July 1, 2002

Honorable City Council
City of Mountain View

FISCAL YEAR 2002-03 ADOPTED OPERATING BUDGET

Honorable Mayor Lieber and Members of the Council:

I am pleased to present to you the Adopted Operating Budget for the City of Mountain View for the fiscal year beginning July 1, 2002 and ending June 30, 2003. This document contains changes for all City operations adopted by City Council for the 2002-03 fiscal year. The Fiscal Year 2002-03 budget document is divided into five sections:

1. Introduction—includes a summary of the City's overall financial plan;

2. Department Budgets—includes operating plans for all City departments;

3. Statistical Section—includes statistical information about the City;

4. Fund Schedules—includes adopted budgets for all funds; and

5. Five-Year Forecast—includes the General Operating Fund revenue and expenditure forecast.

This budget and the documents that accompany it have been prepared in accordance with Section 1103 of the City Charter, the State Constitutional limit on the proceeds of taxes and all applicable regulations.

OVERVIEW

The City will face significant challenges and economic uncertainty in Fiscal Year 2002-03. Following several years of rapid revenue growth, Fiscal Year 2001-02 revenues dropped substantially due to the economic slowdown and corresponding decreases in construction activity and increases in office vacancies. Fiscal Year 2001-02 General Operating Fund unaudited actual revenues are approximately $4.9 million below the Adopted Budget. The Economic Stabilization Contingency, increased in the Fiscal Year 2001-02 budget to $5.6 million due to growing economic uncertainty,

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absorbed the revenue decline without having to resort to midyear budget reductions. Unfortunately, it appears revenues for Fiscal Year 2002-03 would continue to decline if it were not for additional revenues recommended in the budget restructuring proposals.

The Adopted General Operating Fund Budget for Fiscal Year 2002-03 responds to diminished revenues by making some adjustments to the financial structure of the budget and reducing operating expenditures with the objective of avoiding noticeable service level reductions to the public to the greatest extent possible. A funding shortfall exists between available revenues and necessary expenditures to maintain the current level of service.

The Adopted Budget not only addresses this projected shortfall but also balances the budget with a projected positive ending balance. At a study session on April 1, 2002, staff presented the strategy and measures being considered to balance the Fiscal Year 2002-03 budget and received Council's input on the acceptability of these proposals. The Adopted Budget reflects those strategies.

The State budget deficit is a major concern as we work to adjust to our own General Operating Fund budget challenges. At the time this budget was adopted, the State's budget for Fiscal Year 2002-03 was facing an estimated shortfall of between $22.0 billion and $24.0 billion. How the State will deal with this issue and whether local government revenues will be negatively impacted is not known at this time but is becoming an increasing concern.

Significant special funds, Revitalization Authority, Shoreline Golf Links and Shoreline Regional Park (North Bayshore) Community Funds are generally in good financial condition. The Revitalization Authority Fund has sufficient projected revenues to recommence loan payments to the General Fund and support a future bond issue to assist with funding additional public parking in the downtown area. Major renovations have been completed at Shoreline Golf Links, rounds of play have increased and revenues are higher than budgeted. The Shoreline Regional Park Community continues to generate sufficient tax increment revenues to meet ongoing operations and capital needs; although with increased vacancies of commercial/industrial space, property tax increment revenue may decline in the near term.

The utility funds are generally in stable financial condition with the exception of the Wastewater Fund, although revenues have declined in all utility funds as a result of the economic slowdown. While not necessary to balance revenues and expenditures, a 3.0 percent rate increase is approved for the Water Fund in order to continue the

strategy of implementing smaller incremental rate increases. This strategy would avoid larger, more significant increases due to the San Francisco Water Department (SFWD) increases in wholesale water costs for capital improvements to the Hetch-Hetchy system and would fund the City's own water capacity expansion. A more significant rate adjustment of 8.0 percent is approved to reduce the operating deficit in the Wastewater Fund, and there is no rate increase for the Solid Waste Management Fund.

The Adopted Budget continues the City's commitment to infrastructure repair and replacement and includes significant funding for the first year of the Five-Year Capital Improvement Program. This Program includes new projects that are high priorities to the Council and the community. The Adopted Budget also includes investments in capital outlay and equipment replacement. Priority is given to equipment that improves employee safety and efficiency.

The General Operating Fund has faced financial challenges in the past and has emerged from difficult economic conditions stronger. The prospect of a new hotel and other initiatives that will strengthen the City's economic base offer hope that our current revenue difficulties will not be long term in nature. If the State can resolve its budget shortfall without negatively impacting local revenues, it is anticipated that the City will be able to successfully manage its way out of this slowdown. If State actions result in the taking of local revenues, the future of the City's ability to balance the budget without significant service level impacts looks much less certain.

The Fund Schedule Section of this budget presents the City's financial picture in detail. Following this letter are Exhibits 1 and 2, which detail revenues and expenditures for the Fiscal Year 2000-01 (audited actual), Fiscal Year 2001-02 (adopted and unaudited actual) and Fiscal Year 2002-03 (adopted) for the General Operating Fund and other funds.

MAJOR ACCOMPLISHMENTS IN FISCAL YEAR 2001-02

City Attorney's Office

- Adopted a new wood smoke ordinance regulating wood-burning fireplaces in new construction.
- Began review of possible amendments to the Heritage Tree Ordinance.
- Completed additions to the City's Tobacco Control Ordinance and heightened enforcement.

City Manager's Office

- Completed the Community Child-Care Center Feasibility Analysis in cooperation with the Mountain View-Los Altos Community Child-Care Task Force and began developing program parameters for a child-care center.

- Began review and analysis of Census 2000 data.

- Undertook a review of mobile home park issues through a City Council ad hoc committee.

- Assisted and monitored the successful transition of the Day Worker's Center to a property at California Street and Escuela Avenue.

- Began developing preliminary workforce housing assistance initiatives in cooperation with school districts.

- Completed a detailed review and comment process leading to a City Council position statement on NASA's "Ames Development Plan" environmental documentation.

- Planned and implemented three Centennial Celebration events in conjunction with the Centennial Committee.

- Completed an analysis of traffic and pedestrian flow conditions at Shoreline Amphitheatre.

- Began participation in the Children and Families First Commission's North County Regional Partnership for planning and implementing early childhood development programs.

- Implemented City web site improvements and achieved more than 15,000 unique visitors per week to the web site.

- Continued successful community outreach programming, including implementing a Community Emergency Response Team course in Spanish.

- Began a City-wide facilities survey for Americans with Disabilities Act accessibility compliance.

- Completed a detailed review and comment process leading to a City Council position statement on the Navy's Site 25 Wetlands Remediation Plan at Moffett Federal Airfield.

- Received City Council authorization for a Youth Resources Manager position and began recruitment.

Employee Services Department

- Began review of retiree health plan issues in conjunction with the retiree health plan discussion group.

- Implemented expanded training and organizational development programs to enhance skills and services of over 250 City employees.

