



Fiscal Year 2020-21 Proposed Budget Public Hearing

**Presenters: Kimbra McCarthy, City Manager
Jesse Takahashi, Finance & Admin Services Director**

JUNE 9, 2020

Item 6.1



Budget Development and Adoption Timeline

December

December 13

Dept. budget requests due to Finance

February

Dept. meetings with Interim City Manager & Review Team

February 11

Midyear Budget Report

February 25

Update on Council Goals and Work Plan

March

March 12

State of Emergency Declared

March 17

Shelter in Place Order
City Facilities Closed
Essential Work Only

April

April 21

CIP Study Session

April/May

Reassessed Revenues, Expenditures, and Dept. Requests due to COVID-19

May

May 4

Shelter in Place Order extended through May 31

May 5

GOF Budget Update Due to COVID-19 Impacts

June

June 9

CIP Adoption

June 9 and 23

Budget Public Hearing and Adoption

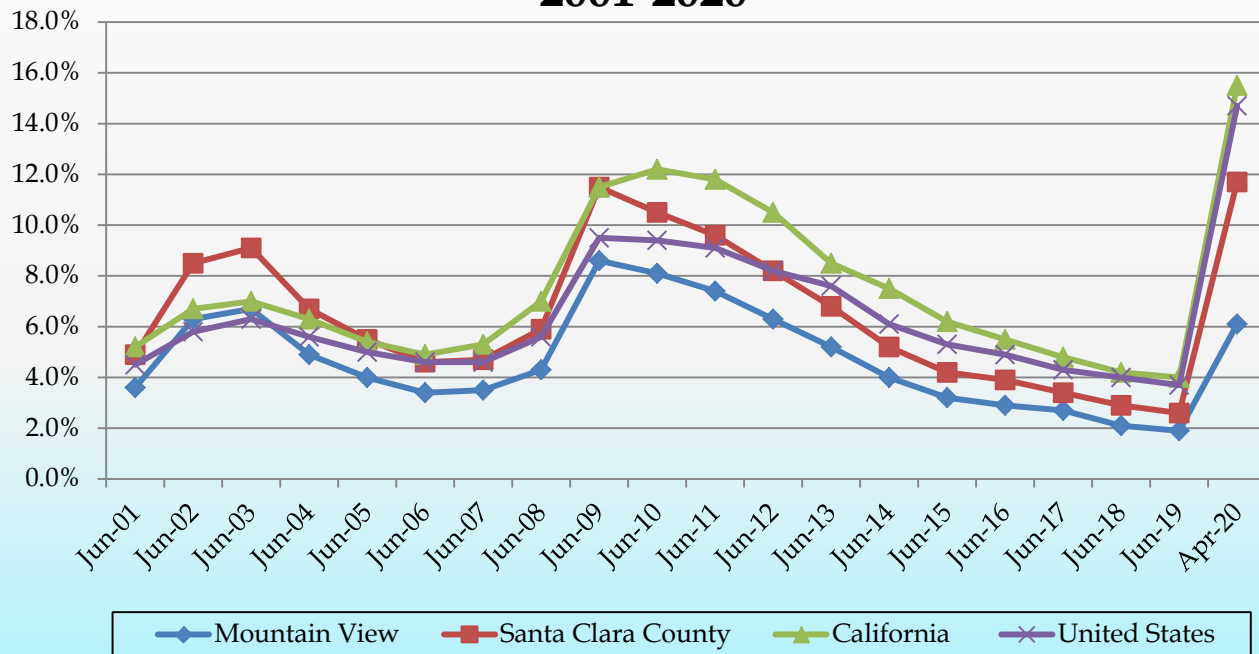
June 30

CDBG Public Hearing



COVID-19 Global Pandemic

Unemployment Rate 2001-2020



- Unemployment claims:
 - 39M jobs lost nationwide
 - > 4.8M jobs lost in CA
- Unemployment rate
 - 14.7% in U.S.
 - 15.5% in CA
 - 11.7% in SCC
 - 6.1% in Mountain View



