



Fiscal Year 2021-22 Recommended Budget Public Hearing

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

JUNE 8, 2021

Item 7.2



Budget Development and Community Engagement Timeline

November

February

March

April

May

June

November 10

Q1 Budget
Update and
Approve Use of
Equity Lens

February 6

Facilitated City
Council Strategic
Planning Session

February 9

Midyear
Budget Report

February 25, 27

Strategic
Planning Virtual
Community
Workshops

March 3, 4

Strategic
Planning
Community
Focus Groups

March 16

Draft Vision,
Strategic
Priorities, and
Potential Projects
Study Session

March 23

CIP Study Session

April 6

Budget 101
Workshop

April 27

Q3 Budget
Update

Refinement of
Strategic
Roadmap
Action Plan

CDBG Public
Hearing

May 12-26

Strategic
Roadmap survey

May 25

CIP Study Session

June 8

Budget Public
Hearing

June 22

CIP Adoption

Prop 218 &
Budget Public
Hearings and
Adoption

Strategic Roadmap
Action Plan
Adoption

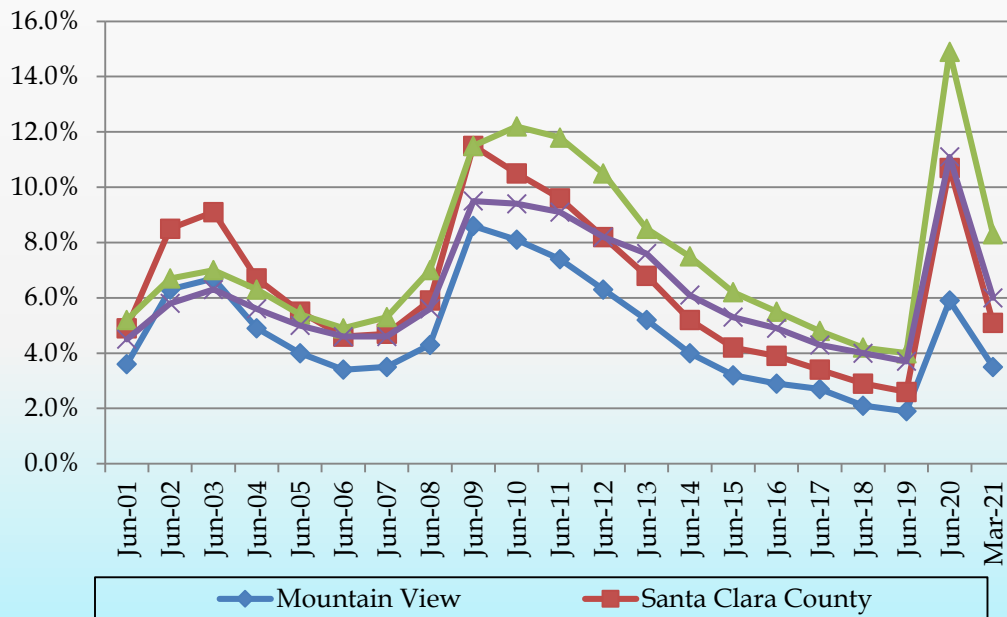


Background

Since the last budget update:

- County now in “yellow” tier
- Vaccines expanded to ages 12+
- Climbing to 80% of the County vaccinated
- Unemployment rate as of March 2021
 - U.S. = 6.0%
 - CA = 8.3%
 - SCC = 5.1%
 - **Mtn View = 3.5%**
- City continues to respond to community needs
- State to reopen on June 15
- Economic outlook positive but still much uncertainty

Unemployment Rate 2001-2021





COVID-19 Response and Recovery

- Funded approx \$4M toward rent relief programs
- Secured State Project Homekey funding of \$12M to open LiveMoves Mountain View, an interim housing community
- Operated three 24/7 safe parking lots
- Distributed more than \$900,000 in zero-interest microloans to 100+ small businesses
- Provided \$250k for the Small Business Grant Program to fund 50 \$5k grants to small businesses
- Collaborated with MV Chamber of Commerce to develop www.ilovemv.org online marketplace for local small businesses

