

Measure O Citizens Oversight Board Committee

Special Meeting
March 6, 2023

Agenda

1. Oral communications
2. Receive and file minutes for October 19, 2022 Special Meeting
3. Review Code of Ethics
4. Review Fiscal Year 2021-22 Audited Financials (General Fund)
5. Review Fiscal Year 2022-23 Mid-Year General Fund Performance
6. Next Meeting Date and Topics
7. 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
Municipal Code Chapter 2.02
Code of Ethics
For
Public Officers and Employees**

Agenda Item No. 3

City of Garden Grove
FY 2021-22
Audited Financials

Received by City Council
on January 24, 2023

Agenda Item No. 4

Highlights of FY2021-22 Audited Financials



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Independent Auditor's Report

City Council
City of Garden Grove
Garden Grove, CA

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden Grove, California (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden Grove, California, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

- Clean opinion from auditor
- General Fund surplus of \$49.2 million
 - \$37.4M unspent capital project funds carried over to FY2022-23
 - \$7.8M additional appropriation allocated in Amended FY2022-23 budget
- Public Safety expenditures totaled \$95.2 million, 71.8% of overall General Fund expenditures

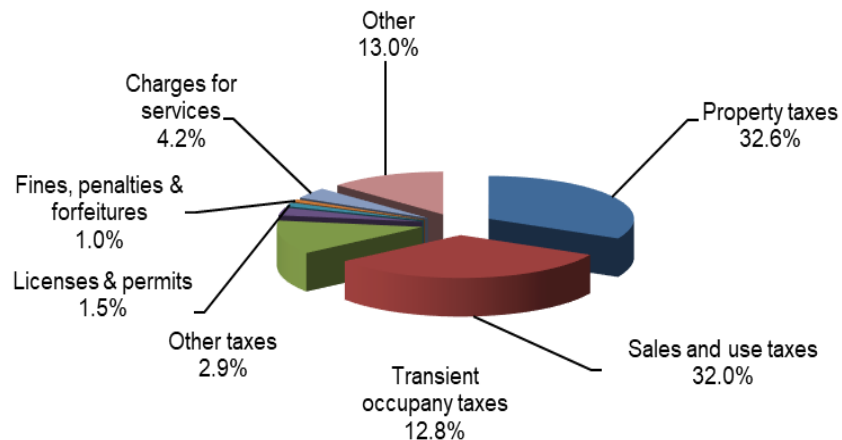
<https://ggcity.org/finance/budget-and-financial-reports>

FY2021-22 Audited Financials – GF Revenue

Fiscal Year 2021-22

Revenue Source	Final Budget (\$'000)	Audited Actual (\$'000)	Variance (\$'000)
Sales Tax - Bradley Burns	\$ 28,736	\$ 29,860	\$ 1,124
Sales Tax - Measure O	27,360	28,910	1,550
Property Tax	55,466	59,773	4,307
Hotel Tax	22,215	23,421	1,206
Other	44,655	41,430	(3,225)
	<u>\$ 178,432</u>	<u>\$ 183,394</u>	<u>\$ 4,962</u>

General Fund Revenues Year Ended June 30, 2022



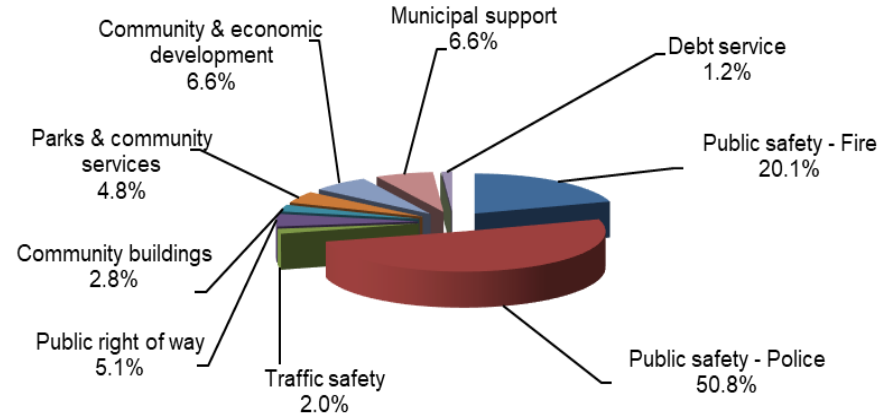
- Measure O brought in \$28.9M for the year
- Actual overall General Fund Revenue exceeded budget by \$5.0M

FY2021-22 Audited Financials – GF Expenditures

Fiscal Year 2021-22

Expenses	Final Budget (\$'000)	Audited Actual (\$'000)	Variance (\$'000)
Fire	\$ 30,158	\$ 26,975	\$ 3,183
Police	70,543	68,181	2,362
Traffic Safety	2,710	2,708	2
Public Works/Right of Way	26,163	6,781	19,382
Community Buildings	4,249	3,713	536
Parks & Comm Services	6,857	6,407	450
Community & Econ Dev	28,321	8,916	19,405
Municipal Support	9,304	8,856	448
	<u>\$ 178,305</u>	<u>\$ 132,537</u>	<u>\$ 45,768</u>

General Fund Expenditures Year Ended June 30, 2022



- \$37.4M unspent capital project funds carried over to FY2022-23
- \$7.8M additional appropriation allocated in Amended FY2022-23 budget

Mid-Year Budget Performance as of June 30, 2022

- General Fund -

Agenda Item No. 5

General Fund Outlook for FY2022-23

Revenue

Fiscal Year 2022-23			
Revenue Source	Amended Budget (\$'000)	Projected Year-end (\$'000)	Variance (\$'000)
Sales Tax	\$ 56,370	\$ 58,248	\$ 1,878
Property Tax	58,362	57,847	(515)
Hotel Tax	22,342	23,680	1,338
Other	19,569	19,861	292
	<u>\$ 156,643</u>	<u>\$ 159,636</u>	<u>\$ 2,993</u>

Expense

Fiscal Year 2022-23			
Expenses	Adopted Budget (\$'000)	As of 12/31/2022 (\$'000)	Overall %-age
Fire	\$ 30,917	\$ 20,486	66.3% *
Police	76,136	34,179	44.9%
City Administration	10,756	4,181	38.9%
Community & Econ Dev	9,570	4,219	44.1%
Community Services	4,944	2,017	40.8%
Public Works	17,946	8,994	50.1%
	<u>\$ 150,269</u>	<u>\$ 74,076</u>	<u>49.3%</u>

* Includes January 2023 payment

- Revenue slightly above budget
- Expenditure on target

FY2023-25 Biennial Budget Process

Budget Kickoff – January 2023

- Baseline Budget
- Supplemental

Council Priorities – March 2023

Budget Proposal – May 2023

Next Meeting...

Topics to cover:

- Discuss preliminary FY2022-23 General Fund operating results
- Review Adopted biennial budget (FY2023-25)
- Review Annual Committee Report to the City Council

Tentative date:

September/October 2023



Thank you!

Questions?

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