City's Response to Crisis

- Using digital signatures for all contracts
- Implementing a paperless permitting process and digital plan review
- Offering virtual recreation classes
- Online appointment scheduling system
- Library added > 500 e-books /e-audiobooks
- Installing automatic pedestrian recall at 23 traffic intersections
- Conducting meetings virtually
- Redeploying staff to help nonprofits
- >400 employees working from home
- Activating the Emergency Operations Center and drafting the COVID-19 recovery plan
- Piloting 3 Safe Parking Lots for 116 unstably housed residents to park 24/7
- >15 portable restrooms/handwashing stations for homeless/unstably housed



City's Response to Crisis

- >5,000 face masks to the community
- Calling 700+ small businesses in MV
- Online employee wellness program
- Partner w/ SCC to provide COVID-19 mobile testing services at City parking lots
- Networking via 90 Spanish-language Ambassadors & Chinese/Russian community groups
- Planning for closure of downtown Castro St to vehicles for restaurants and pedestrians
- Delivering updates through *The Briefing* e-newsletter
- Holding Virtual Town Halls
- Creating the MV Resiliency Roundtable for stakeholders to collaborate

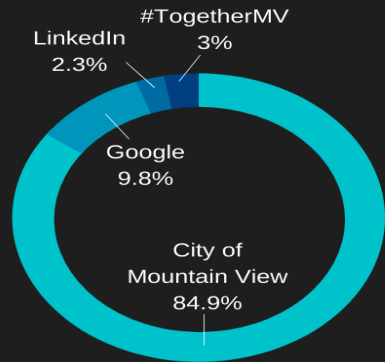


