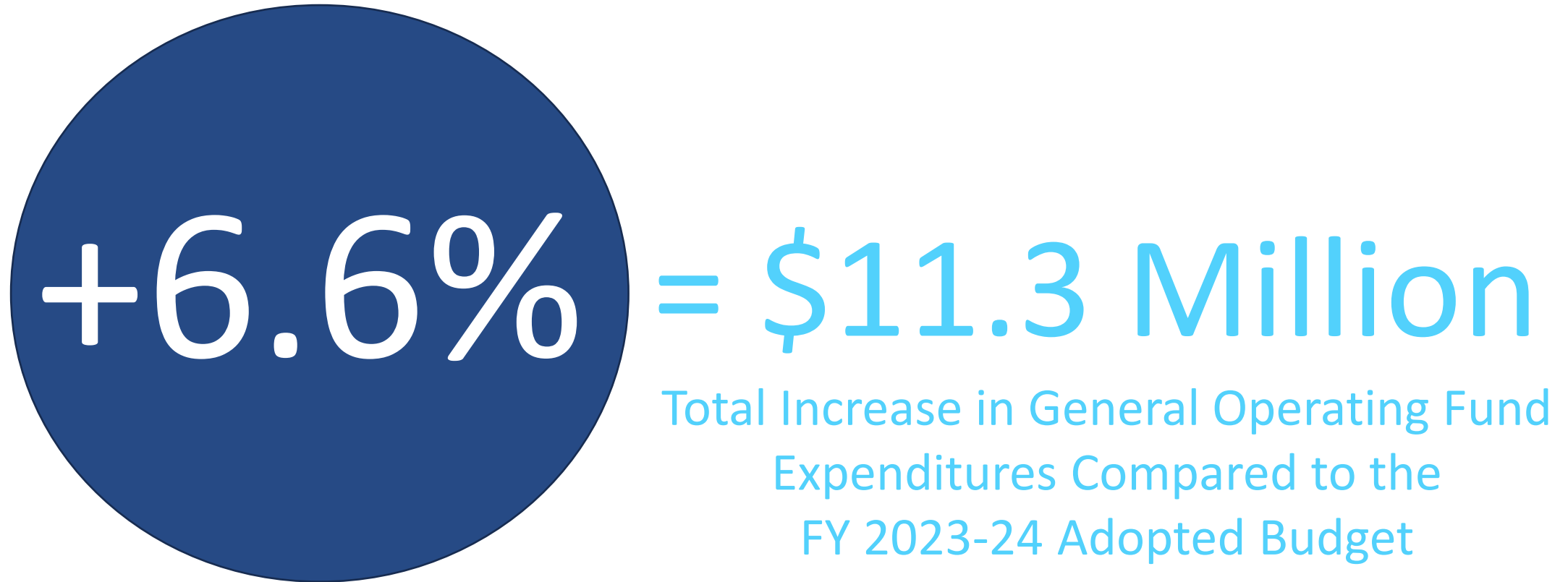
<i>Revenue Source</i>	Change from FY 2023-24 Adopted Budget		Change from FY 2023-24 Estimated	
	Amount (millions)	Change (%)	Amount (millions)	Change (%)
Property Tax	\$ 3.5	5.0%	\$ 3.5	5.1%
Utility Users' Tax	\$ 0.6	6.6%	\$ 0.5	5.5%
Business License Tax	\$ 0.1	1.4%	\$ (0.3)	-6.0%
Transient Occupancy Tax	\$ 0.1	0.7%	\$ (0.1)	-0.6%
Property Transfer Tax	\$ -	0%	\$ 0.2	4.2%
Sales Tax	\$ (0.7)	-2.6%	\$ -	0.0%
<i>All General Operating Fund Revenues</i>	\$ 3.3	1.8%	\$ 2.3	1.3%

Growth of Major General Operating Fund Revenues:

- Property Tax
- Sales Tax
- Utility Users' Tax
- Transient Occupancy Tax
- Business License Tax