Finance and Administrative Services Department

- Awarded AAA credit rating by Standard and Poor's.

- Received numerous awards for comprehensive annual financial report and budget documents and procurement practices.

Community Development Department

- Completed the draft Housing Element.

- Adopted revisions to the Commercial Zoning District section of the Zoning Ordinance.

- Completed processing a proposed amendment to the Americana Center Precise Plan.

- Implemented a Housing Impact Fee.

- Completed project design, development review, lease agreement and City Council approval of the Efficiency Studios project.

- Implemented an Interim Historic Preservation Ordinance.

- Developed a new Conditional Use Permit Ordinance addressing changes of use for downtown.

- Finalized the conceptual plan for a second downtown parking structure.

- Received awards for transit-oriented development from the American Planning Association and the California Local Government Commission, and was selected for the Physical Fitness of Cities Exhibition at the 2002 Winter Olympics.

- Completed development of and began implementing a downtown retail recruitment strategy.

- Finalized the work plan for Phase II of the Downtown Precise Plan update.

- Issued Request for Proposals and received three proposals for the Charleston East Hotel/Conference Center site.

- Initiated review of the City's economic development strategy.

- Completed implementation of the E-Permits on-line permit application and inspection scheduling program.

- Completed private development and design review and building permits for numerous residential and commercial developments, including three significant downtown commercial buildings, totaling over $118 million in construction valuation.

Public Works Department

- Completed the Adobe Building Renovation project.

- Completed construction of Fire Station No. 2.

- Completed construction of El Camino Real Median Renovation, Phases I and II (from Crestview Drive to El Monte Avenue).

- Completed construction of the Miramonte Water Main Replacement project.

- Began construction of Centennial Plaza.

- Began construction of Evelyn Avenue Improvements, Phase II, between Stevens Creek and Pioneer Way.
- Began developing a master plan for the Senior Center site, including a potential child-care center location.
- Began design for Evelyn Avenue Improvements, Phase III, between Pioneer Way and Bernardo Avenue.
- Began feasibility study and environmental review for Stevens Creek Trail, Reach 4, Segment 2, from Yuba Drive to Mountain View High School.
- Began environmental review for the Miramonte Reservoir addition.
- Participated in regional efforts, through the Bay Area Water Users Association, to advocate for seismic upgrades to the Hetch-Hetchy water system.
- Began the Rengstorff Avenue Railroad Grade Separation Feasibility Study.
- Attained landfill waste diversion rate of 52 percent (exceeding the State's goal).
- Achieved major energy savings through conservation efforts.
- Completed a feasibility study for a landfill electricity generation facility.
- Continued coordination with the Valley Transportation Authority on design and construction of the Highway 85/Highway 101 interchange improvements.
- Began developing business terms and agreements with the Mountain View-Whisman School District for additional water storage at Graham Middle School and concurrently began developing a Request For Proposals for this project.
- Continued work with the Community School of Music and Arts regarding construction of a new campus, including approval of a new financing plan and amendments to the Disposition and Development Agreement and Ground Lease.
- Completed installation of three new traffic signals.
- Completed digitization of Utility Maps and transfer into GIS, and began field verification of data.

- Resolved Sleeper, Bonita and Alice Avenue neighborhood traffic issues by working with these neighborhoods through the Neighborhood Traffic Management Program.

- Began implementing components (customer service, streets, utility and storm systems, and fleet management) of Computerized Maintenance Management System.

- Completed design and began construction of a new water well.

- Completed construction of the Cuesta Park Playground.

- Completed construction of the Shoreline Park Sailing Scow Play Structure.

- Began construction of Stevens Creek Trail, Reach 4, Segment 1 (from Dana Street to Yuba Drive).

- Began design for the Hetch-Hetchy Trail between Whisman Road and Easy Street.

- Completed preschematic design for the new Community Center building.

Community Services Department

- Adopted an updated Parks and Open Space Plan.

- Continued the review of Del Medio area neighborhood park location options.

- Began research regarding potential locations for a BMX bicycle park.

- Attained "Tree City USA" designation.

- Conducted a Center for the Performing Arts' 10th Anniversary Celebration.

- Completed a vendor search for the Center for the Performing Arts Café and began lease negotiations.

- Achieved the highest ever participation at Shoreline Golf Links with more than 78,000 rounds of golf.

- Conducted the Sixth Annual Mayor's Youth Conference.

- Received the Centennial Medallion Award for Charleston Park from the American Society of Landscape Architects, designating it as one of the best 100 parks in the last 100 years for outstanding landscape architecture.

Library Services Department

- Completed a library collection development plan for materials selection and maintenance and acquired two new collections (books on CD and DVDs).

- Completed the Historical Photo Collection Digitization project, with historical photos now available through the Library's online catalog.

- Completed the community input phase of the Library's strategic plan development.

Police Department

- Completed Police Department reaccreditation evaluation and initiated a State-wide Police Accreditation Coalition.

- Developed a policy on Bias-Free Policing and initiated demographic data collection on vehicle stops.

- Completed the first year of the Police Department's Youth Intervention and Education for Life-Long Decision-Making (YIELD) Program.

- Continued successful implementation of the Police Department's Youth Services Unit through School Resource Officers, the Dreams and Futures program and Child Abuse Investigators.

- Completed the first year of False Alarm Reduction Effort, resulting in a 36 percent reduction in false alarms since January 1, 2002.

- Successfully completed the first year of the Handicap Area Parking Patrol, utilizing police volunteers to enforce handicap parking violations and proper signage.

MAJOR GOALS FOR FISCAL YEAR 2002-03

The City will address a number of important issues and undertake significant projects during Fiscal Year 2002-03. These goals will require a substantial effort in order to be successfully accomplished. The following goals are viewed as the most significant:

- **Community Center**

  Progress continues to be made on the Community Center project. Size and floor plan decisions have been made by the City Council, and exterior design concepts are currently under review. The final design process will commence as soon as an exterior design concept is approved. It is anticipated that during Fiscal Year 2002-03, the design will be completed, and the project will be ready to bid by the end of the fiscal year.

- **Centennial Plaza**

  The Centennial Plaza, including the recreation of Mountain View's 1888 Southern Pacific train depot, is under construction. The project is on schedule to be substantially complete for dedication on the City's Centennial, November 7, 2002.

- **Centennial Committee/Celebration**

  The City's Centennial Celebration will continue under the auspices of the Centennial Planning Committee into Fiscal Year 2002-03. Three events have already been held, and the major event, the actual Centennial Celebration, will be held on November 7, 2002.

- **Downtown Parking Structure**

  The City Council authorized staff to proceed with a downtown parking structure project prior to the end of Fiscal Year 2001-02. Design and bond financing for the project will be fully under way during Fiscal Year 2002-03. It is anticipated this project could be out to bid by the end of Fiscal Year 2002-03 or early in the following fiscal year.