How Mtn View has Helped the Community

RELIEF FUNDING

\$4.1 mil

in Local Relief Funding



\$3.472mil

allocated to Relief Efforts
for local COVID-19
hardships



\$2.634mil

Rent Relief



\$500k

Small Business Relief



\$100k

Small Landlord Relief



\$100k

Utility Bill Relief Program



\$100k

additional Safe Parking
Program funding



\$50k

mobile showers and
washer/dryer services



\$50k

Grocery Gift Card Program



\$33k

outdoor portable toilets
and hand washing stations



\$5k

rechargeable
power banks

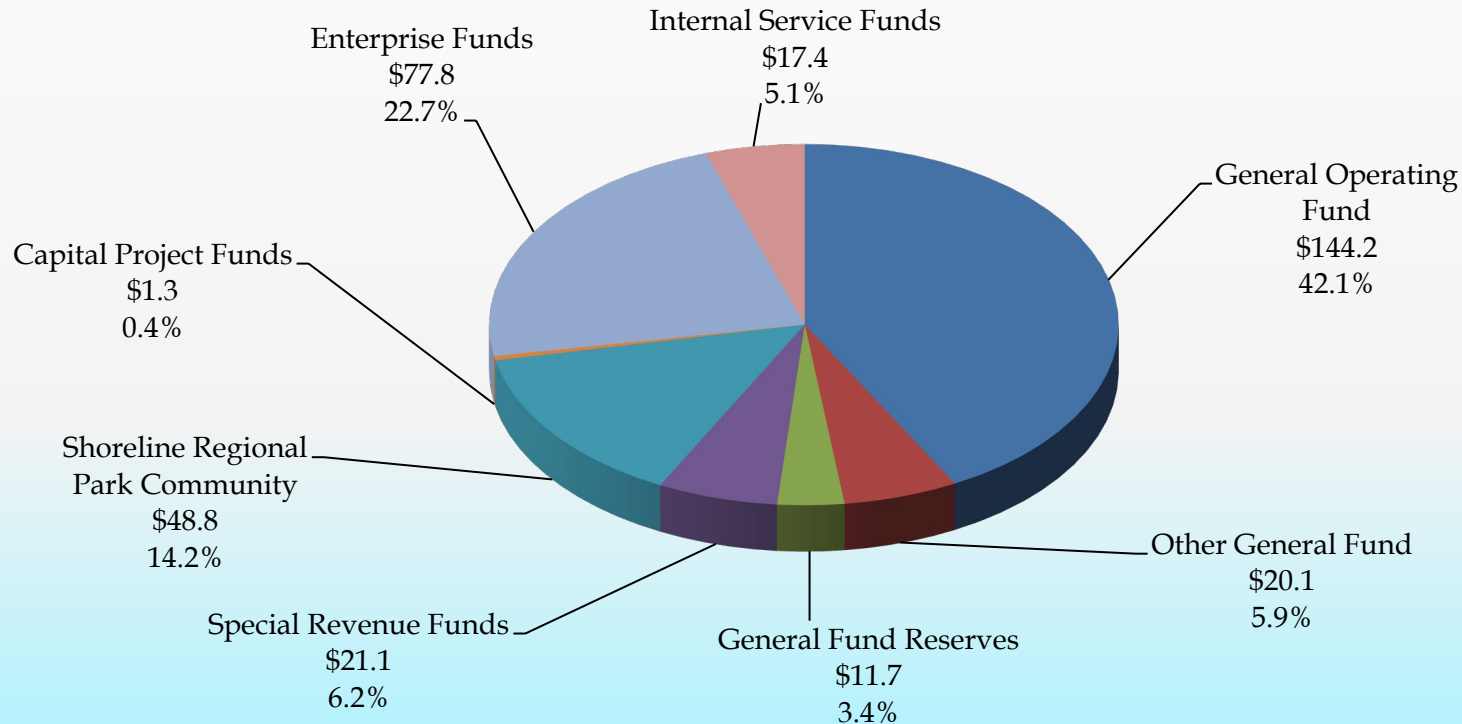


Budget Priorities

- Essential service delivery and COVID-19 community response efforts, including services for the most vulnerable residents
- Return or recovery of Citywide operations once the shelter-in-place order is modified
- Economic development and small business strategy efforts
- Public communications, engagement, and community-building
- Strategic planning for the future, with an emphasis on innovation, efficiency, and operational improvements designed to better serve the community and achieve desired outcomes as we adapt to the crisis and the “next normal”

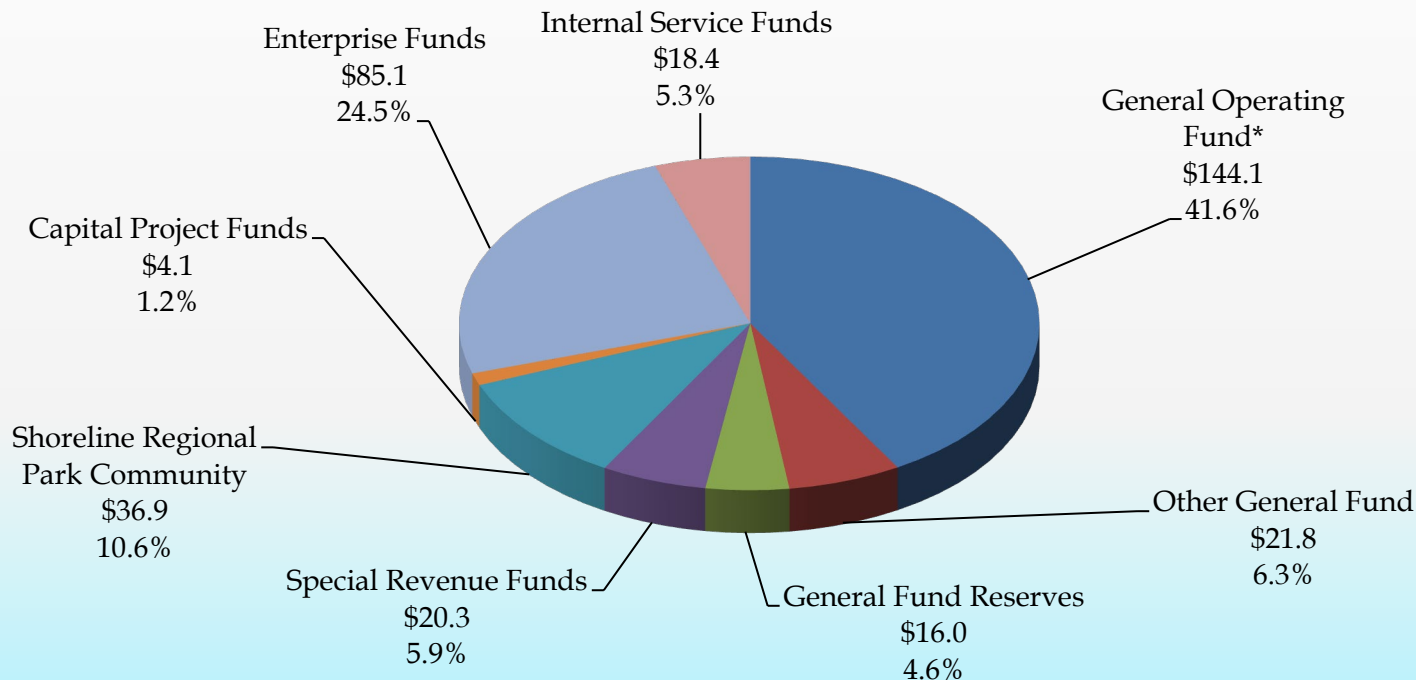
FY 2020-21 Proposed Revenues - All Funds \$342.4M