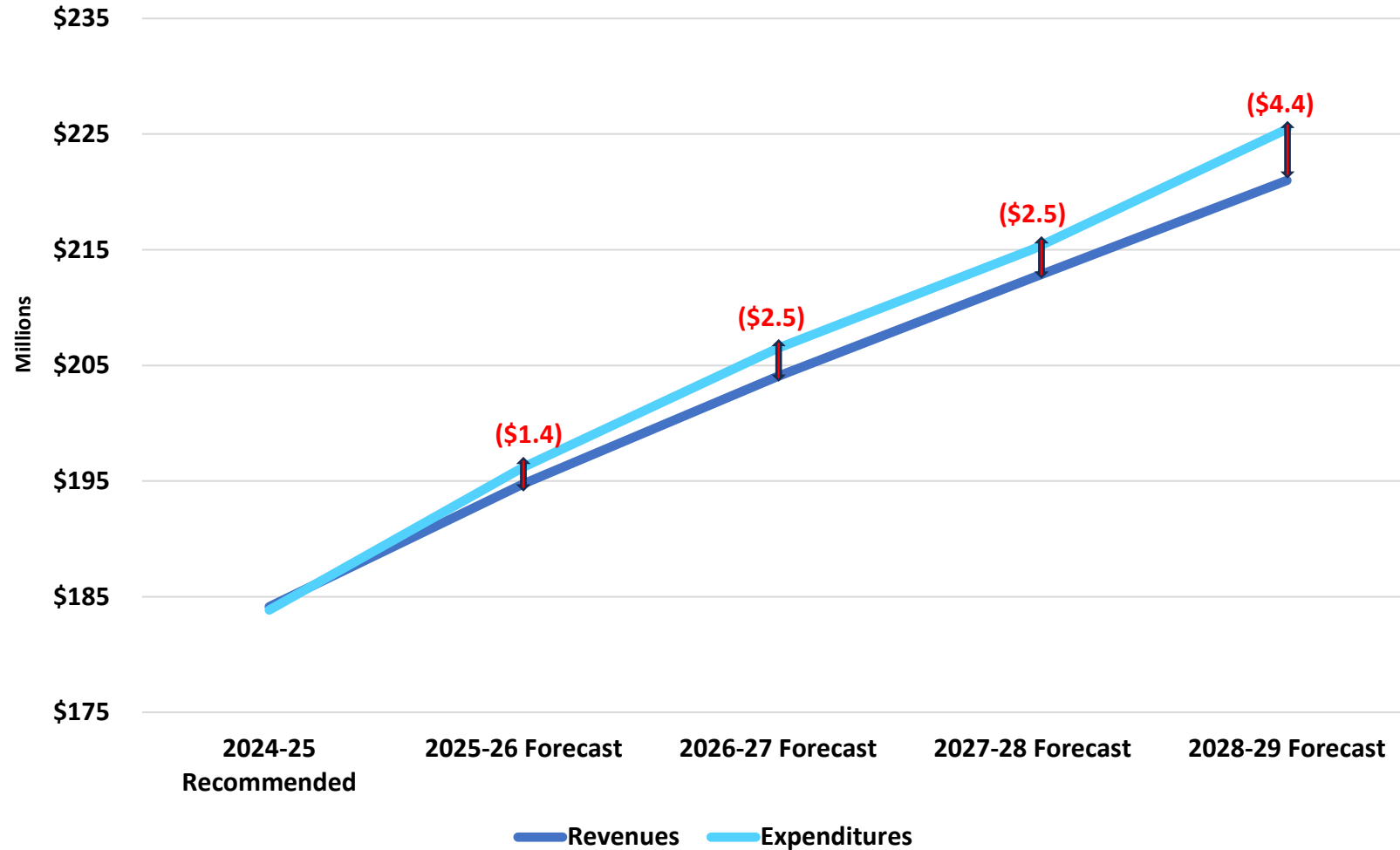
Expenditure Growth in FY 2024-25



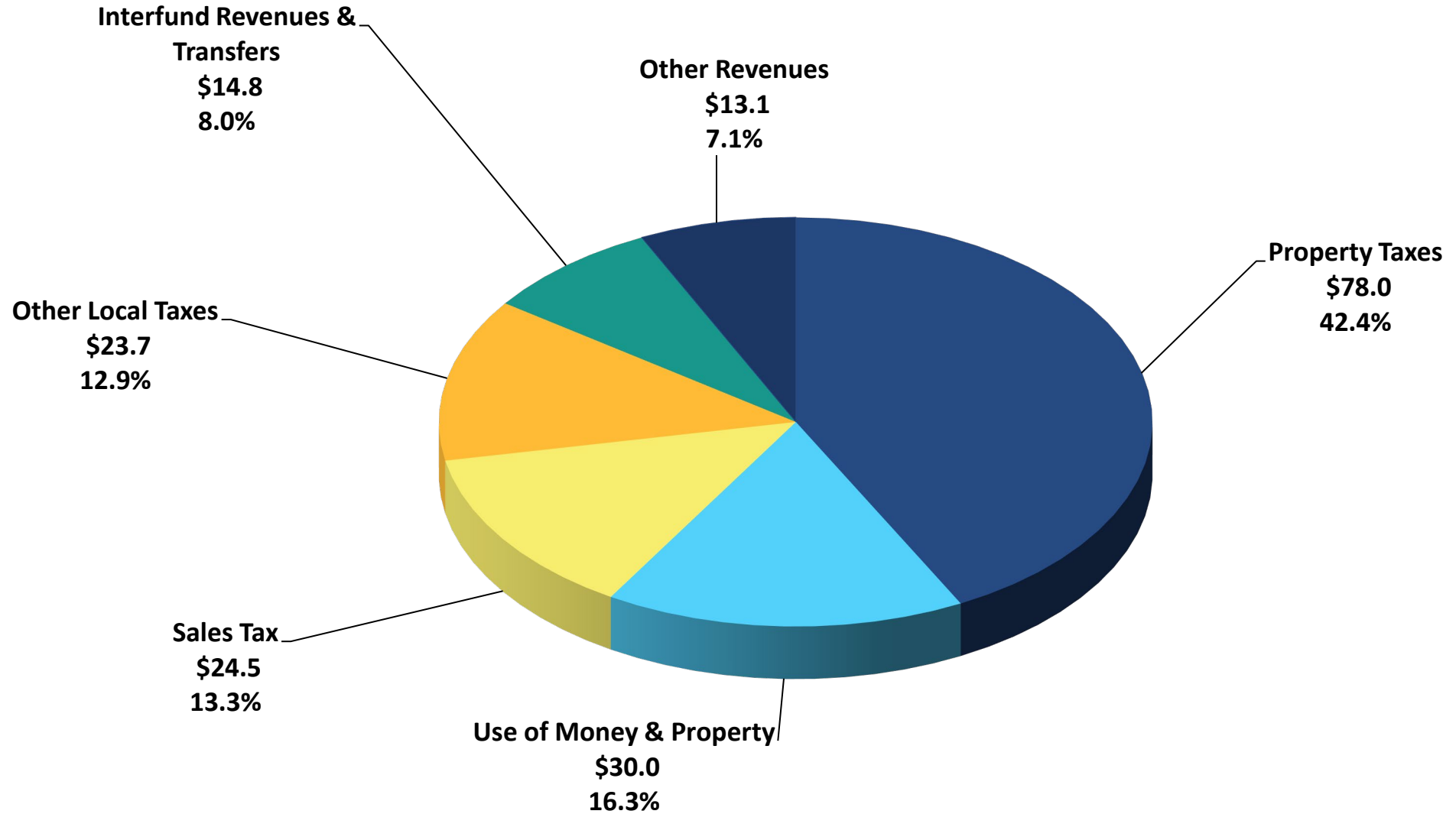
General Operating Fund Forecast (dollars in thousands)

	2023-24 Adopted	2023-24 Estimated	2024-25 Recommended	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
Revenues	\$ 180,846	\$ 181,813	\$ 184,144	\$ 194,783	\$ 204,048	\$ 212,577	\$ 220,988
Expenditures	(172,530)	(170,527)	(183,833)	(196,220)	(206,499)	(215,037)	(225,428)
Operating Balance	8,316	11,286	311	(1,437)	(2,451)	(2,460)	(4,440)
Transfer to GF Reserve	(3,000)	(3,000)	-	-	-	-	-
Transfer to Other Reserves	-	(6,000)	-	-	-	-	-
Ending Balance	\$ 5,316	\$ 2,286	\$ 311	\$ (1,437)	\$ (2,451)	\$ (2,460)	\$ (4,440)

