

Measure O Citizens Oversight Board Committee

Special Meeting
February 12, 2024

Agenda

1. Oral communications
2. Receive and file minutes for October 23, 2023 Special Meeting
3. Review Code of Ethics
4. Review Fiscal Year 2022-23 Audited Financials (General Fund)
5. Review Fiscal Year 2023-24 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

Chapter 2.02 – Code of Ethics for Public Officers and Employees

PRINCIPLES

- Be independent, impartial, and responsible for the people.
- Decisions and policies are made in the proper channels (Brown Act); and
- Public office not be used for personal gain.

HIGHLIGHTS

- Section 2.02.040 Fair and Equal Treatment
- Section 2.02.050 Use of Public Property
- Section 2.02.060 Subsection D describes in details of Conflict of Interest.

City of Garden Grove
FY 2022-23
Audited Financials

Received by City Council
on January 9, 2024

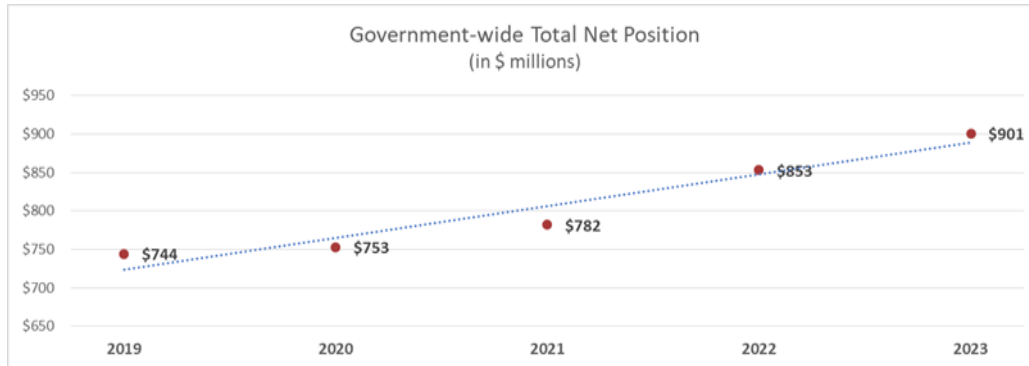
Agenda Item No. 4

FY2022-23 Annual Comprehensive Financial Report (ACFR)

Highlights of FY2022-23 ACFR

- Clean Opinion from Independent Auditor
- Qualified for GFOA Certificate of Achievement for Excellence in Financial Reporting
- No material misstatements
- No uncorrected misstatements
- No Disagreement with Auditor

Audited Financial Condition of the City

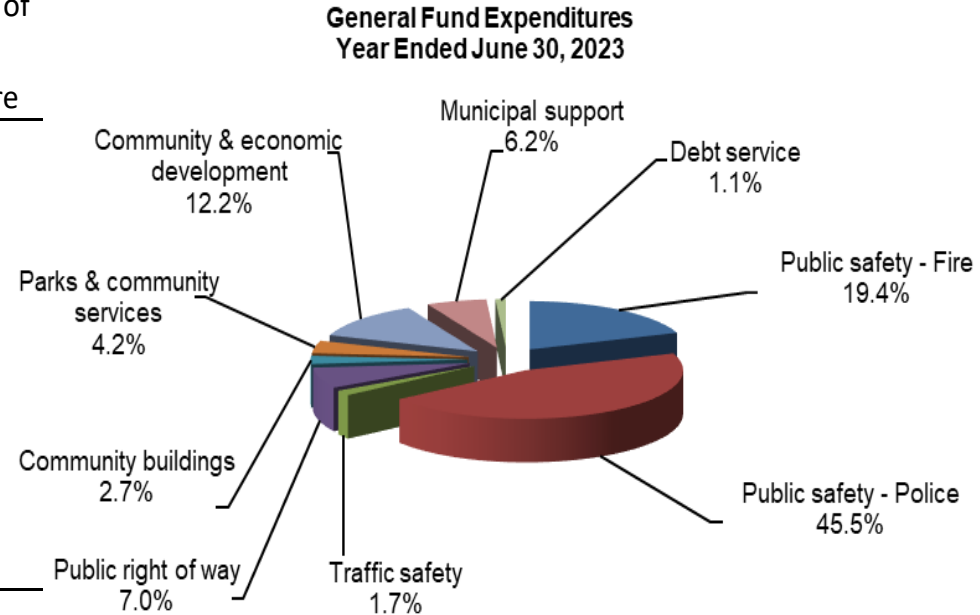


- Net position is the difference between assets and liabilities
- Average 5% annual increase since 2019
- Net position for **Governmental** activities accounts for 77% of total net position
- Largest increase was from 2021 to 2022 (10%), last year's increase was 5%.