(dollars in millions)



FY 2020-21 Proposed Expenditures - All Funds \$346.7M

(dollars in millions)



* GOF is net of \$4.0 million estimated budget savings

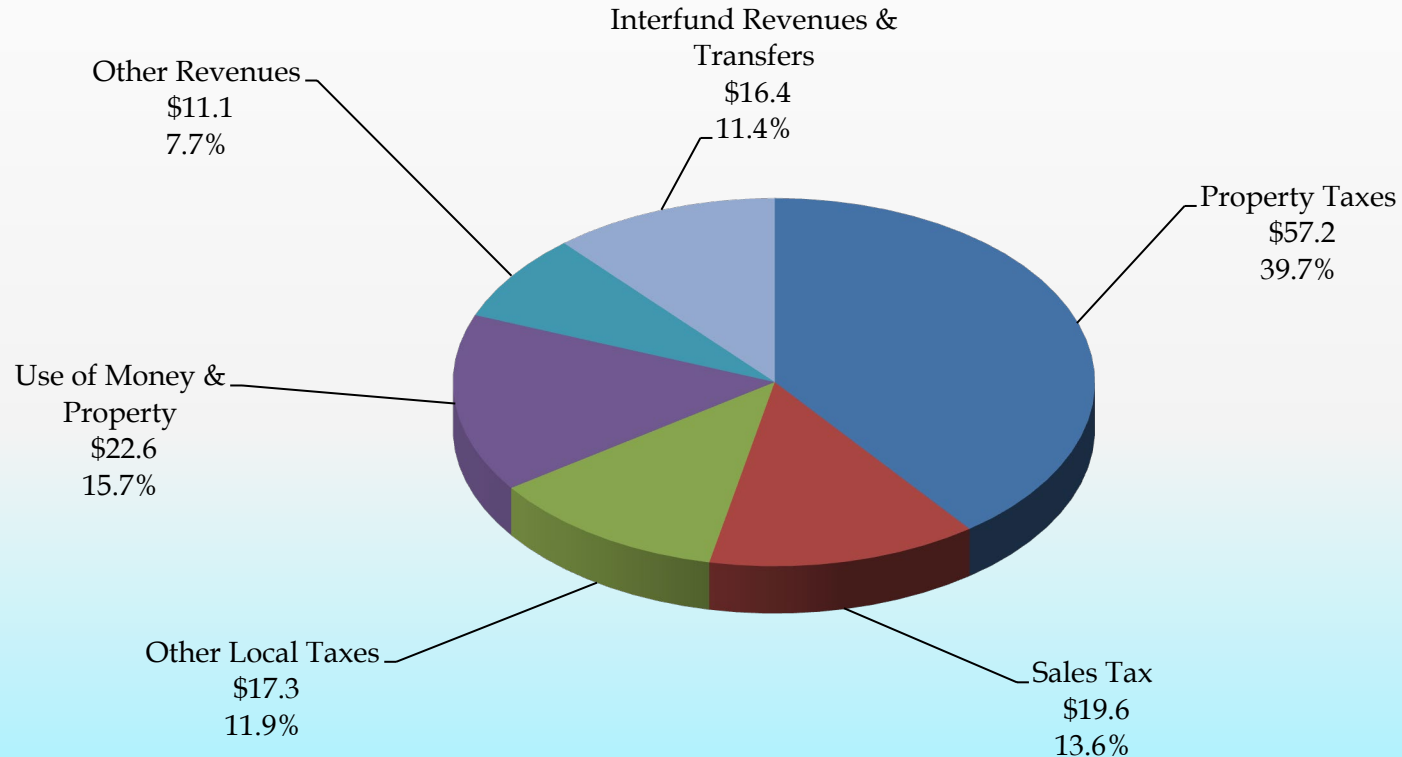


General Operating Fund Budget

	2018-19 <u>Audited</u>	2019-20 <u>Adopted</u>	2019-20 <u>Estimated</u>	2020-21 <u>Proposed</u>
Revenues	\$ 146,010	148,324	140,800	144,162
Expenditures	<u>(120,779)</u>	<u>(135,415)</u>	<u>(133,546)</u>	<u>(144,052)</u>
Operating Balance	25,231	12,909	7,254	110
Transfer to GNOF	(6,500)	(1,000)	(1,000)	-0-
Transfer to GF Reserve	(1,000)	(2,000)	(2,000)	-0-
Transfer to Transp Reserve	(2,000)	-0-	-0-	-0-
Transfer to Cap Imp Reserve	(2,000)	(3,000)	-0-	-0-
CalPERS Contribution	(4,000)	(4,000)	(4,000)	-0-
OPEB Contribution	<u>(1,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Ending Balance	\$ <u><u>8,731</u></u>	<u><u>2,909</u></u>	<u><u>254</u></u>	<u><u>110</u></u>