- **Charleston East Hotel Project**

  Completion of the selection process, as well as the negotiation of business terms with a selected developer/operator, could be a major project for Fiscal Year 2002-03, if it is determined that market conditions are reasonably favorable to proceed. This project could be deferred until the subsequent fiscal year if more time is needed to allow the hotel market to recover from the impact of the economic downturn.

- **Efficiency Studios Housing Project**

  With the approval by the City Council of the lease of City-owned property and planning approvals for this project, the efficiency studios housing project at the San Antonio Loop site is poised to proceed once tax-exempt bond financing is attained. The City will assist Charities Housing in its attempt to obtain the required financing. This long-planned-for project could proceed to construction during Fiscal Year 2002-03 depending on the financing schedule.

- **Ames Development Plan**

  A major project during Fiscal Year 2001-02, which will continue into Fiscal Year 2002-03, is the City's monitoring and input regarding the Ames Development Plan. This major redevelopment of Moffett Field properties has both the potential for very positive community and regional benefit, while also presenting some substantial challenges from an environmental impact perspective. Staff will continue to carefully monitor and participate in the process to ensure that Mountain View's perspective is adequately represented.

- **Downtown Initiatives**

  The downtown area continues to be a major focal point for City attention. There are a number of initiatives that will continue and/or commence during Fiscal Year 2002-03, including the following:

  — Downtown retail recruitment project.

  — Potential acquisition of strategic downtown properties.

  — Phase II of the Downtown Precise Plan.

- **Water Master Plan Projects**

  Work on a very ambitious list of Water Master Plan projects will continue during Fiscal Year 2002-03. These projects include:

  — Completion of the Shoreline/Miramonte water main replacement project.

  — Miramonte Reservoir project.

  — Graham Reservoir project.

  — Evelyn Avenue water well construction.

- **Youth Initiatives**

  Services to youth continues to be a major priority for the City Council. This next fiscal year will provide an opportunity to build on many of the improvements of past years through the work of a new Youth Services Manager. This position will also allow for an increased focus on community child-care issues. The City will continue to look for ways to improve these programs and to effectively coordinate with other public and private agencies who provide youth services.

- **Stevens Creek Trail, Reach 4**

  The next segment of Stevens Creek Trail (Reach 4, Segment 1) is under construction and will be completed during this next fiscal year. This section extends the trail from Landels School to Yuba Drive.

  The next planned section, Reach 4, Segment 2, will be completing its environmental review process during Fiscal Year 2002-03. At the end of that process, longer-term planning can commence in regard to sequencing and financing.

- **Evelyn Avenue Improvement Project**

  The Evelyn Avenue reconstruction project was divided into three phases. The first phase (between Castro Street and Stevens Creek) was completed in 2000. The second phase (from Stevens Creek to Pioneer Way) is currently under construction. This phase will be completed during Fiscal Year 2002-03. Also occurring during Fiscal Year 2002-03 is the continuing work to prepare for the Phase III construction, which is anticipated to commence in Fiscal Year 2003-04.

- **Senior Center Master Plan/Child-Care Center/Intergenerational Center**

  The City Council has recently authorized a master planning process to develop an overall site master plan for the Senior Center property and will extend the area of evaluation to the location of the new Community Center. This planning process commenced during Fiscal Year 2001-02 and will continue through the first part of Fiscal Year 2002-03. The intent is to look comprehensively at this entire area in order to determine the best way to site a new Senior Center as well as a child-care center and potentially a senior day-care facility. This is a significant project from the perspective of determining how to most effectively utilize existing property to maintain and/or expand open space while evaluating potential locations for facilities that can then be phased as priority and funding dictate.

- **Budget/Fiscal Monitoring**

  The rapid and significant change in economic conditions experienced over the last year has made ongoing budget monitoring and revenue evaluation an even more critical issue. It is quite likely the City may need to make some midyear adjustments to the Fiscal Year 2002-03 budget depending on how actual economic performance develops over the next several months. The City also faces the continuing threat of State budget actions that could significantly affect the City's budget. Increased focus and attention to budget monitoring and related issues will be required until the local economy stabilizes.

- **Other Significant Goals**

  Other significant goals for this next fiscal year include the following:

  — Highway 85/101/Shoreline Boulevard interchange (coordination with the Valley Transportation Authority).

  — Employee housing initiatives.

  — Historic Preservation Ordinance development.

  — Economic Development Strategy update.

  — Hetch-Hetchy water system improvements/governance issues.

- Employee recruitment and retention initiatives.
- Heritage Tree Ordinance update.
- Library strategic plan.
- Strategic property acquisitions/"leveraging" of City-owned properties.
- Fiscal Year 2003-04 budget development.
- Acquire property in the Del Medio neighborhood for a neighborhood park.
- Continue a review of the Shoreline Regional Park Community financial structure.
- Retirees' Health Insurance Program evaluation.
- Fiscal Year 2003-04 Capital Improvement Plan development.
- Community School of Music and Arts campus.

- **Other Capital Improvement Projects**

  Other capital improvement projects of note during this next fiscal year include the following:

  - Rengstorff Avenue grade separation evaluation.
  - Fire Station No. 5 design.
  - Grant Road interconnect system funding/design.
  - Hetch-Hetchy Trail construction.
  - El Camino median renovation—Phase III.
  - Shoreline Amphitheatre vehicle/pedestrian improvements.

BUDGET HIGHLIGHTS

- **General Operating Fund**

General Operating Fund revenues adopted in Fiscal Year 2001-02 total $77.5 million. The unaudited actual revenues for Fiscal Year 2001-02 total $72.6 million ($4.9 million or 6.3 percent lower than the Adopted Budget). This is primarily a result of lower than budgeted sales taxes ($3.2 million), lower than budgeted transient occupancy tax ($1.6 million) and lower than budgeted licenses, permits and service charge revenues ($1.6 million).

General Operating Fund unaudited actual expenditures for Fiscal Year 2001-02 are $67.3 million or 6.5 percent lower than the Adopted Budget of $71.9 million. This is primarily a result of salary savings from vacant positions but also reflects under-expended budgets for various supplies and services accounts.

Adopted revenues for Fiscal Year 2002-03 are $72.7 million, 6.2 percent lower than Fiscal Year 2001-02 adopted and 0.1 percent higher than Fiscal Year 2001-02 unaudited actual.

Fiscal Year 2002-03 adopted operating expenditures include minimal, unavoidable increases for items such as Information Services, Workers' Compensation and liability insurances, and new parks and landscape area maintenance. Fiscal Year 2002-03 adopted operating expenditures also include significant reductions, including the elimination or unfunding of approximately 20 full-time equivalent positions. With these changes, adopted expenditures are $70.6 million, 1.8 percent lower than Fiscal Year 2001-02 Adopted Budget. The Adopted Budget includes a reservation of revenues totaling $2.1 million or 2.9 percent of revenues as an Economic Stabilization Contingency.