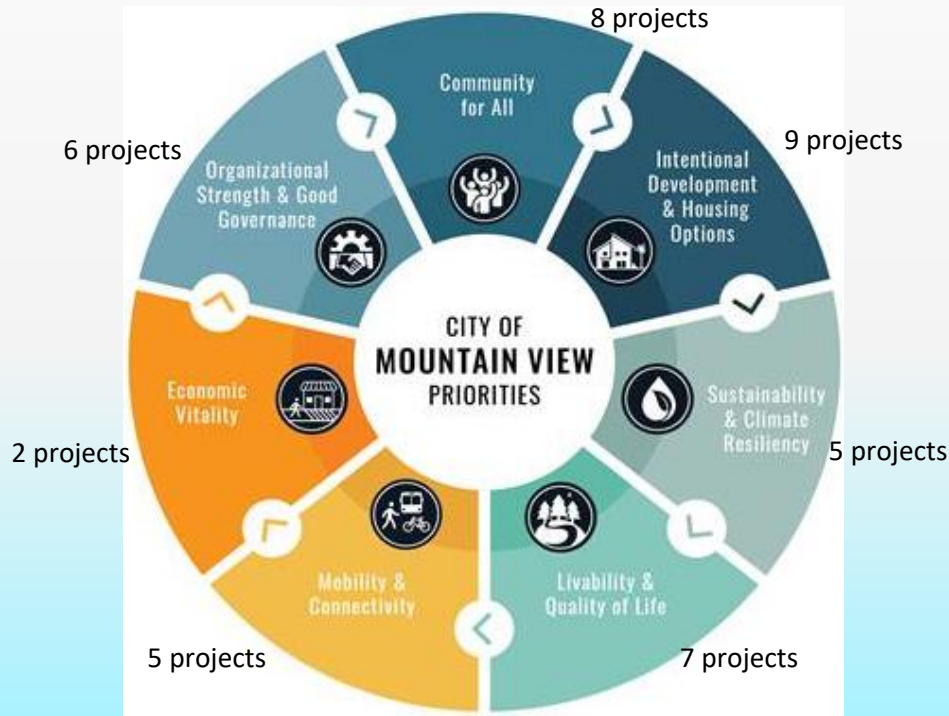


COVID-19 Response and Recovery

- Implemented “Outdoor Mountain View” (OMV) guidelines to allow outdoor restaurants and businesses
- Opened the first mass vaccination clinic at the Community Center
- Established the MV “Homebound” COVID-19 mobile vaccination clinic
- Implemented Castro StrEATS program
- Continued MV Resiliency Roundtable
- Launched the Library “Grab and Go Holds” pickup program, new digital services, and more ebooks

Vision Statement and Strategic Priorities

“A welcoming, vibrant city that plans intentionally and leads regionally to create livable, sustainable neighborhoods, access to nature and open spaces, and a strong, innovation-driven local economy.”



Total = 42 Action Plan Projects



American Rescue Plan Act (ARPA)