FY 2020-21 General Operating Fund Revenues \$144.2M

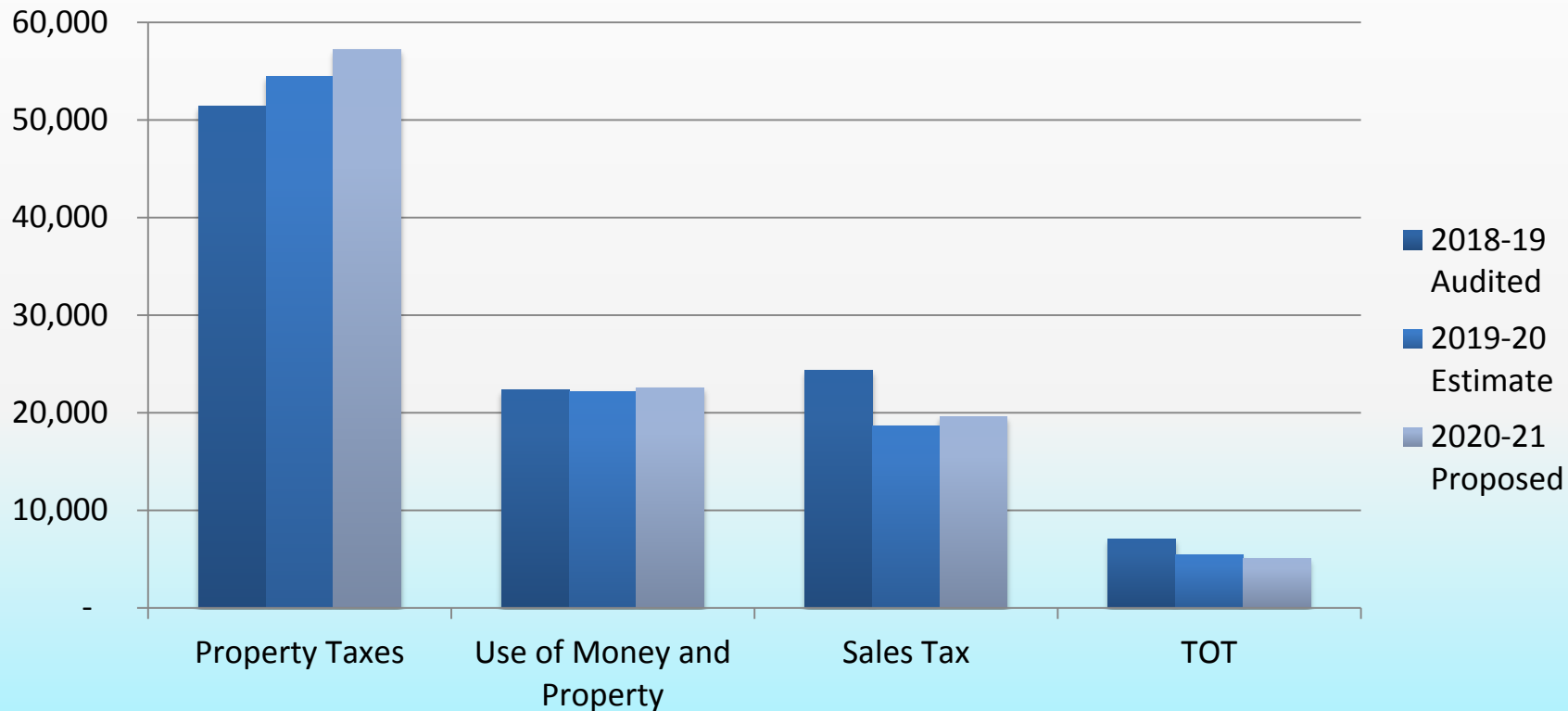
(dollars in millions)





