

Measure O Citizens Oversight Board Committee

Special Meeting
October 7, 2024

Agenda

1. Oral communications
2. Receive and file minutes for February 12, 2024 Special Meeting
3. Review Draft Measure O Annual Report to City Council
4. Review Amended Fiscal Year 2024-25 General Fund Budget
5. Review Preliminary Fiscal Year 2023-24 General Fund Financial 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.

Measure O Committee FY 2023-24 Annual Report

Agenda Item No. 3

Highlights of FY2023-24 Annual Report

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: City Council
From: Measure O – Citizen’s Oversight Committee

Subject: MEASURE O COMMITTEE ANNUAL REPORT FOR FISCAL YEAR 2023-24
Date: November 12, 2024

OBJECTIVE

To present to the City Council in order to receive and file the Measure O Citizen’s Oversight Committee annual report for Fiscal Year 2023-24 per Resolution No. 9540-19.

BACKGROUND

On November 6, 2018, Garden Grove voters passed Ordinance No. 2897, also known as Measure O, imposing a one-cent (1%) transactions and use (sales) tax. The Measure O – Citizen’s Oversight Committee was established on February 26, 2019, to review the City’s annual budget, mid-year budget, and year-end audited financial information in regards to the receipt and use of Measure O funds. Resolution No. 9540-19 requires that an annual report be presented to the City Council communicating the Committee’s activities and to provide a response to the following questions:

- Does the current audited financial information reflect that the Measure O – Public Safety and Vital City Services tax was collected and appropriately spent?
- Does the City’s proposed General Fund annual budget and CIP plan protect and maintain the City’s core services including public safety?

- Summary of Committee’s Proceedings and Activities during the year
- Recap of Audited Financial Information for Fiscal Year 2022-23
 - \$178.6M General Fund revenue, \$29.4 from Measure O
 - \$159.5M General Fund expenditures, 70% for Public Safety (operating expense only)
- Highlight on Adopted General Fund Biennial Budget for Fiscal Years 2023-2025, with supplemental funding of \$13.1M

City of Garden Grove Amended FY 2024-25 Budget

Adopted by City Council on June 11, 2024

Agenda Item No. 4

Highlights of Amended FY2024-25 General Fund Budget

Increases to Adopted Budget – Non-discretionary:

- CalPERS Unfunded Actuarial Liability (UAL) annual payment - \$3.1M
- New debt service obligation – Civic Center Revitalization Project bonds - \$7.2M
- Euclid building parking lot and tenant improvement - \$2.5M

Increases to Adopted Budget – Supplemental Funding:

- Employee reclassification (3 for Community Development and 1 for Economic Development & Housing) - \$116K
- Community beautification/Graffiti Initiative - \$250K
- New Intern position for the City Manager’s Office - \$29K