Recommended Uses

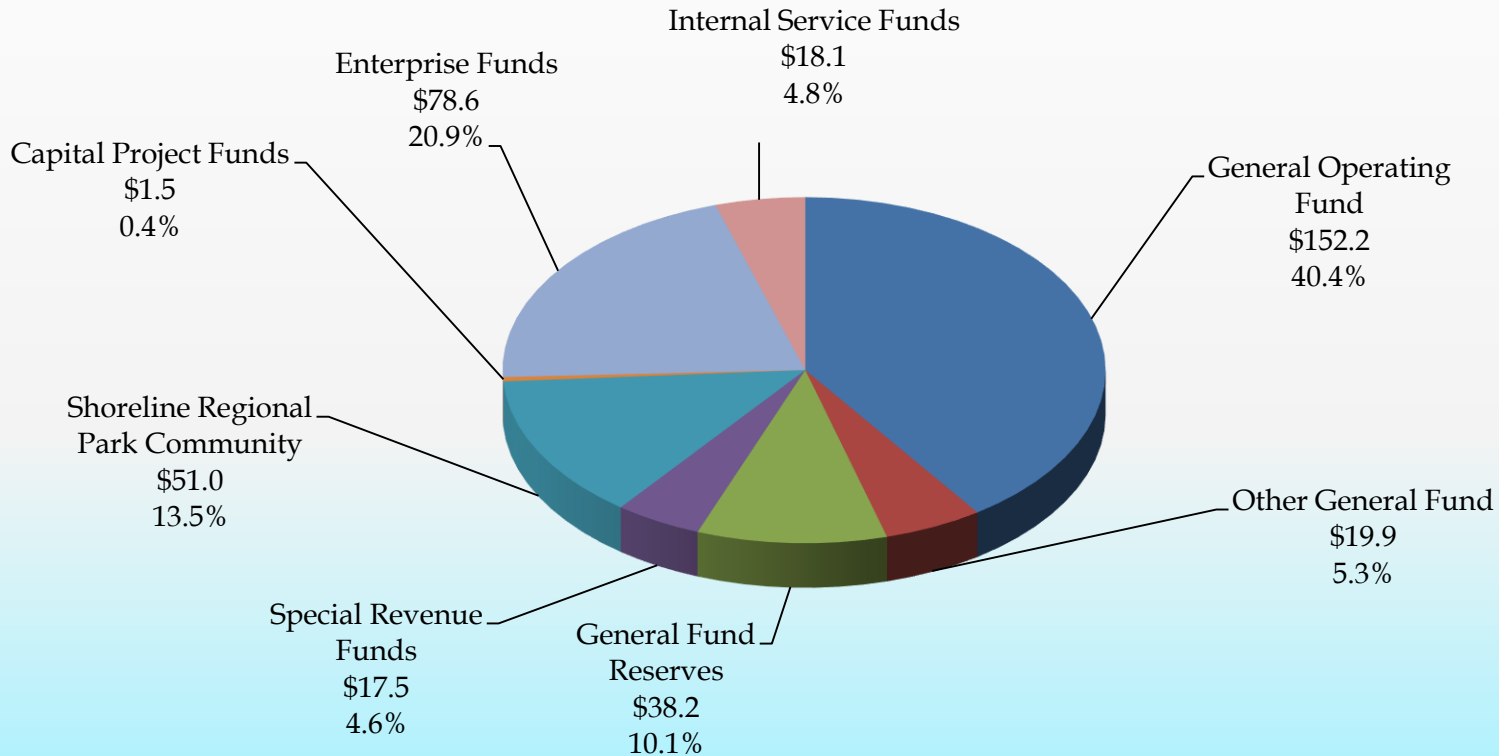
Recommended Uses	Amount
Community Services Agency (CSA) funding	\$ 1,000,000
Guaranteed Basic Income pilot program	1,000,000
Mountain View Solidarity Fund	1,000,000
Technology equipment, hardware, and IT contracts	950,000
Unpaid utility bills for residents/small business	750,000
Contract services/PPE/facility improvements for reopening City buildings	600,000
Safe parking and homelessness services	250,000
Small business grants of \$5,000 for businesses	235,000
Economic vitality strategy	200,000
Award of funding to nonprofits	117,000
CHAC one-time funding	100,000
Castro StrEATs aesthetic improvements	60,000
Displacement strategy	50,000
Eviction defense fund	50,000
TOTAL	\$ 6,362,000