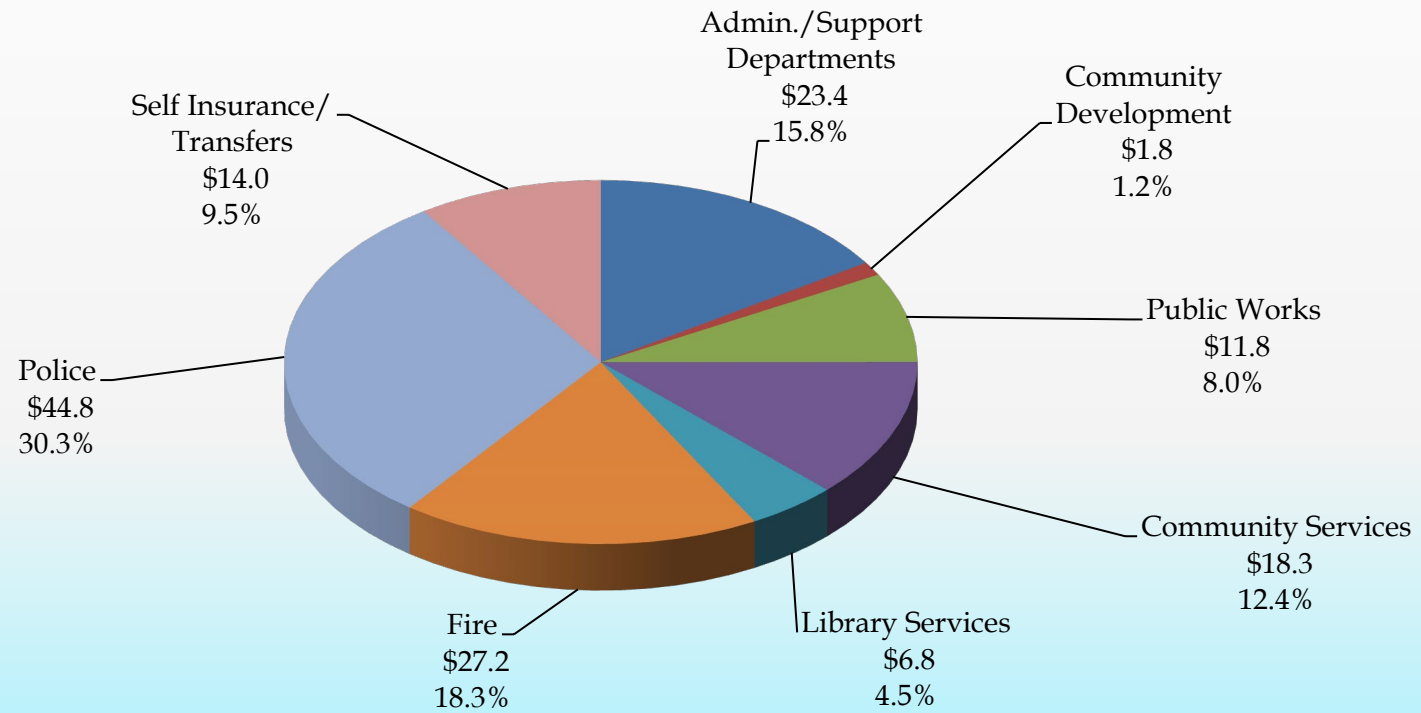
Major Revenues

(dollars in thousands)



FY 2020-21 General Operating Fund Expenditures \$148.1M

(dollars in millions)



Note: Excludes the \$4.0 million estimated budget savings



GOF Forecast

	<u>2020-21</u> <u>Proposed</u>	<u>2021-22</u> <u>Forecast</u>	<u>2022-23</u> <u>Forecast</u>	<u>2023-24</u> <u>Forecast</u>	<u>2024-25</u> <u>Forecast</u>
Revenues	\$ 144,162	151,344	157,948	165,803	171,817
Expenditures	(<u>144,052</u>)	(<u>151,428</u>)	(<u>161,304</u>)	(<u>164,637</u>)	(<u>167,965</u>)
Operating Balance	\$ <u>110</u>	<u>(84)</u>	<u>(3,356)</u>	<u>1,166</u>	<u>3,852</u>
<u>Scenario 1-SIP thru Aug</u>					
Revenue Loss	(<u>2,676</u>)	(<u>2,159</u>)	(<u>1,634</u>)	(<u>1,411</u>)	(<u>1,252</u>)
Operating Balance	\$ <u>(2,566)</u>	<u>(2,243)</u>	<u>(4,990)</u>	<u>(245)</u>	<u>2,600</u>
<u>Scenario 2-SIP thru Oct</u>					
Revenue Loss	(<u>2,482</u>)	(<u>1,999</u>)	(<u>1,290</u>)	(<u>965</u>)	(<u>740</u>)
Operating Balance	\$ <u>(5,048)</u>	<u>(4,242)</u>	<u>(6,280)</u>	<u>(1,210)</u>	<u>1,860</u>



FY 2020-21 GOF Recommendations Summary

- Total Non-Discretionary Costs: \$538K
- Total Discretionary Costs: \$822K
- Total Limited-Period (1x) Costs: \$3.9M



Development Services Highlights

- Permit revenues impacted by COVID-19
- Operating revenues projected at \$15.1M
- Expenditures projected at \$16.7M
- Ending balance projected at \$13.2M

Shoreline Golf Links/Michaels at Shoreline Restaurant



Fiscal Year 2019-20

- All revenues impacted due to facilities' closure
- Required GNOF transfer of \$500K to remain balanced

Fiscal Year 2020-21

- Revenues projected at \$4.2M
- Expenditures projected at \$4.0M
- Projected \$200K combined transfer to GOF
- Modest fee increases proposed