- **Special Funds**

Revitalization Authority Fund

Fiscal Year 2001-02 unaudited actual revenues are $2.8 million, exceeding budget by approximately $862,000. Unaudited actual expenditures are $1.6 million, compared to the Adopted Budget of $1.6 million. Expenditures include the 20.0 percent Housing Set-Aside based on property tax receipts. This results in revenues exceeding expenditures by $1.1 million, leaving an unaudited ending balance of $3.3 million.

Revenues for Fiscal Year 2002-03 are adopted at $2.8 million, and expenditures are adopted at $4.9 million (including capital projects of $3.0 million). Adopted expenditures exceed revenues by approximately $2.1 million, resulting in a projected ending balance of $1.2 million.

Shoreline Golf Links Fund

Fiscal Year 2001-02 unaudited actual revenues are $4.2 million compared to budgeted revenues of $3.9 million. Unaudited actual expenditures are $3.7 million (including capital projects of $355,000) compared to the adopted budget of $3.7 million (including capital projects of $370,000). The Shoreline Golf Links Fund will end Fiscal Year 2001-02 with an unaudited balance of $2.2 million.

For Fiscal Year 2002-03, adopted revenues are $4.2 million, and adopted expenditures are $4.2 million (including capital projects of $320,000 and a transfer to the General Fund of $250,000). This results in revenues exceeding expenditures by approximately $31,000 and a projected ending balance of $2.2 million.

Shoreline Regional Park (North Bayshore) Community Fund

For Fiscal Year 2001-02, unaudited actual revenues are $29.5 million compared to budget of $22.8 million. This is primarily a result of higher than anticipated property tax revenue and $4.1 million in capital projects refunds. Unaudited actual expenditures are $19.6 million (including capital projects of $3.2 million and bond call of $4.1 million) compared to the adopted budget of $20.2 million (which included capital projects of $2.9 million and bond call of $4.5 million). This fund will end the fiscal year with an unaudited balance of $33.9 million.

For Fiscal Year 2002-03, revenues are adopted at $21.4 million, and adopted expenditures are $17.0 million (including capital projects of $4.4 million). The ending balance for Fiscal Year 2002-03 is projected at $38.4 million.

Water Fund

Unaudited actual revenues for Fiscal Year 2001-02 are $15.8 million, lower than the Adopted Budget of $16.3 million, as a result of water sales lower than budget. Unaudited actual expenditures are $16.2 million (including capital projects of $4.1 million), lower than the Adopted Budget of $16.7 million. This fund will end

the fiscal year with an unaudited balance of $2.7 million in addition to a reserve of $5.4 million.

For Fiscal Year 2002-03, an average rate increase of 3.0 percent is adopted primarily to mitigate larger increases in future years. Significant future increases are anticipated from the San Francisco Water Department (SFWD) for improvements to the Hetch-Hetchy water system. The City is also proposing major improvements and expansion to our own water system.

With the 3.0 percent rate increase, adopted revenues for Fiscal Year 2002-03 are $15.4 million. Adopted operating expenditures for Fiscal Year 2002-03 total $16.0 million (including capital projects of $3.4 million), resulting in expenditures exceeding revenues by $576,000. The projected ending balance for Fiscal Year 2002-03 is $2.7 million, excluding reserves of $5.4 million.

Wastewater Fund

Unaudited actual revenues for Fiscal Year 2001-02 are $9.9 million, lower than the Adopted Budget of $10.1 million due to higher commercial/industrial vacancy rates attributed to a slower economy. Unaudited actual expenditures (including capital projects of $2.2 million) are $12.2 million compared to a budget of $12.8 million. The fund will end the fiscal year with an unaudited balance of $4.2 million in addition to $9.5 million in reserve.

This fund has a significant imbalance of revenue versus expenditures, which has been compounded by the slower economy and higher vacancy rates in commercial/industrial properties in the City. The Palo Alto Regional Water Quality Control Plant is also imposing an 8.7 percent increase in wastewater treatment cost for Fiscal Year 2002-03. For Fiscal Year 2002-03, an 8.0 percent average rate increase is adopted to improve the imbalance of revenues and expenditures. With this increase, adopted revenues for this fund are $10.3 million, and adopted operating expenditures (including capital projects of $1.5 million) total $12.9 million. The ending balance for Fiscal Year 2002-03 is projected at $2.4 million with a reserve balance of $9.1 million.

Solid Waste Management Fund

For Fiscal Year 2001-02, City revenues were budgeted at $9.6 million (excluding Foothill Disposal Company revenues of $9.0 million), compared to unaudited actual revenues of $8.9 million. Expenditures were budgeted at $9.4 million

(excluding payments to Foothill of $9.0 million) and unaudited actual expenditures are $8.4 million. The fund will end the fiscal year with an unaudited balance of $6.2 million and reserves of $2.4 million.

No rate increase is adopted for Fiscal Year 2002-03. Adopted revenues total $8.5 million (excluding Foothill Disposal Company revenues of $9.1 million), and expenditures total $8.8 million, excluding payments to Foothill Disposal Company of $9.1 million). The ending balance for Fiscal Year 2002-03 is projected at $5.9 million with reserves of $2.4 million.

- **Reserves**

With the adoption of this budget, some reserves needed to be supplemented in order to meet required policy or target balances. The reserves requiring additional funds are augmented from the Fiscal Year 2001-02 General Operating Fund carryover.

The actions in this budget regarding reserves are consistent with the City's Financial Policies that ensure reserves will be maintained at prudent levels.

- **Capital Improvement Projects, Capital Outlay and Equipment Replacement**

On May 28, 2002, the City Council adopted a Five-Year Capital Improvement Plan for Fiscal Years 2002-03 through 2006-07. The Adopted Budget includes funding for Fiscal Year 2002-03 projects in the amount of $31.1 million. A detailed list of adopted capital projects is included in the Statistical Section.

Operating and maintenance expenses have been evaluated for projects as some capital projects can result in increased ongoing operating expenses while others can result in long-term operating cost savings through productivity and efficiency improvements. There is no estimated annual operating and maintenance expenses calculated by departments for the projects adopted for Fiscal Year 2002-03.

Included in the Fiscal Year 2002-03 Adopted Budget is approximately $341,000 for capital outlay expenditures in the General Operating Fund. An additional $79,000 of capital outlay is adopted for other funds for a total of $420,000.

In addition, approximately $2.2 million is included in the Fiscal Year 2002-03 Adopted Budget for equipment replacement in accordance with the equipment

replacement plan. The General Operating Fund, Special Funds and the Enterprise (Utility) Funds all contribute to the Equipment Replacement Fund.

Detailed lists of adopted capital outlay expenditures and adopted equipment replacement expenditures are included in the Statistical Section of this document.

The following sections describe the budget process, the basis of accounting utilized by the City of Mountain View and the budget amendment process.

THE BUDGET PROCESS

The budget process begins in November of each year, when all City departments begin preparation of their budget proposals for the upcoming fiscal year.

Departments submit budget requests to the Budget Review Team (consisting of the Assistant City Manager and the Finance and Administrative Services Director) in late December. The Budget Review Team reviews these requests and submits recommendations to the City Manager.