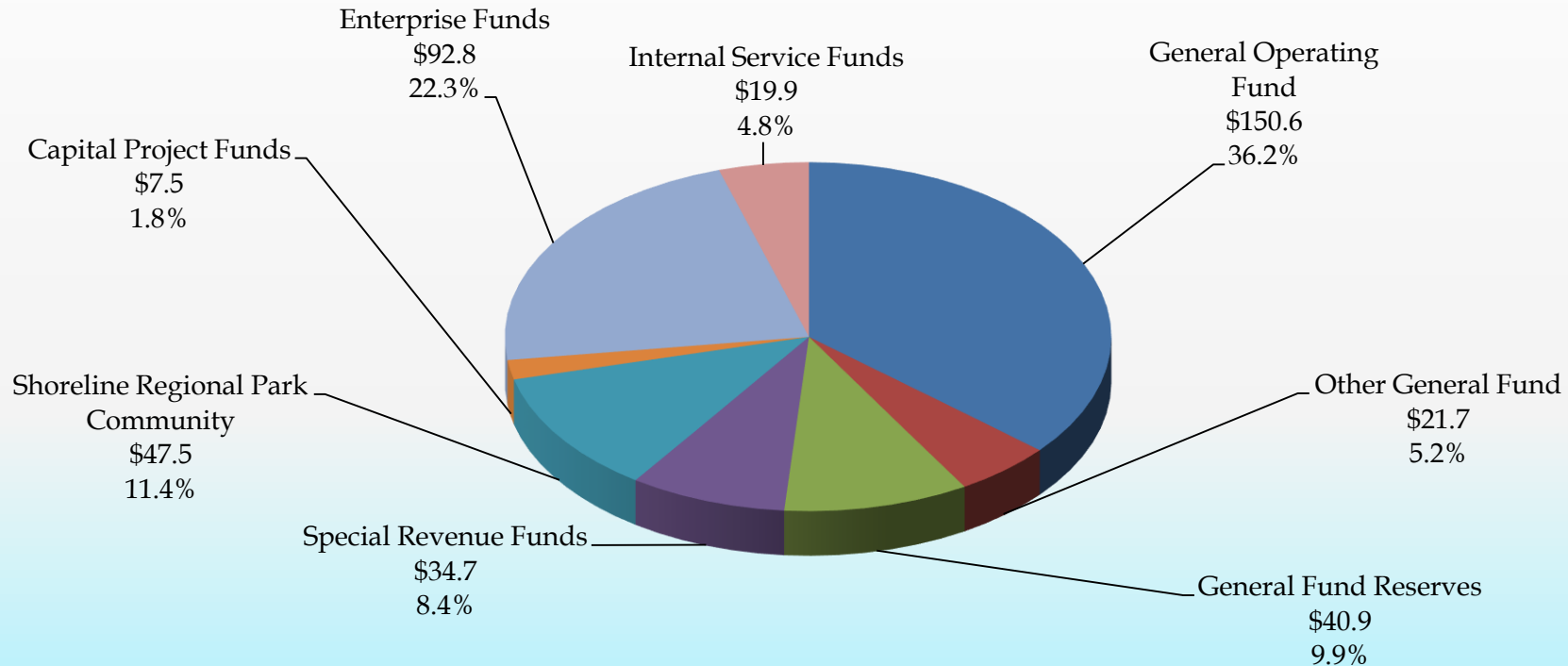
Budget Equity Lens

- One-time and ongoing recommendations were assessed by asking :
 1. Does this benefit communities of color and/or low-income residents?
 2. Does this burden communities of color and/or low-income residents?
- Limited period and ongoing budget recommendations benefit communities of color and low income residents
- A new full-time Human Services Manager position is recommended to replace a vacant Police Officer position as part of the City's commitment to equity.