Shoreline Regional Park Community Highlights

- Property taxes are principal source of revenue
- Projected revenues are \$48.8M
- Projected expenditures are \$36.9M
 - Includes Capital improvement projects of \$4.2M



Proposed Utility Rates

Water

- 1% increase for water and meter rates, and \$0.50/unit increase for recycled water for Year 3 of a 3-year phase-in (effective Jan 1, 2021)
 - Average single family increase: **\$1.12/month** for 14 units of water

Wastewater

- 4% overall rate increase (2% on July 1, 2020 and 2% on Jan 1, 2021)
 - Average single family increase: **\$1.70/month** by January 1, 2021

Solid Waste Management

- 2% overall rate increase (effective Jan 1, 2021)
 - Average single family increase: **\$0.70/month** for 32-gallon cart



FY 2020-21 Proposed Fees

- Majority of fees proposed with inflationary increases
- New or modified fees
 - Building Attendant
 - Shoreline Golf Links fees
 - Fire Event Team (4-Person)
 - Cannabis fees
 - Utility rates



FY 2020-21 Capital Projects Summary

(dollars in thousands)

■ Total Non-Discretionary Projects (33)	\$16,265
■ Total Discretionary Projects (22)	15,626
■ Total Amendments to Existing Projects (3)	<u>960</u>
■ Total CIP	<u><u>\$32,851</u></u>



City Council Major Goals Work Plan

- Staff experiencing a significant workload, which will continue in the year ahead
- Work Plan timeframes and deliverables needed to be assessed for 69 projects approved at midyear
- Of those 69 projects:
 - 15 completed
 - 45 currently under way or ongoing
 - 9 recommended for deferral due to workload constraints
 - 4 new projects related to critical COVID-19 efforts
- Gatekeeper application process recommended for deferral until Fall 2021

Much Uncertainty Still Ahead



Recommendations



1. Convene a public hearing, accept public comment, and provide input to staff on the Fiscal Year 2020-21 Proposed Budget (see Attachment 1 to the Council report).
2. Approve the revised City Council Major Goals Work Plan for Fiscal Year 2020-21.
3. For Fiscal Year 2019-20, appropriate \$600K in the General Non-Operating Fund for emergency expenses related to COVID-19. (Five votes required)
4. For Fiscal Year 2019-20, appropriate and transfer \$500K from the General Non-Operating Fund to the Shoreline Golf Links/Michaels at Shoreline Restaurant Fund to cover a projected deficit for Fiscal Year 2019-20 related to the impact of COVID-19. (Five votes required)
5. For Fiscal Year 2019-20, appropriate and transfer \$1.5M from the Workers' Compensation Self-Insurance Fund to the Liability Insurance Fund. (Five votes required)



Police Department Proposed Budget

- Total citywide General Fund expenses are increasing 7.5%, as compared to Police expenses increasing 5.2%
- Increases primarily due to normal inflationary cost increases
- Police budget (\$46.4M) is just 13% of total City budget (\$346.7M)



Police Proposed Budget Items

Budget Item

- Drones (\$13k)
- 3-D Laser Scanner (\$99k)
- Special Ops. Detective Hybrid Vehicles (\$97k)
- Replace Patrol Rifles (\$52k)
- Upfit Patrol Vehicles (\$159k)

Reason for Including

- Missing persons & incident scene investigations (re-budget)
- Maps incident or accident scene; saves staff time & money
- Replaces older leased vehicles; better for environment
- Replaces 20-yr old rifles; for serious threats such as an active shooter
- Lights & siren; safety equipment for vehicles being replaced (re-budget)



City Spending on Homeless and Affordable Housing

- Past 4 years, City spent over \$2M for safe parking and other services for homeless residents
- Past 5 years, City provided \$3M for rental assistance
- Past 5 years, City spent \$40M on affordable housing
- An additional \$89M has been committed to build over 700 new units of affordable housing