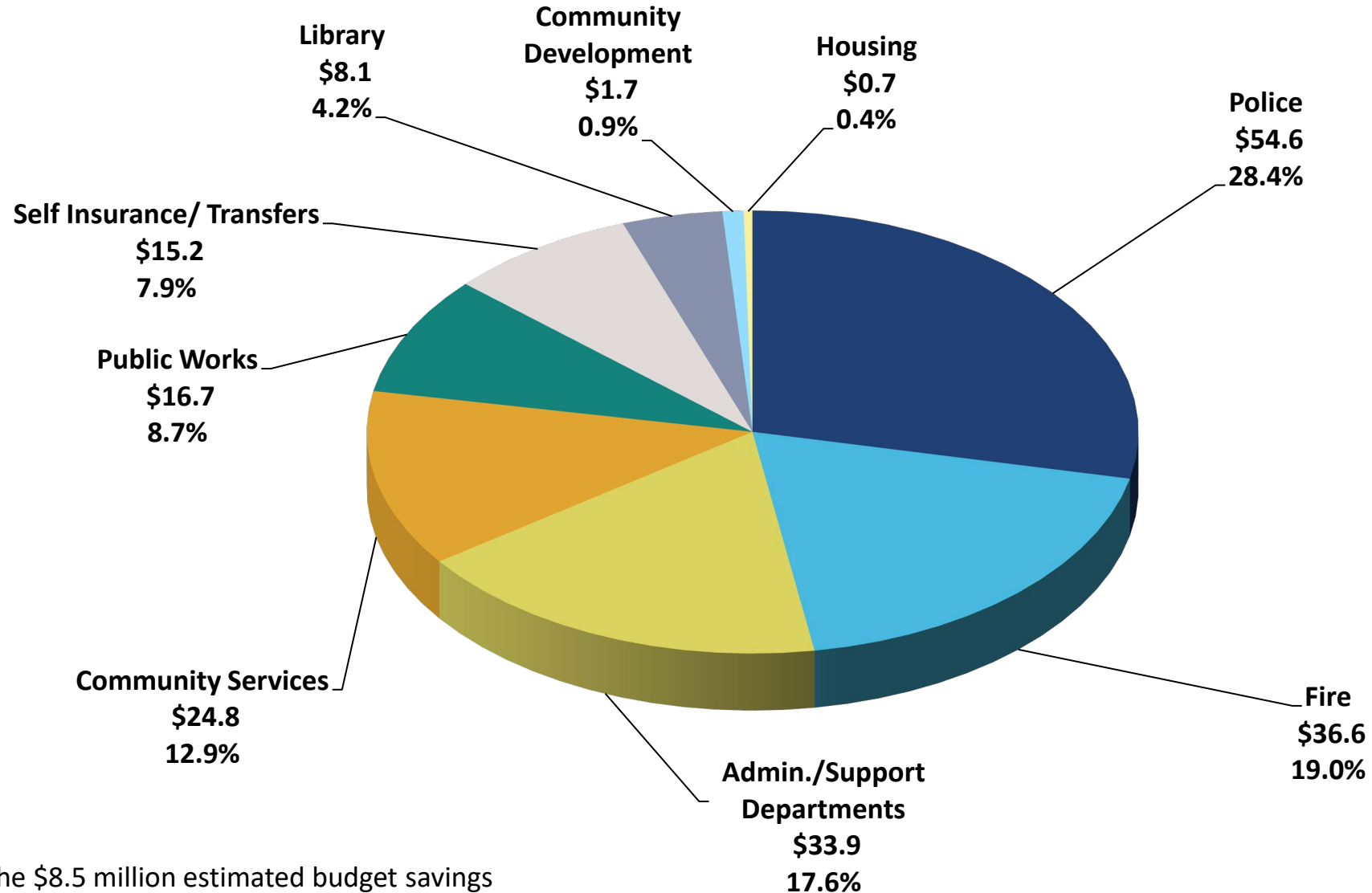
General Operating Fund 5-Year Outlook



FY 2024-25 General Operating Fund Revenues \$184.1M (dollars in millions)