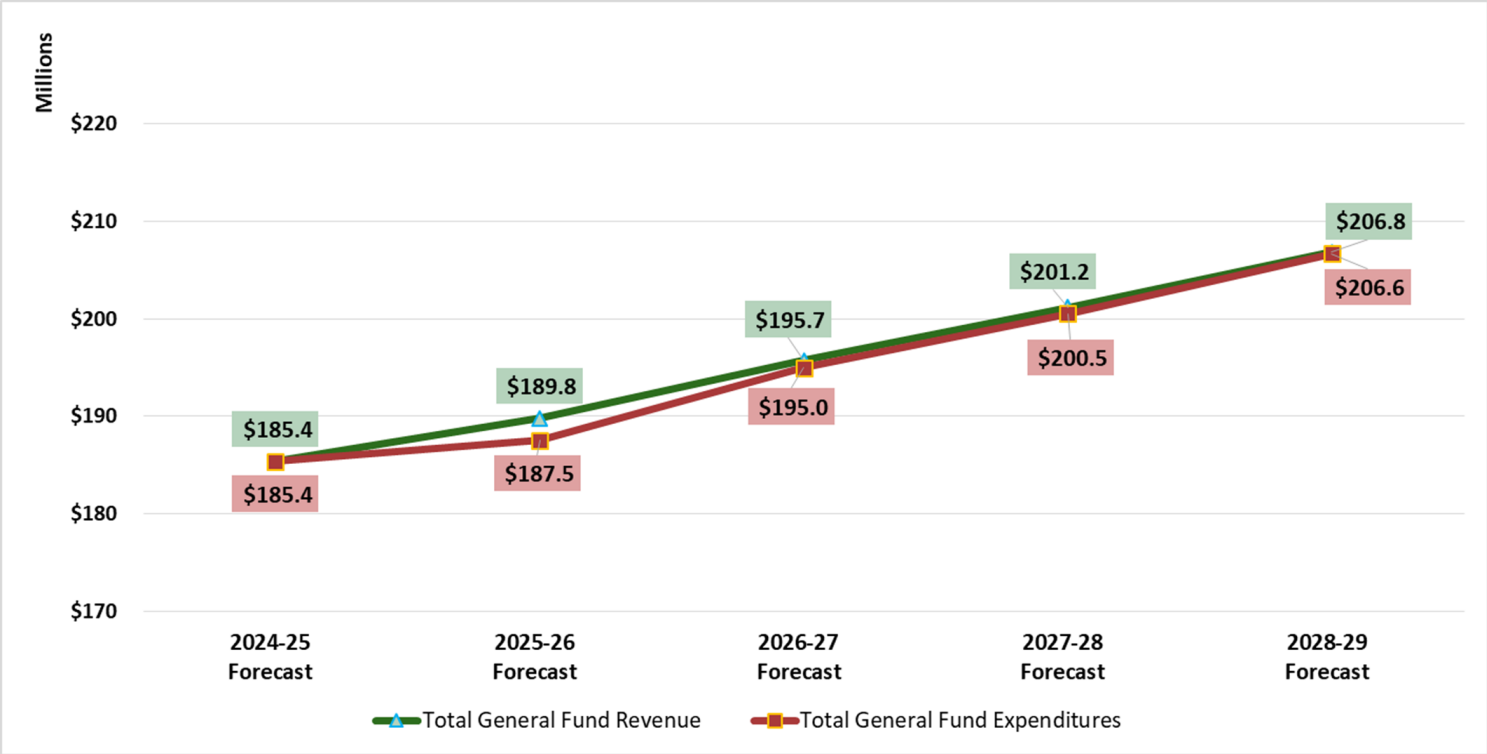
FY2024-2025 General Fund Amended Budget - Expenditure

Department	FY 2024-25		FY 2024-25		Difference	
		Adopted		Amended	\$	%
Fire	\$	32,966,400	\$	33,667,500	\$	701,100 2%
City Administration		12,966,300		13,562,200		595,900 5%
Community Development		6,845,800		7,064,500		218,700 3%
Community Services		7,092,200		7,217,400		125,200 2%
Police		84,531,600		85,737,800		1,206,200 1%
Public Works		20,902,500		21,038,500		136,000 1%
Economic Development		6,723,900		9,038,200		2,314,300 34%
Non-Departmental		2,246,700		8,029,100		5,782,400 257%
Total	\$	174,275,400	\$	185,355,200	\$	11,079,800 6%

FY2024-2025 General Fund Amended Budget - Revenue

Revenue Source	FY 2024-25		FY 2024-25		Difference	
		Adopted		Amended	\$	%
Property Tax	\$	62,096,500	\$	67,134,400	\$	5,037,900 8%
Sales Tax		61,823,500		61,823,500	-	0%
Hotel Visitor's Tax		25,750,000		28,000,000	2,250,000	9%
Other GF Revenue		21,952,700		24,614,500	2,661,800	12%
Total Operating Revenue		171,622,700		181,572,400	9,949,700	6%
One-Time Funding:						
Use of FY 22-23 Surplus		2,652,700		2,652,700	-	0%
Use of GF Fund Balance		-		1,130,100	1,130,100	N/A
Total Sources	\$	174,275,400	\$	185,355,200	\$	11,079,800 6%

Five-Year General Fund Forecast



FY2023-24 Highlights



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Garden Grove
California**

For the Biennium Beginning

July 01, 2023

Christopher P. Morill
Executive Director

S&P Global Ratings

Garden Grove, California—Key credit metrics

APRIL 19, 2024

'AA' Long-term rating with Stable outlook

- Strong economy
- Very strong budgetary performance
- Very strong budgetary flexibility
- Very strong liquidity
- Very strong management
- Adequate debt & long-term liabilities
- Strong institutional framework