The City Manager assesses the Budget Review Team's recommendations, meets with department heads for further discussion and submits recommendations to the City Council in the form of the Narrative Budget Report in May. The City Council is then able to review and discuss the recommendations and consider the budget prior to the presentation of the Proposed Budget.

The Proposed Budget is presented to the City Council in early June and considered at public hearings. The City's annual budget must be adopted prior to the beginning of each fiscal year (July 1).

FINANCIAL AND BUDGETARY POLICIES

The City Council has established financial and budgetary policies which are reviewed and updated as necessary by the City Council. A comprehensive and consistent set of financial and budgetary policies provides a basis for sound financial planning, identifies appropriate directions for service level development, aids budgetary decision-making and serves as an overall framework to guide financial management and operations of the City.

A city's adoption of financial policies also promotes public confidence and increases the City's credibility in the eyes of bond rating agencies and potential investors. Such

policies also provide the resources to react to potential financial emergencies in a prudent manner.

A summary of financial and budgetary policies is included in the Statistical Section of this document.

BUDGET AMENDMENT PROCESS

Pursuant to financial policy, budgets are approved at the fund and department level (legal level of control) and may not be exceeded without City Council approval. Transfers and adjustments between funds, departments and capital projects must be submitted to the City Council for approval. The City Charter requires approval by five votes of the seven-member City Council to amend the budget.

Budget adjustments are also required for grants and reimbursed services that were not anticipated or budgeted. Council Resolution No. 15443 authorizes the Finance and Administrative Services Director and the City Manager to increase appropriations up to $10,000 and $36,000 (indexed for inflation), respectively, when outside grants or reimbursement revenues have been received to offset expenditures that were not anticipated or budgeted. If the grant or reimbursement is not within the City Manager's level of authorization, a request for an appropriation increase must be submitted to the City Council for approval (five votes required).

Department heads are responsible for managing expenditures within their budget and assuring funds are only expended for properly authorized City expenses. Department heads are also responsible for expending funds consistent with the goals and objectives approved by the City Council.

BASIS OF BUDGETING

All Governmental Fund Type annual budgets are presented on a basis consistent with the general purpose financial statements prepared in accordance with generally accepted accounting principles.

The accounting and financial reporting treatment applied to a fund is determined by the measurement focus of the fund.

Governmental Fund Types are accounted for using the modified accrual basis of accounting. Revenues are recorded as received, or accrued if they are both measurable and available to finance expenditures of the current period. Expenditures are recorded

when the related fund liability is incurred, except for principal and interest on long-term debt, which are recorded when paid.

Proprietary Fund Types are accounted for using the accrual basis of accounting wherein revenues, unbilled or billed, are recognized in the accounting period in which they are earned, and expenses are recognized in the period liabilities are incurred.

COST ALLOCATION PLAN

The City prepares an A-87, cost allocation plan, to identify the costs associated with providing certain services. These indirect charges, noted as General Fund Administration on the Fund Schedules, reimburse the General Operating Fund for services such as those provided by the City Attorney, Employee Services, Payroll, Accounts Payable and Information Services. The full cost allocation plan delineates the basis of allocation by department and can include total operating budget, the number of full-time equivalent positions per department, the number of work requests, square footage occupied, number of items processed, number of applicable devices, etc.

The City also has six Internal Service Funds that provide services to all major funds within the City and, in turn, charge these funds for the cost of providing services. Revenues received for providing services are noted as Interfund Service Charges on the Fund Schedules.

DEBT ADMINISTRATION

As of June 30, 2002, the City will have various debt obligations outstanding. These obligations are comprised of (dollars in thousands):

Entity	Principal Outstanding
City of Mountain View	$10,720
Shoreline Regional Park Community	$57,220
Revitalization Authority	$7,485
Special Assessment Debt	$2,713

During Fiscal Year 2001-02, the City refinanced and called bonds on the Mountain View Capital Improvements Financing Authority 1992 Revenue Bonds. These bonds were originally issued to refund certain lease obligations relating to the City of Mountain View's City Hall/Community Theater Complex and to refund two outstanding tax

allocation bond issues of the Shoreline Regional Park Community. The two components to the Bonds, the City Lease Component and the Community Bonds Component, funded by the General Fund and the Shoreline Regional Park Community Fund, respectively, were separately refinanced.

The City of Mountain View's 2001 debt was issued to refinance and call bonds on the City lease component of the 1992 Capital Improvement Financing Authority Revenue Bonds. The Adopted Budget includes debt service savings of $1.1 million due to this refinancing at a lower interest rate and bond call.

The Shoreline Regional Park Community (the Community) has three outstanding tax allocation bond issues. The 1993 Series A Bonds were issued to finance certain landfill closure projects and other public improvements within the Community. The 1996 Series A Bonds were issued to fund the acquisition of certain land from the City and to fund road, water, sewer and other public improvements along certain roadways. The 2001 Refunding Bonds were issued to refinance and call bonds on the 1992 Refunding Bonds. The Adopted Budget includes debt service savings of over $500,000 due to this refinancing at a lower interest rate and bond call.

The Revitalization Authority funds debt payments for the 1995 Refunding Certificates of Participation debt issuance. The Certificates were issued to refinance all of the outstanding Revitalization Authority, 1986 Tax Allocation Bonds issued for the reconstruction of Castro Street.

Special Assessment Debt consists of various issues to finance property owner improvements within the City.

CALCULATION OF APPROPRIATIONS LIMIT

The City is required by the State Constitution, Article XIIIB, to annually calculate the maximum amount of appropriations subject to limitation. This calculation is intended to limit the annual growth in tax revenues used to fund governmental expenditures in California. Article XIIIB was changed with the passage of Proposition 111 on the June 1990 ballot. These changes permit greater flexibility with regard to annually calculating increases in the appropriations limit by allowing additional growth factors to be used. The factors permitting the maximum allowable increase in the appropriations limit are chosen for the calculation each fiscal year.

The annual appropriations limit calculation for this fiscal year is shown below. As can be seen, the City is substantially under its appropriations limit.

Fiscal Year 2001-02 Limit	133,742,915
2001-02 Population Change in Santa Clara County	1.012500
2001-02 Change in Assessed Value of Nonresidential Construction	1.004293
Fiscal Year 2002-03 Limit	135,996,037
Fiscal Year 2002-03 Budget Amount Subject to Limitation	48,454,053
Amount Under Appropriation Limit	$ 87,541,984

AWARDS

For the ninth time, the Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Mountain View for the Fiscal Year 2001-02 annual budget.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan and a communications device.

In addition, for the sixteenth year, the California Society of Municipal Finance Officers (CSMFO) has presented the City with an award for Excellence in Operational Budgeting and the City's ninth award for Excellence in Public Communication for the Fiscal Year 2001-02 budget documents.

The awards are valid for a period of one year only. The Fiscal Year 2002-03 budget documents continue to conform to program requirements and will be submitted to GFOA and CSMFO to determine eligibility for another award.