FY 2021-22 Recommended Revenues – All Funds \$377.0M (dollars in millions)



FY 2021-22 Recommended Expenditures – All Funds \$415.6M (dollars in millions)



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

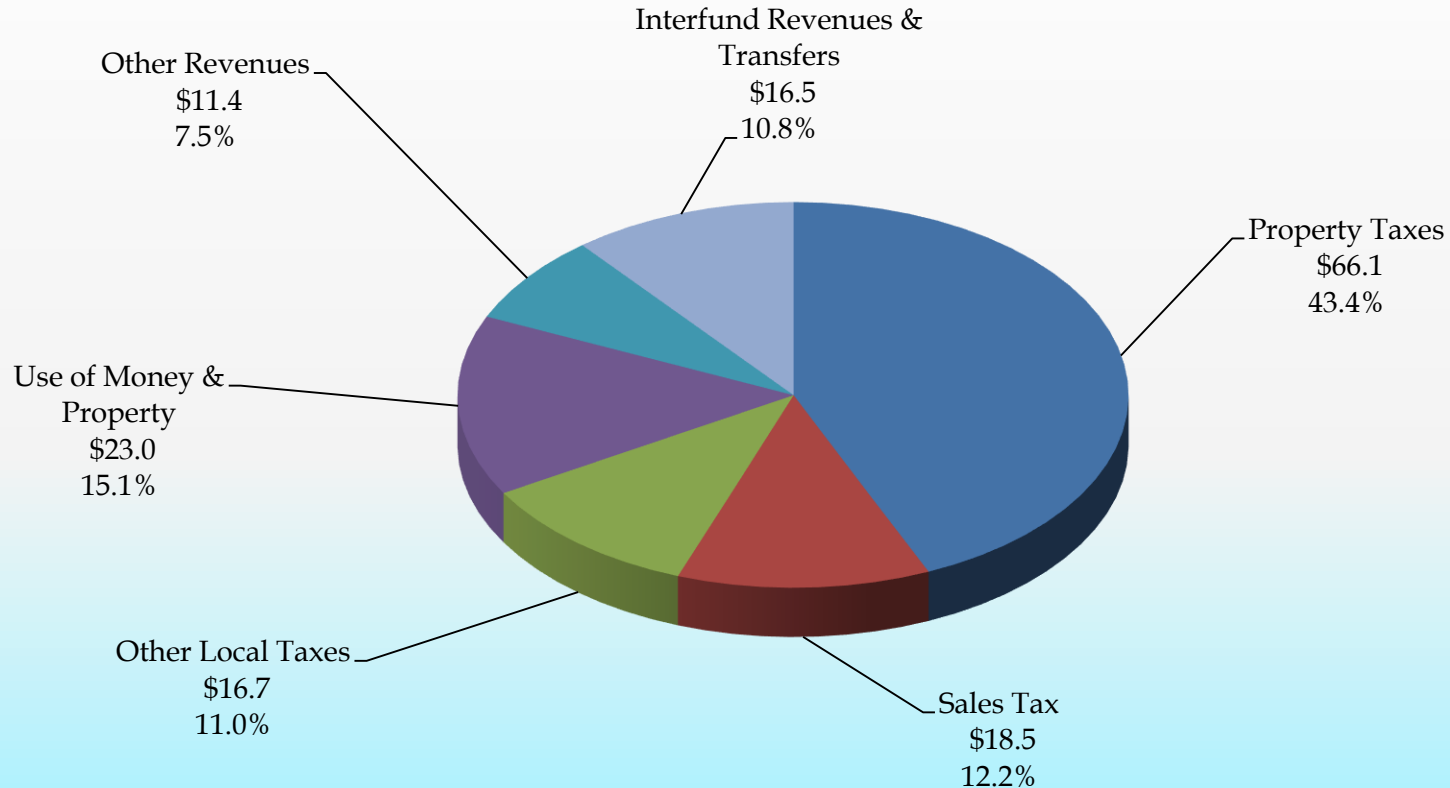


General Operating Fund Budget

	2019-20 <u>Audited</u>	2020-21 <u>Adopted</u>	2020-21 <u>Estimated</u>	2021-22 <u>Recom.</u>
Revenues	\$ 142,667	144,162	142,187	146,412
Expenditures	<u>(129,911)</u>	<u>(144,021)</u>	<u>(141,171)</u>	<u>(150,634)</u>
Operating Balance	12,756	141	1,016	(4,222)
Excess ERAF Contribution	-0-	-0-	4,864	5,836
Transfer to GNOF	(1,000)	-0-	-0-	-0-
Transfer to GF Reserve	(2,000)	-0-	-0-	-0-
CalPERS Contribution	<u>(4,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Ending Balance	\$ <u>5,756</u>	<u>141</u>	<u>5,880</u>	<u>1,614</u>