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

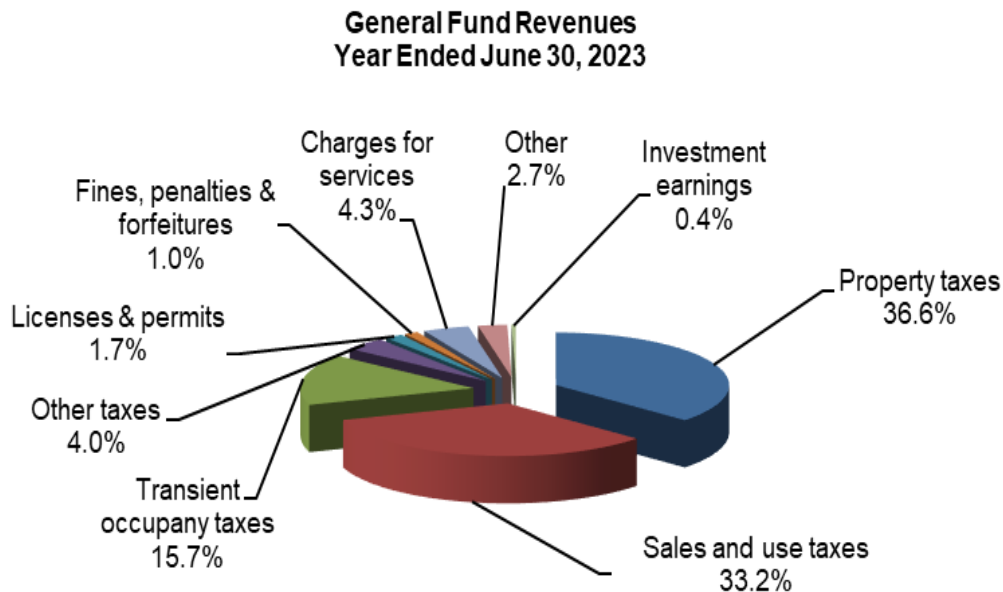
FY2022-23 General Fund Expenditures - Audited

Expenditure Category	Audited Actuals ('\$000)	Percentage of Overall Expenditure
Fire	\$ 30,933	19.4%
Police	72,454	45.4%
Traffic Safety	2,789	1.7%
Community & Economic Development	19,550	12.3%
Community Buildings	4,273	2.7%
Parks & Community Services	6,732	4.2%
Public Right of Way	11,103	7.0%
Municipal Support	9,898	6.2%
Debt Service	1,730	1.1%
Total	\$ 159,462	100%



FY2022-23 General Fund Revenue - Audited

Revenue Source	Audited Actuals ('\$000)
Sales Tax - Bradley Burns	\$ 29,933
Sales Tax - Measure O	29,376
Property Tax	65,452
Hotel Tax	28,075
Other	25,774
Total	\$ 178,610



Mid-Year Budget Performance as of December 31, 2023

- General Fund -

Agenda Item No. 5

General Fund Expenditure as of Dec. 31, 2023

Department	Revised Budget		Actual As of Dec 31, 2023		Variance	
					\$	%
Fire ¹	\$	31,759,700	\$	16,375,675	\$ 15,384,025	52%
Police		80,570,200		35,907,592	44,662,608	45%
City Administration		4,298,300		1,834,616	2,463,684	43%
Human Resources		2,303,500		947,516	1,355,984	41%
Finance		4,018,800		1,394,917	2,623,883	35%
Information Technology		833,000		269,620	563,380	32%
Community Development		6,825,400		3,232,008	3,593,392	47%
Community Services		6,851,700		2,697,887	4,153,813	39%
Economic Development ²		38,829,200		15,699,921	23,129,279	40%
Public Works ²		35,777,900		13,066,223	22,711,677	37%
Non-Departmental		2,245,000		759,995	1,485,005	34%
Total	\$	214,312,700	\$	92,185,970	\$ 122,126,730	43%