CONCLUSION

Fiscal Year 2002-03 adopted General Fund revenues are $72.7 million, and adopted expenditures are $70.6 million. There is no revenue balance after reserving for the Economic Stabilization Contingency of $2.1 million. General Fund revenues for Fiscal Year 2002-03 are projected to increase by 0.1 percent from Fiscal Year 2201-02 unaudited

actuals. Significant department operating reductions have been made in order to balance the budget. A few unavoidable increases have been included. Potential State actions may require midyear budget reductions.

The Revitalization Authority Fund is in good financial condition. The Authority will resume loan payments to the General Fund at a reamortized rate of 6.0 percent over the 17-year remaining life of the Authority. Three million dollars ($3.0 million) of funds are being committed to the new parking structure project downtown. Council has approved the use of $809,000 of Housing Set-Aside Funds for the construction of approximately 125 efficiency studios to be located at the San Antonio Loop.

Revenues for the Shoreline Golf Links Fund are higher than budget. The Fiscal Year 2002-03 Adopted Budget includes a transfer of $250,000 to the General Fund to fund costs of other recreation programs. The projected ending balance available for Fiscal Year 2002-03 is $2.2 million.

The Shoreline Regional Park (North Bayshore) Community Fund continues to generate sufficient tax increment revenues to meet ongoing operations, debt service obligations and capital needs. Revenues are expected to decline in Fiscal Year 2002-03. The balance available at the end of Fiscal Year 2002-03 is projected at $38.4 million. This balance has many competing projects currently under review and planning process by staff.

A 3.0 percent rate increase is adopted for the Water Fund for Fiscal Year 2002-03. This is primarily due to anticipated major capital improvements to the Hetch-Hetchy system by the San Francisco Water Department and improvements and expansion to the City's own water system.

An 8.0 percent rate increase is adopted for the Wastewater Enterprise Fund to partially close the gap of ongoing revenues and expenditures and to fund inflationary cost increases.

No rate increase is adopted for refuse rates.

Reserves are generally in good condition, and required supplemental allocations will be funded by the Fiscal Year 2001-02 General Fund carryover balance.

The operating expenditures adjustments adopted in the Fiscal Year 2002-03 budget reflect the decline in revenue due to economic conditions and necessary actions taken in order to maintain the City's financial health into the future. The Five-Year Forecast for the General Operating Fund points out the need for careful expenditure management.

Many staff members have contributed significantly to the preparation of this report. All department heads have shown the type of teamwork, cooperative spirit and creativity necessary for this process. I would particularly like to thank Assistant City Manager Nadine Levin, Finance and Administrative Services Director Robert Locke, Assistant Finance and Administrative Services Director Patty Kong, Principal Financial Analysts Helen Ansted and Suzy Niederhofer, and Administrative Analyst Raella Frazier for their assistance with the Operating Budget. I would also like to thank Administrative Services Manager Jim Williamson and Assistant Public Works Director—Public Services Jim Russell for their assistance with the capital outlay process and the Document Processing and Copy Center staff for their constant support in the preparation of this document.

Kevin C. Duggan
City Manager

KCD/SN/9/BUD
541-05-08-02L^

Enclosures

TOTAL FUND REVENUES

	AUDITED ACTUAL 2000-01	ADOPTED BUDGET 2001-02	UNAUDITED ACTUAL 2001-02	ADOPTED BUDGET 2002-03
GENERAL FUND	$ 82,708,557	77,538,832	72,630,836	72,739,224
RESERVES	41,320,054	17,118,466	22,568,670	12,421,131
GAS TAX	2,056,966	1,468,359	1,908,489	1,617,540
CONVEYANCE TAX	5,145,705	2,520,709	5,042,564	2,533,540
DEVELOPER FEES	2,513	0	2,368,631	5,070
REVITALIZATION AUTHORITY	2,057,948	1,919,350	2,781,760	2,848,460
SHORELINE GOLF LINKS	3,370,409	3,920,690	4,204,668	4,206,570
PARKING DISTRICT & IN LIEU FEES	1,587,244	496,692	962,922	473,950
SUPPLEMENTAL LAW ENFCMNT	175,312	150,000	144,398	146,509
C.D.B.G.	651,625	1,378,000	3,459,619	1,446,000
LOCAL LAW ENFCMT BLOCK GRT	256,861	0	118,337	0
CABLE T.V.	613,106	594,350	754,257	750,500
SHORELINE COMMUNITY	22,691,201	22,754,010	29,517,138	21,440,998
STORM DRAIN CONSTRUCTION	66,579	44,970	92,534	47,104
PARK LAND DEDICATION	1,676,325	341,987	1,452,076	376,419
WATER	15,785,826	16,327,348	15,773,651	15,395,062
WASTEWATER	9,949,570	10,121,118	9,934,467	10,274,949
SOLID WASTE	10,900,909	9,592,736	8,924,898	8,513,957
EQUIPMENT MAINTENANCE	4,081,814	4,209,943	4,244,307	3,757,798
WORKERS COMPENSATION	2,169,501	1,523,371	1,564,012	1,441,787
UNEMPLOYMENT	74,998	71,259	74,865	73,412
LIABILITY	1,050,708	848,531	838,801	994,660
RETIREES HEALTH	3,052,012	1,128,988	1,149,679	682,036
EMPLOYEE BENEFITS	56,256	80,658	81,403	77,445
TOTAL	$ 211,501,999	174,150,367	190,592,982	162,264,121

TOTAL FUND EXPENDITURES

	AUDITED ACTUAL 2000-01	ADOPTED BUDGET 2001-02	UNAUDITED ACTUAL 2001-02	ADOPTED BUDGET 2002-03
GENERAL FUND	$ 62,057,428	71,934,114	67,281,132	70,633,214
RESERVES	34,255,026	25,106,299	25,681,629	13,704,557
GAS TAX	1,787,074	1,869,920	2,061,920	2,093,290
CONVEYANCE TAX	2,423,244	3,845,000	3,845,000	2,814,000
DEVELOPER FEES	0	25,000	1,530,180	25,000
REVITALIZATION AUTHORITY	1,301,953	1,561,253	1,647,479	4,976,242
SHORELINE GOLF LINKS	3,914,936	3,663,099	3,686,017	4,176,043
PARKING DISTRICT & IN LIEU FEES	960,034	582,690	683,829	2,069,884
SUPPLEMENTAL LAW ENFRCMNT	193,644	211,066	217,114	189,811
C.D.B.G.	597,731	1,416,000	3,459,619	1,339,000
LOCAL LAW ENFCMT BLOCK GRT	126,635	0	125,920	0
CABLE T.V.	702,069	651,325	804,462	795,500
SHORELINE COMMUNITY	15,870,948	20,155,646	19,598,008	16,981,123
STORM DRAIN CONSTRUCTION	82,000	26,000	26,000	26,000
PARK LAND DEDICATION	3,433,380	163,000	667,756	103,741
WATER	20,485,893	16,739,720	16,163,083	15,970,934
WASTEWATER	11,339,250	12,809,224	12,207,157	12,927,469
SOLID WASTE	9,087,741	9,413,830	8,443,018	8,831,806
EQUIPMENT MAINTENANCE	2,511,570	3,241,541	2,659,028	3,844,484
WORKERS COMPENSATION	1,311,694	1,677,957	1,444,996	1,774,080
UNEMPLOYMENT	17,317	67,250	21,385	67,250
LIABILITY	2,404,830	910,917	738,179	1,018,340
RETIREES HEALTH	484,040	524,822	570,789	715,193
EMPLOYEE BENEFITS	51,299	111,044	56,131	112,090
TOTAL	$ 175,399,736	176,706,717	173,619,831	165,189,051