2015 Lease Revenue
Bonds Defeasance

GGPFA Lease Revenue Bonds, Series 2024A

Year	Par (\$000s)	Retail Orders	Institutional Orders	Total Orders	Subscription Levels
2025	\$1,755	\$-	\$5,465	\$5,465	3.1x
2026	2,230	50	10,120	10,170	4.6x
2027	2,345	-	18,480	18,480	7.9x
2028	2,460	-	4,445	4,445	1.8x
2029	2,585	-	20,050	20,050	7.8x
2030	2,710	-	10,480	10,480	3.9x
2031	2,845	-	10,735	10,735	3.8x
2032	2,990	-	9,075	9,075	3.0x
2033	3,140	-	3,965	3,965	1.3x
2034	3,295	-	12,575	12,575	3.8x
2035	3,460	-	10,715	10,715	3.1x
2036	3,635	-	11,260	11,260	3.1x
2037	3,815	-	17,395	17,395	4.6x
2038	4,005	-	17,035	17,035	4.3x
2039	4,205	-	19,395	19,395	4.6x
2040	4,415	-	31,400	31,400	7.1x
2041	4,640	-	28,645	28,645	6.2x
2042	4,870	-	24,740	24,740	5.1x
2043	5,115	-	29,950	29,950	5.9x
2044	5,370	-	39,730	39,730	7.4x
2049	31,145	1,200	199,985	201,185	6.5x
2054	38,970	1,400	231,640	233,040	6.0x
Total	\$140,000	\$2,650	\$767,280	\$769,930	5.5x



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Garden Grove
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill
Executive Director/CEO

City of Garden Grove
FY 2023-24
Preliminary Financial Performance
- General Fund -

Agenda Item No. 5

FY2023-24 Preliminary General Fund Revenue

Revenue Source	FY 2023-24		Variance	
	Adopted	Preliminary	\$	%
Property Tax	\$ 60,890,200	\$ 65,760,902	\$ 4,870,702	8%
Sales Tax	60,307,600	59,132,284	(1,175,316)	-2%
Hotel Visitor's Tax	25,000,000	28,502,016	3,502,016	14%
Other GF Revenue	21,039,600	30,898,937	9,859,337	47%
Total Operating Revenue	167,237,400	184,294,138	17,056,738	10%

- Sales tax declined partially due to a delay in payment of \$600K
- Property tax exceeded budgeted amount by \$4.9M
- Hotel tax reached new historical high, and had a favorable budget variance of \$3.5M
- Variance in Other GF Revenue included Investment Income of \$3M, License, Permits and Fines of \$1.3M, other reimbursements of \$1.3M, charges for services and rentals of \$1.2M, and accounting adjustment of \$2M

FY2023-24 Preliminary General Fund Expenditure

Department	FY 2023-24		FY 2023-24		Variance		
		Amended	Preliminary		\$	%	
Fire	\$	31,759,700	\$	31,604,001	\$	155,699	0%
City Administration		12,476,200		10,628,490		1,847,710	15%
Community Development		6,879,310		6,848,734		30,576	0%
Community Services		6,851,700		5,704,385		1,147,315	17%
Police		80,570,200		76,662,749		3,907,451	5%
Public Works		21,621,200		20,328,361		1,292,839	6%
Economic Development		6,926,400		6,017,185		909,215	13%
Non-Departmental		2,245,000		1,562,888		682,112	30%
Other Expenditures*		45,207,290		44,724,063		483,227	1%
Total	\$	214,537,000	\$	204,080,856	\$	10,456,144	5%

*Other Expenditures	
2015 Defeseance	\$ 20,744,482
Euclid Building Acquisition	11,940,136
PMP	9,816,937
Purcell TI	576,497
Civic Center Revitalization Project	1,646,011
Total	\$ 44,724,063

Next Meeting...

Topics to cover:

- Discuss audited General Fund operating results for Fiscal Year 2023-24
- Review Fiscal Year 2024-25 mid-cycle budget and Measure O Revenue outlook

Tentative date:

February/March 2025



Thank you!

Questions?

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