
Measure O Citizens Oversight Board Committee

Special Meeting
October 19, 2022

Agenda

- Oral communications
- Receive and file minutes for March 28, 2022 Special Meeting
- Review Draft Measure O Annual Report to City Council
- Review Fiscal Year 2022-23 Amended Budget (General Fund)
- Review Preliminary Fiscal Year 2021-22 General Fund Financials
- Next Meeting Date and Topics
- Matters from Committee members and staff

Measure O Important Facts

- On November 6, 2018, Garden Grove voters passed Ordinance No. 2897, known as Measure O, imposing a one-cent (1%) transaction and use (sales) tax.
- Collection of the one-cent local sales tax began on April 1, 2019.
- Measure O is subject to a clear system of accountability, with the oversight of an independent committee.

City of Garden Grove
FY 2022-23
Amended Budget

Approved by City Council
on June 28, 2022

Agenda Item No. 4

Year 1

FY2021-2022 General Fund Update

Revenue Source	FY 2021-22		
	Adopted Budget (\$'000)	Revised Estimate (\$'000)	Projected Variance (\$'000)
Sales Tax	\$ 46,216	\$ 56,096	\$ 9,880
Property Tax	53,967	55,466	1,499
Hotel Tax	10,500	22,215	11,715
Other	44,354	44,354	-
	<u>\$ 155,037</u>	<u>\$ 178,131</u>	<u>\$ 23,094</u>

- Navigation Center - \$7.0M
- Public Facilities/Police Building & Civic Center - \$8.0M
- General Fund Stability Reserves - \$3.2M
- Buildings and Facilities Rehabilitation fund - \$3.0M
- Worker's Compensation Fund - \$1.6M

Year 2

FY2022-2023 General Fund Update

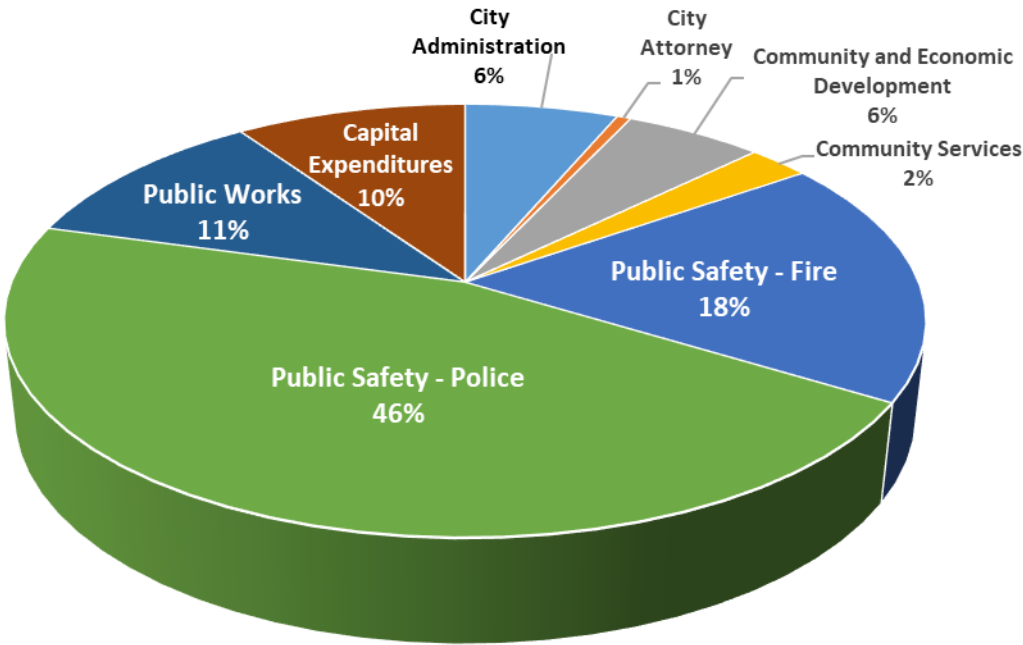
Revenue Source	FY 2022-23		
	Adopted Budget (\$'000)	Revised Estimate (\$'000)	Estimated Variance (\$'000)
Sales Tax	\$ 48,087	\$ 56,370	\$ 8,283
Property Tax	55,631	58,362	2,731
Hotel Tax	21,300	22,342	1,042
Other	20,258	19,568	(690)
	<u>\$ 145,276</u>	<u>\$ 156,643</u>	<u>\$ 11,367</u>