GENERAL OPERATING FUND REVENUES

FISCAL YEAR	OPERATING REVENUE	% CHANGE FROM PRIOR YEAR
1991-92	$45,894,000	3.2%
1992-93	$45,248,000	(1.4%)
1993-94	$46,921,000	3.7%
1994-95	$51,766,000	10.3%
1995-96	$57,149,000	10.4%
1996-97	$64,510,000	12.9%
1997-98	$67,027,000	3.9%
1998-99	$67,900,000	1.3%
1999-2000	$74,712,000	10.0%
2000-01	$82,708,000	10.7%
2001-02 *	$72,623,000	(12.2%)
2002-03 **	$72,739,000	0.2%

* Unaudited Actual
** Adopted

GENERAL OPERATING FUND EXPENDITURES

FISCAL YEAR	OPERATING EXPENDITURES (1)	% CHANGE FROM PRIOR YEAR
1991-92	$44,326,000	7.1%
1992-93	$42,718,000	(3.6%)
1993-94	$41,831,000	(2.1%)
1994-95	$48,080,000	14.9%
1995-96	$47,783,000	(0.6%)
1996-97	$52,019,000	8.9%
1997-98	$54,380,000	4.5%
1998-99	$57,504,000	5.7%
1999-2000	$61,054,000	6.2%
2000-01	$61,265,000	0.3%
2001-02 *	$65,259,000	6.5%
2002-03 **	$70,633,000	8.2%

* Unaudited Actual
** Adopted

(1) Includes changes in encumbrances.

CITY OF MOUNTAIN VIEW
RESOLUTION NO. 16706
SERIES 2002

A RESOLUTION ADOPTING THE FISCAL YEAR 2002-03 BUDGET

WHEREAS, the City Council held a duly noticed study session on May 7, 2002 and held duly noticed public hearings on June 4 and June 11, 2002, and heard all persons wishing to be heard regarding said proposed budgets. The City Council considered these comments and deliberated the City Manager's proposed budget;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mountain View as follows:

1. The City of Mountain View proposed budget in the amount of $119,700,837 as recommended by the City Manager, plus any amendments approved by the City Council on June 11, 2002, on file in the City Clerk's Office, including the Fund Schedules Section of the Proposed Budget, is hereby adopted as the Fiscal Year 2002-03 budget of this agency.

2. The City Council appropriate $23,704,000 for the Fiscal Year 2002-03 Capital Improvement Program and combine the Downtown Parking Structure Design, Project 01-51, with Downtown Parking Structure, Project 03-31, and transfer the budget in Project 01-51 to Project 03-31.

3. The City Council has included appropriations sufficient to meet all its bonded debt service obligations.

4. Except for continuing appropriations for capital improvement projects not yet completed, Community Development Block Grant programs, grant funding, legal cases and other expenditures lawfully encumbered or accrued, all other unexpended appropriations shall lapse at the end of the fiscal year in accordance with City Charter Section 1105.

5. Appropriations as needed from investment earnings and other program income received on grant funds are hereby authorized.

6. Appropriations in the compensated absence reserve are hereby authorized as needed for vacation and sick leave balances of employees during Fiscal Year 2002-03.

7. Appropriations in the Employee Benefits Fund are hereby authorized as needed to be funded by the contributions of the City, employees and retirees.

8. Appropriations for the Police Asset Forfeiture Fund are hereby authorized up to the uncommitted cash balance in the Police Asset Forfeiture Fund.

9. The City Manager or designee is authorized to increase appropriations in the Cable Television Fund for payments and transfers that are calculated on franchise fees received, payment of interest earned on the endowment funds and annually rebudget the remaining balance of the miscellaneous maintenance funds.

10. The City Manager or designee is authorized to increase appropriations for specific retail and golf lesson expenditures of the Shoreline Golf Links operations that are offset by retail sales and golf lesson revenues.

11. The Finance and Administrative Services Director is hereby authorized to make adjustments and corrections to budgeted amounts for reasons such

as: (1) amendments adopted by City Council; (2) final benefit coverage costs; (3) final represented and nonrepresented employee compensation costs; (4) adjustments between funds and departments for internal service charges and administrative overhead reimbursements; (5) modifications to revenue and appropriations for the actual Public Library Fund grant amount received; and (6) other corrections as necessary. The Finance and Administrative Services Director is authorized to determine the budgeted amounts for implementation of the decisions made at the public hearings and will report the final adopted budget and any reconciling changes in the compilation of the budget to the City Council by an informational memorandum and will file said final adopted budget with the City Clerk's Office.

The foregoing Resolution was regularly introduced and adopted at a Special Meeting of the City Council of the City of Mountain View, duly held on the 11th day of June, 2002, by the following vote:

AYES:	Councilmembers Faravelli, Kasperzak, Pear and Zoglin
NOES:	None
ABSENT:	Councilmember Stasek and Mayor Lieber
NOT VOTING:	None

ATTEST:

ANGELITA M. SALVADOR
CITY CLERK

APPROVED:

SALLY J. LIEBER
MAYOR

I do hereby certify that the foregoing resolution was passed and adopted by the City Council of the City of Mountain View at a Special Meeting held on the 11th day of June, 2002, by the foregoing vote.

City Clerk
City of Mountain View

HMA/6/RESO
530-06-11-02R^

MOUNTAIN VIEW REVITALIZATION AUTHORITY (MVRA)
RESOLUTION NO. R-91
SERIES 2002

A RESOLUTION ADOPTING THE FISCAL YEAR 2002-03 BUDGET

WHEREAS, the MVRA Board of Directors (Board) held a duly noticed study session on May 7, 2002 and held duly noticed public hearings on June 4 and June 11, 2002 and heard all persons wishing to be heard regarding said proposed budgets;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Mountain View Revitalization Authority as follows:

1. The Mountain View Revitalization Authority proposed budget in the amount of $1,926,083, as recommended by the City and Authority Manager, plus any amendments approved by the Board on June 11, 2002, on file in the City Clerk's Office, is hereby adopted as the Fiscal Year 2002-03 budget of this agency.