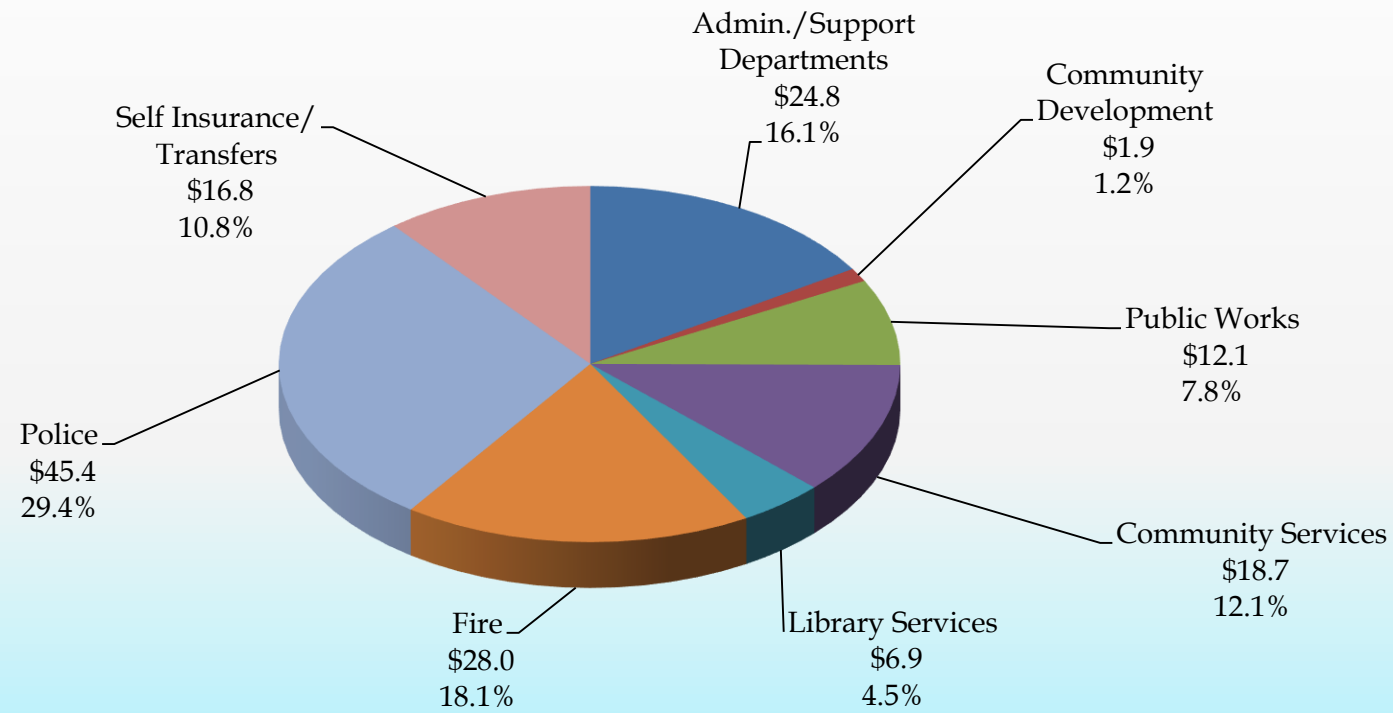
FY 2021-22 General Operating Fund Revenues \$152.2M

(dollars in millions)



FY 2021-22 General Operating Fund Expenditures \$154.6M

(dollars in millions)