1. Fire actuals include seven months' worth of payments as payments to OCFA are made at the beginning of the month

2. Revised budget includes capital carryovers from previous fiscal years (Pavement Mgmt. & P3 Public Safety Building)

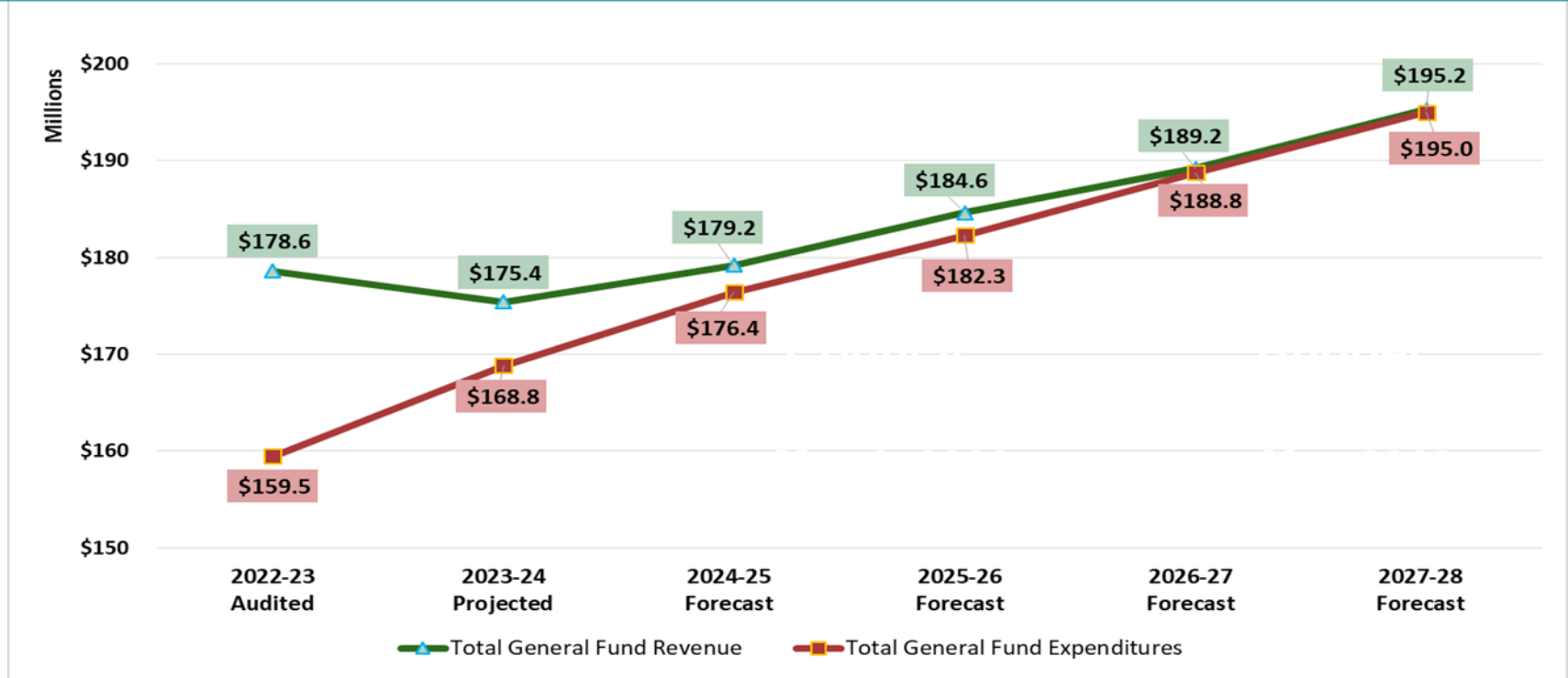
General Fund Revenue as of Dec. 31, 2023

Revenue Source	Revised		Actual		Variance	
		Revenue	As of Dec 31, 2023		\$	%
Property Tax ¹	\$	60,890,200	\$	18,162,230	\$	42,727,970 30%
Sales Tax ²		60,307,600		15,516,403		44,791,197 26%
Hotel Visitor's Tax		25,000,000		12,298,356		12,701,644 49%
Business Tax		2,800,000		1,419,223		1,380,777 51%
Licenses & Permits		2,497,400		1,476,335		1,021,065 59%
Other General Fund Revenue		17,390,200		6,089,679		11,300,521 35%
Total	\$	168,885,400	\$	54,962,226	\$	113,923,174 33%