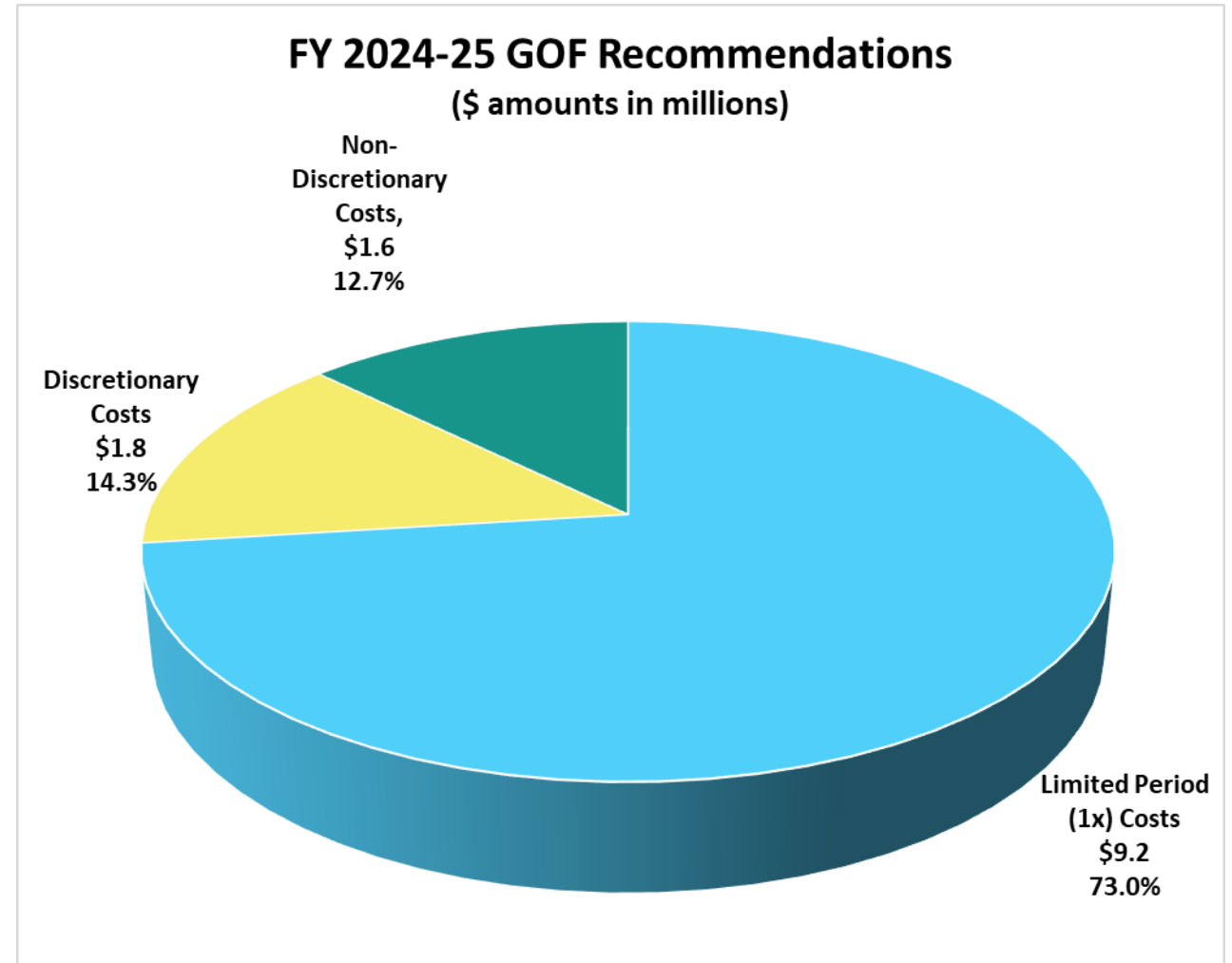
FY 2024-25 General Operating Fund Expenditures \$192.3M (dollars in millions)



Note: Excludes the \$8.5 million estimated budget savings

FY 2024-25 GOF Recommendations Summary

- Total Limited-Period (1x) Costs: \$9.2 million
- Total Discretionary Costs: \$1.8 million
- Total Non-Discretionary Costs: \$1.6 million



	Development Services Fund	Shoreline Regional Park Community Fund	Shoreline Golf Links & Michaels at Shoreline Restaurant Fund	Housing Fund
Operating Revenue	\$11.0 M	\$81.8 M	\$4.7 M	\$3.4 M
Operating Expenditures	\$17.5 M	\$42.5 M	\$4.5 M	\$37.6 M

- Total Non-Discretionary Projects (27) \$17,182
- Total Discretionary Projects (11) 8,480
- Total Amendments to Existing Projects (32) 39,942
- Total CIP \$65,604

- \$5.0 million – Capital Improvement Reserve
- \$2.5 million – General Fund Reserve
- \$2.0 million – Development Services Fund
- \$1.2 million – Compensated Absences Reserve
- \$1.2 million – Excess ERAF Clawback
- \$1.0 million – Parental Leave Reserve
- \$1.0 million – General Liability Fund



Water

- 6% overall revenue increase
- Average single family increase: **\$5.92/mo.**

Wastewater

- 3% overall revenue increase
- Average single family increase: **\$1.50/mo.**

Solid Waste Management

- 6% overall operating increase
- Average single family increase: **\$4.45/mo.**

Sample Single Family Monthly Bill	FY 2023-24	FY 2024-25	\$ Change	% Change
Water (7 units)	\$72.69	\$78.61	\$5.92	8.1%
Sewer	53.10	54.60	1.50	2.8%
Trash (1 32-gal. cart)	42.10	46.55	4.45	10.6%
Total Monthly Bill	\$167.89	\$179.76	\$11.87	7.1%

Water bill assistance information can be found on the City's Utility Billing webpage

Adoption of:

- Recommended Budget and CIP
- Utility Rates and various fees
- Gann Appropriations Limit

1. Convene a public hearing, accept public comment, and provide input to staff on the Fiscal Year 2024-25 Recommended Budget (Attachment 1).
2. Receive and file the Fiscal Years 2023-25 Council Work Plan: 12-Month Project Update (Attachment 2).