



FY 2020-21 Budget Update and Approving Use of an Equity Lens in the FY 2021-22 Budget Development Process

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NOVEMBER 10, 2020

Item 7.1



Outline

1. FY 2019-20 Unaudited General Operating Fund Balance
2. FY 2020-21 Budget Status
3. COVID-19 Program Updates
4. Other Appropriations
5. Use of Equity-Based Budget Lens in Development of the FY 2021-22 Budget



FY 2019-20 Unaudited General Operating Fund Balance

	2019-20 Adjusted <u>Budget</u>	May 5th 2019-20 <u>Estimate</u>	2019-20 <u>Unaudited</u>
Revenues	\$ 150,172	141,300	142,667
Expenditures	(146,744)	(141,125)	(136,911)
Rebudgets	<u>2,502</u>	<u>-0-</u>	<u>(1,229)</u>
Operating Balance	\$ <u><u>5,930</u></u>	<u><u>175</u></u>	<u><u>4,527</u></u>



FY 2020-21 Budget Status

General Operating Fund

		2020-21 Adopted <u>Budget</u>	2020-21 Est Q1 <u>Budget</u>	2020-21 1 st Qtr <u>Actual</u>	Variance of Est Budget <u>to Actual</u>
Revenues	\$	144,162	14,180	14,558	378
Expenditures	\$	144,021	32,887	28,709	4,178



General Operating Fund Revenues

	2020-21 Adopted <u>Budget</u>	2020-21 Est Q1 <u>Budget</u>	2020-21 1 st Qtr <u>Actual</u>	Variance of Est Budget to Actual
Property Taxes	\$ 57,207	344	308	(36)
Sales Tax	19,604	2,239	3,000	761
Other Local Taxes	17,237	2,168	2,218	50
Use of Money & Property	22,571	6,535	6,628	93
Other Revenues	<u>27,543</u>	<u>2,894</u>	<u>2,404</u>	(<u>490</u>)
Total Revenues	\$ <u>144,162</u>	<u>14,180</u>	<u>14,558</u>	<u>378</u>



General Operating Fund Expenditures

		2020-21 Adopted <u>Budget</u>	2020-21 Est Q1 <u>Budget</u>	2020-21 1 st Qtr <u>Actual</u>	Variance of Est Budget to Actual
Salaries and Benefits	\$	114,297	26,623	24,236	2,387
Supplies and Services		19,575	6,162	4,371	1,791
Cap Outlay/Equip Repl		2,820	102	102	-0-
Interfund Exp/Trsf		10,329	-0-	-0-	-0-
Debt Service		<u>1,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Expenditures	\$	<u><u>148,021</u></u>	<u><u>32,887</u></u>	<u><u>28,709</u></u>	<u><u>4,178</u></u>

FY 2020-21 Budget Status

Other Major Funds



Fund	Revenues	Expenditures
Development Services	On-track	Below budget
Shoreline Golf Links/ Michaels at Shoreline Restaurant	Below budget	Below budget
Shoreline Regional Park Community	On-track	Below budget

FY 2020-21 Budget Status

Utility Funds



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



Update on the COVID-19 Rent Relief Program

As of October 28, 2020:

- 963 households served
 - 631 have received or are awaiting two months of rent support
 - 1,594 checks disbursed or waiting to be disbursed
- \$1.9 million of City funds expended (approx. \$700k remaining)
 - 403 applications still pending
- 80% of the clients \leq 50% average median income (AMI)
 - The program has been modified to serve that population and for full rent (not 25% rent) for two months, due to the requirements of AB 3088



Update on the Small Business Relief Program

- Distributed \$7,000 zero-percent interest microloans to 71 small businesses
- November 9 – Relaunch program with \$277k remaining funds
 - Loan maximum increased to \$15k
- Consultant exploring long term options



Federal CARES Act Funding

- MV received \$1.0M in State's share of CARES Act funding for COVID-19 related expenditures
- Appropriate and authorize up to \$1.0M for funding community needs.
- Options include:
 - Additional rent relief
 - Small business relief program
 - Other Council priorities



Other COVID-19 Emergency Expenses

- FY 2019-20 costs
 - \$600k appropriated for COVID-19 emergency expenses
- FY 2020-21 costs
 - Additional \$200k costs through September 30
- Request budget adjustment at the Midyear Update in February.
 - Current estimate = \$500k



Equity-Based Budgeting Background

- Recent events have put spotlight on social tensions and economic difficulties
- City has diverse resident population
- MV desires to address more equitable outcomes and opportunities for communities of color and lower-income residents
- Using an budget equity lens is a tool to help achieve this goal
- Recommended by the Council Sub-committee on Race, Equity, and Inclusion



Equity-Based Budgeting Background

- Equity-based budgeting primarily used in larger cities (e.g., San Antonio, Portland, San Jose) with considerable infrastructure and staffing
- Used to address racial disparities and enhance more favorable outcomes in community
- Asks questions about how new (or scaled back) programs may affect communities of color and lower income residents (positive or negative)
 - Using Budget Equity Tool (BET)
- Goal is to enable full participation in economic vitality and contribute to future successes



Equity-Based Budgeting – Primary Objectives

1. Identify if budget requests advance equitable outcomes
2. Identify burdens and benefits of decisions on communities of color and low-income communities
3. Ensure programs, plans, and investments reduce disparities
4. Increase community engagement in the process



Considerations for Mountain View

- Scope of EBB is extensive
- Mountain View resources are limited – start with small steps
- Assess new budget requests in context using equity lens
 - First step toward integrating EBB into annual budget process
- Process to grow over time as resources allow
- Incorporate into FY 2021-22 budget development process



Equity Lens in Mountain View

- Apply an Equity Lens by asking two questions for new budget requests:
 - Does this benefit communities of color and low-income residents? How?
 - Does this burden communities of color and low-income residents? How?
- Enhance Community Engagement Efforts
 - Budget 101 Workshop; Budget Blog
- Be Accountable
 - Set goals and measure progress over time



Council Feedback Sought

- 1. Does Council agree with the recommendation to incorporate an equity budget lens into the Fiscal Year 2021-22 budget process?***
- 2. What are Council's funding priorities for appropriating \$1M in CARES Act revenue?***



Recommendations

1. Receive the Fiscal Year 2010-21 First Quarter Budget Update.
2. Appropriate and authorize the use of up to \$1.0 million in CARES Act revenues to be used for funding community needs such as additional rent relief, small business relief program, or other priorities as directed by the City Council. (Five votes required)
3. Authorize the Finance and Administrative Services Director to increase appropriations in the General Operating Fund up to the amount of Business License Tax revenue received in order to transfer 90.0 percent of the revenue generated from the restructured tax to the Transportation Reserve (80.0 percent) and the General Housing Fund (10.0 percent). (Five votes required)



Recommendations

4. Authorize the Finance and Administrative Services Director to increase appropriations in the VTA 2016 Measure B Sales Tax subfund up to the amount received and appropriated for capital projects. (Five votes required)
5. Approve the use of an equity lens as part of the Fiscal Year 2021-22 budget process.