- Anticipated labor cost increase - \$2.8M
- Increase in CalPERS unfunded liability contribution - \$1.7M
- Inflation adjustment on contractual and commodities – 7% of adopted amounts
- Additional requests including mandates and other supplemental - \$2.8M

FY2022-2023 General Fund Amended Budget

General Fund Amended Appropriations by Function

Amended Appropriations	Amount (\$'000)
Salaries and benefits	\$ 96,472
Contractual expenditures	39,134
Commodities	2,349
Internal service & debt service payment	13,515
Capital Expenditures	16,093
	\$ 167,563
Adopted Appropriations	\$ 143,951
Total Amendments	\$ 23,612



FY2022-2023 General Fund Additional Appropriations

Amended Appropriations	Total Amendments (\$'000)
Reserve for Navigation Center	\$ 7,000
Additional funding for Public Facilities/Police Station/Civic Center	8,250
Estimated labor cost increase (MOU change)	2,750
Additional contribution to CalPERS towards Unfunded Liability	1,708
General CPI Increase and Subsidies	1,144
Supplemental requests	2,760
	\$ 23,612

**Update on Financial Position
as of
June 30, 2022
- General Fund -**

Agenda Item No. 5

**Sept. 2022
Preliminary**

FY2021-22 General Fund Revenue

Revenue Source	Fiscal Year 2021-22			
	Adopted Budget (\$'000)	Amended Budget (\$'000)	Unaudited Actual (\$'000)	Projected Variance (\$'000)
Sales Tax	\$ 46,216	\$ 56,096	\$ 58,770	\$ 2,674
Property Tax	53,967	55,466	59,619	4,153
Hotel Tax	10,500	22,215	23,421	1,206
Other	44,354	44,354	46,282	1,928
	<u>\$ 155,037</u>	<u>\$ 178,131</u>	<u>\$ 188,092</u>	<u>\$ 9,961</u>

- Exceed June estimate by \$10.0 million
- Biggest contributors are property tax and sales tax
- Vulnerability exists

**Sept. 2022
Preliminary**

FY2021-22 General Fund Expenditure

Expenditure Category	Fiscal Year 2021-22			
	Adopted Budget (\$'000)	Final Budget (\$'000)	Unaudited Actual (\$'000)	Variance (\$'000)
Fire	\$ 30,172	\$ 30,158	\$ 30,188	\$ (30)
Police	70,386	70,543	68,108	2,435
City Administration	9,776	9,333	8,742	591
Community & Economic Development	8,001	11,704	7,748	3,956
Community Services	4,526	4,182	3,998	184
Public Works	16,775	16,945	15,533	1,412
Debt Service	1,511	1,511	1,512	(1)
Capital Projects	35,298	35,330	55	35,275
	<u>\$ 176,445</u>	<u>\$ 179,706</u>	<u>\$ 135,884</u>	<u>\$ 43,822</u>

Looking Ahead...

- Economics
 - Inflation
 - Possible recession
- Community needs
 - Homelessness
 - Infrastructure condition

**Council
Priorities**

**Biennial
Budget
FY2023-
2025**

Next Meeting...

Topics to cover:

- Discuss audited General Fund operating results for Fiscal Year 2021-22
- Review Fiscal Year 2022-23 mid-year Measure O Revenue outlook

Tentative date:

February/March 2023