Note: Excludes the \$4.0 million estimated budget savings



FY 2021-22 GOF Recommendations Summary

- Total Non-Discretionary Costs: \$178,000
- Total Discretionary Costs: \$954,000
- Total Limited-Period (1x) Costs: \$3,400,000



GOF Five-Year Forecast

		2021-22 <u>Recom.</u>	2022-23 <u>Forecast</u>	2023-24 <u>Forecast</u>	2024-25 <u>Forecast</u>	2025-26 <u>Forecast</u>
Revenues	\$	146,412	154,936	163,435	171,288	177,057
Expenditures		<u>(150,634)</u>	<u>(159,518)</u>	<u>(164,942)</u>	<u>(171,283)</u>	<u>(176,388)</u>
Operating Balance	\$	<u>(4,222)</u>	<u>(4,582)</u>	<u>(1,507)</u>	<u>5</u>	<u>669</u>
Excess ERAF Contr.		5,836	-0-	-0-	-0-	-0-
Ending Balance	\$	<u>1,614</u>	<u>(4,582)</u>	<u>(1,507)</u>	<u>5</u>	<u>669</u>



Other Major Funds

Development Services

- Operating revenues projected at \$15.3M
- Operating expenditures projected at \$17.6M
- Includes \$177K ongoing increases and \$2.2M LP

Shoreline Golf Links/Michaels at Shoreline Restaurant

- Revenues projected at \$3.8M
- Expenditures projected at \$3.6M
- Projected \$150K combined transfer to GOF

Shoreline Regional Park Community

- Property taxes are principal source of revenue
- Operating revenues projected at \$51.0M
- Operating expenditures projected at \$33.9M (includes \$215k LP)
- \$13.4M capital projects



Recommended Utility Rates

Water

- 1% increase for the average cost of water, meter rates, and recycled water
 - Average single family increase: **\$1.26/month** for 14 units of water

Wastewater

- 6% overall rate increase (includes a 2.0% increase for Year 8 of a 10-year
- phase-in period to fund future major renovations at the Treatment Plant)
 - Average single family increase: **\$2.65/month**

Solid Waste Management

- 4% overall rate increase
 - Average single family increase: **\$1.45/month** for 32-gallon cart

FY 2021-22 Capital Projects Summary

(dollars in thousands)



■ Total Non-Discretionary Projects (26)	\$16,286
■ Total Discretionary Projects (17)	27,465
■ Total Amendments to Existing Projects (28)	<u>15,733</u>
■ Total CIP	<u>\$59,484</u>



Next Steps - June 22

- Public Hearing for Utility Rates and Budget Adoption
- Gann Appropriation Limit Adoption
- CIP Adoption
- Strategic Roadmap Action Plan Fiscal Years 2021-23 Adoption



Recommendations

1. Convene a public hearing, accept public comment, and provide input to staff on the Fiscal Year 2021-22 Recommended Budget (Attachment 1 to the Council report).
2. Approve the Strategic Roadmap Action Plan Fiscal Years 2021-23.
3. If approved on Consent, direct staff to include in the Fiscal Year 2021-22 Recommended Budget, General Housing Fund, \$150,000 for the first-year grant funding from Destination: Home.
4. Direct staff to include in the Fiscal Year 2021-22 Recommended Budget in the City Council's Budget \$15,000 for team-building, \$18,100 to restore the Training, Conference and Travel reserve, and \$4,000 to restore the additional travel allowance for the Mayor back to pre-pandemic levels.



Recommendations (cont.)

5. Authorize the City Manager to amend the agreement with the Community Services Agency to increase funding of \$1.0 million for direct financial assistance and other programs at CSA's discretion, which may include rent relief.
6. Authorize the use of another \$3.0 million (for a total of \$6.0 million) for the Homebuyer Program from the Earned Lease Revenue Reserve.
7. Defer new Gatekeeper requests until the fall of 2023 when Strategic Action Plan items and major planning projects get completed over the next two years.