2. The Board appropriate funding in the amount of $3,048,000 for the Fiscal Year 2002-03 Capital Improvement Program.

3. The Board has included appropriations sufficient to meet all its bonded debt obligations.

4. Except for continuing appropriations for capital improvement projects not yet completed and other expenditures lawfully encumbered or accrued, all other unexpended appropriations shall lapse at the end of the fiscal year.

5. The Treasurer/Finance and Administrative Services Director is authorized to adjust the Housing Set-Aside appropriation based on the applicable property tax received.

6. The Treasurer/Finance and Administrative Services Director is hereby authorized to make adjustments and corrections to budgeted amounts for reasons such as: (1) amendments adopted by the Board; (2) final benefit coverage costs; (3) final represented and nonrepresented employee compensation costs; (4) adjustments between funds and departments for internal service charges and administrative overhead reimbursements; and (5) other corrections as necessary. The Treasurer/Finance and Administrative Services Director is authorized to determine the budgeted amounts for implementation of the decisions made at the public hearings and will report the final adopted budget and any reconciling changes in the compilation of the budget to the Board by an informational memorandum and will file said final adopted budget with the City Clerk's Office.

The foregoing Resolution was regularly introduced and adopted at a Special Meeting of the Mountain View Revitalization Authority, duly held on the 11th day of June, 2002, by the following vote:

AYES: Board members Faravelli, Kasperzak, Pear and Zoglin

NOES: None

ABSENT: Board member Stasek and President Lieber

NOT VOTING: None

ATTEST:

ANGELITA M. SALVADOR
SECRETARY

APPROVED:

SALLY J. LIEBER
PRESIDENT

I do hereby certify that the foregoing resolution was passed and adopted by the Mountain View Revitalization Authority at a Special Meeting held on the 11th day of June, 2002, by the foregoing vote.

Secretary
Mountain View Revitalization Authority

HMA/6/RESO
530-06-11-02R-3^

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY (SRPC)
RESOLUTION NO. S-117
SERIES 2002

A RESOLUTION ADOPTING THE FISCAL YEAR 2002-03 BUDGET

WHEREAS, the SRPC Board of Directors (Board) held a duly noticed study session on May 7, 2002 and held duly noticed public hearings on June 4 and June 11, 2002 and heard all persons wishing to be heard regarding said proposed budget;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Mountain View Shoreline Regional Park Community as follows:

1. The Mountain View Shoreline Regional Park Community proposed budget in the amount of $12,614,951 as recommended by the City and Community Manager, plus any amendments approved by the Board on June 11, 2002, on file in the City Clerk's Office, is hereby adopted as the Fiscal Year 2002-03 budget of this agency.

2. The Board appropriate funding in the amount of $4,386,000 for the Fiscal Year 2002-03 Capital Improvement Program.

3. The Board has included appropriations sufficient to meet all its bonded debt obligations.

4. Except for continuing appropriations for capital improvement projects not yet completed and other expenditures lawfully encumbered or accrued, all other unexpended appropriations shall lapse at the end of the fiscal year.

5. The Treasurer/Finance and Administrative Services Director is hereby authorized to make adjustments and corrections to budgeted amounts for reasons such as: (1) amendments adopted by the Board; (2) final benefit coverage costs; (3) final represented and nonrepresented employee compensation costs; (4) adjustments between funds and departments for internal service charges and administrative overhead reimbursements; and (5) other corrections as necessary. The Treasurer/Finance and Administrative Services Director is authorized to determine the budgeted amounts for implementation of the decisions made at the public hearings and will report the final adopted budget and any reconciling changes in the compilation of the budget to the Board by an informational memorandum and will file said final adopted budget with the City Clerk's Office.

The foregoing Resolution was regularly introduced and adopted at a Special Meeting of the Mountain View Shoreline Regional Park Community, duly held on the 11th day of June, 2002, by the following vote:

AYES: Board members Faravelli, Kasperzak, Pear and Zoglin

NOES: None

ABSENT: Board member Stasek and Mayor Lieber

NOT VOTING: None

ATTEST:

ANGELITA M. SALVADOR
SECRETARY

APPROVED:

SALLY J. LIEBER
PRESIDENT

I do hereby certify that the foregoing resolution was passed and adopted by the Mountain View Shoreline Regional Park Community at the Special Meeting held on the 11th day of June, 2002, by the foregoing vote.

Secretary
Mountain View Shoreline Regional Park Community

HMA/6/RESO
530-06-11-02R-5^

CITY OF MOUNTAIN VIEW
RESOLUTION NO. 16707
SERIES 2002

A RESOLUTION ADOPTING
THE FISCAL YEAR 2002-03 APPROPRIATIONS LIMIT

WHEREAS, Article XIIIB of the Constitution of the State of California requires that total annual appropriations of the City of Mountain View funded from the proceeds of taxes shall not exceed the appropriations limit of the City for the prior fiscal year adjusted for specified changes; and

WHEREAS, this Article requires the City to establish its appropriations limit by resolution each fiscal year at a regularly scheduled meeting or at a noticed special meeting, before the beginning of each fiscal year; and

WHEREAS, the City Finance and Administrative Services Department has prepared the budget documentation as intended by Article XIIIB of the California Constitution and has made such documents available for public review;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Mountain View hereby adopts the estimated Appropriations Limit for Fiscal Year 2002-03 of $135,996,037. This limit may need to be amended the following fiscal year after final information is received.

The foregoing Resolution was regularly introduced and adopted at a Special Meeting of the City Council of the City of Mountain View, duly held on the 11th day of June, 2002, by the following vote:

AYES:	Councilmembers Faravelli, Kasperzak, Pear and Zoglin
NOES:	None
ABSENT:	Councilmember Stasek and Mayor Lieber
NOT VOTING:	None

ATTEST:

ANGELITA M. SALVADOR
CITY CLERK

APPROVED:

SALLY J. LIEBER
MAYOR

I do hereby certify that the foregoing resolution was passed and adopted by the City Council of the City of Mountain View at a Special Meeting held on the 11th day of June, 2002, by the foregoing vote.

City Clerk
City of Mountain View

HMA/6/RESO
530-06-11-02R-2^

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Mountain View

California

For the Fiscal Year Beginning

July 1, 2001

President

Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Excellence in Operational Budgeting 2001-2002

Presented to

City of Mountain View

This certificate recognizes the achievement of Excellence in Operational Budgeting and reflects an outstanding budget document and the underlying budgeting process through which the budget is implemented.

February 21, 2002

Joan Michaels
Chair, Budgeting & Financial Management

Vice-Chair, Budgeting & Financial Management

Dedicated to Excellence in Municipal Financial Management

California Society of Municipal Finance Officers

Certificate of Award

Merit in Public Communication Budgeting 2001-2002

Presented to

City of Mountain View

This certificate recognizes meritorious achievement in Public Communication Budgeting and reflects a highly professional budget document and the underlying budgeting process through which the budget is implemented.

February 21, 2002

Joan Michaels
Chair, Budgeting & Financial Management

Vice-Chair, Budgeting & Financial Management

Dedicated to Excellence in Municipal Financial Management