1. Vast majority of Property Taxes are received in the months of January and April

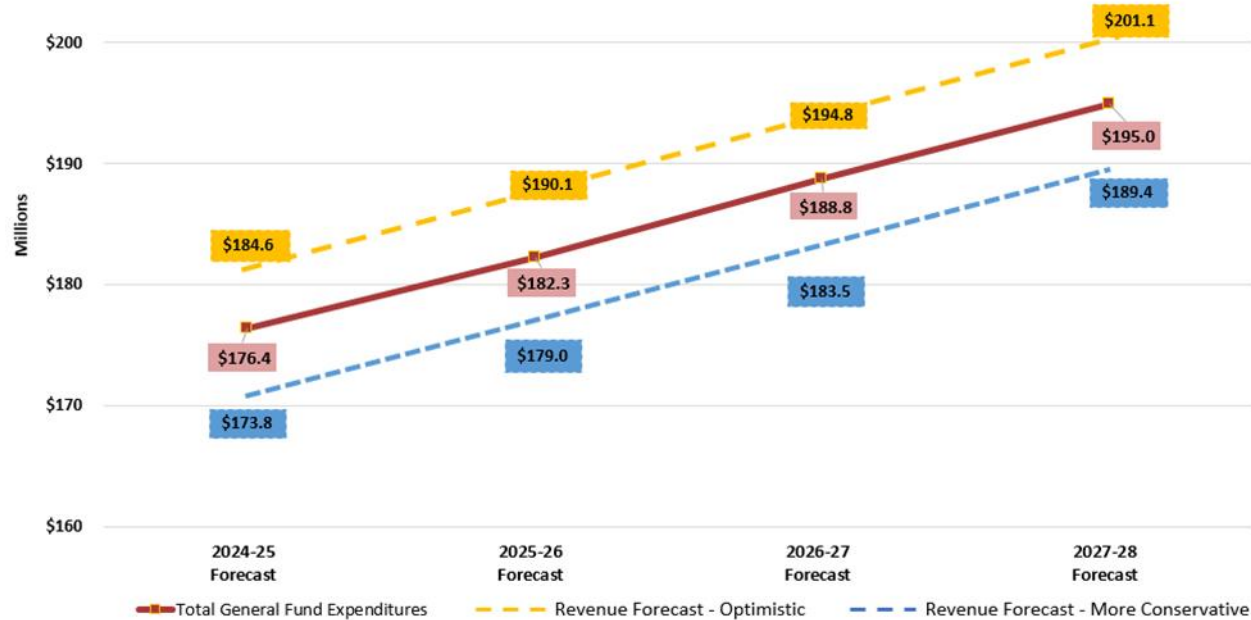
2. Sales Tax actuals reflect three months' worth of Sales Tax received by the City

General Fund Five-Year Forecast



- Fiscal Year 2023-24 through 2027-28 property tax revenue estimates provided by HdL
- Fiscal Year 2023-24 & 2024-25 sales tax revenue estimates provided by HdL
- Other revenue estimates based on actual and current economic indicators
- Expenditure estimates based on historical trend adjusted by additional costs known to the City

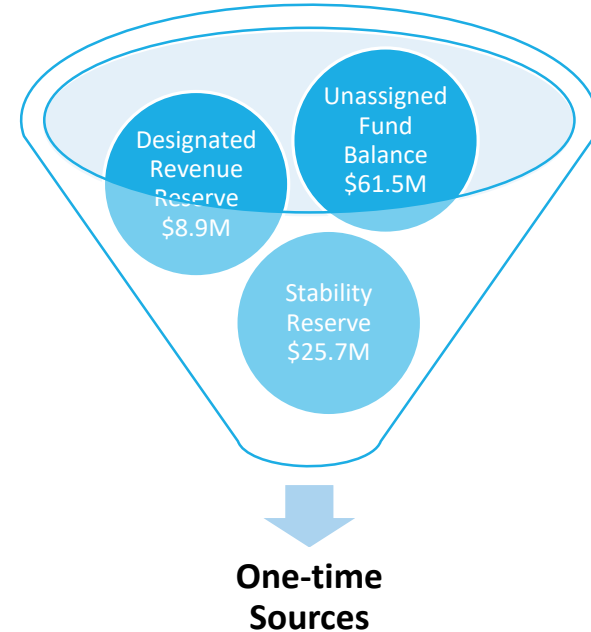
General Fund Five-Year Forecast



Revenue Forecast – **Optimistic**: Base Forecast increased by 3% year-over-year

Revenue Forecast – **More Conservative**: Base Forecast decreased by 3% year-over-year

Base Forecast - Property and sales tax revenue estimates from HdL, other revenue estimates based on actual and current economic indicators



Next Meeting...

Topics to cover:

- Discuss preliminary FY2023-24 General Fund operating results
- Review Revised Fiscal Year 2024-25 Budget (mid-cycle)
- Review Annual Committee Report to the City Council

Tentative date:

September/October 2024



Thank you!

Questions?

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