

Measure O Citizens Oversight Board Committee

Special Meeting
October 27, 2025

Agenda

1. Oral communications
2. Receive and file minutes for March 10, 2025 Special Meeting
3. Review Draft Measure O Annual Report to City Council
4. Review Adopted Fiscal Year 2025-26 and 2026-27 Biennial Budget for the General Fund
5. Review Preliminary Fiscal Year 2024-25 General Fund Financials
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 2024-25 Annual Report

Agenda Item No. 3

Highlights of FY2024-25 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 2024-25	Date:	November 12, 2025

OBJECTIVE

To present the Fiscal Year 2024-25 Measure O Citizen's Oversight Committee Annual Report to the City Council for receipt and filing pursuant to 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 2023-24
 - \$185.0M General Fund revenue, \$29.4M from Measure O
 - \$204.5M General Fund expenditures, over 70% for Public Safety (exclude one-time, capital and debt service costs)
- Highlight on Amended General Fund Budget for Fiscal Years 2024-2025, with increased funding of \$11.1M

City of Garden Grove Adopted FY 2025-27 Biennial Budget

Adopted by City Council on June 10, 2025

Agenda Item No. 4

Highlights of Adopted FY2025-27 General Fund Budget



Fire Protection:
100% - General Fund



Police Service:
96% - General Fund



Public Works (non-utility)
36% - General Fund



Community Services:
79% - General Fund



Community Development:
94% - General Fund

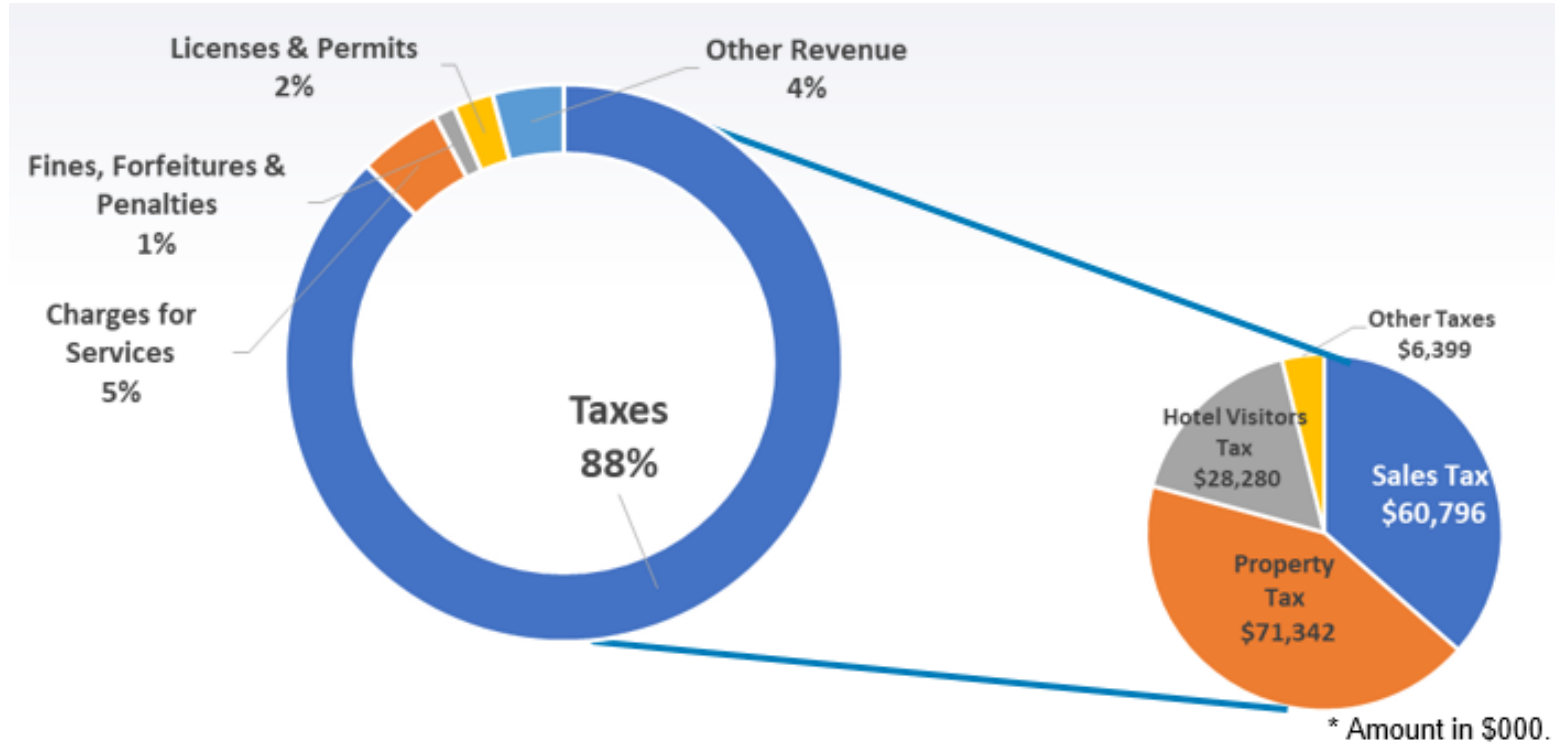


Economic Development:
31% - General Fund

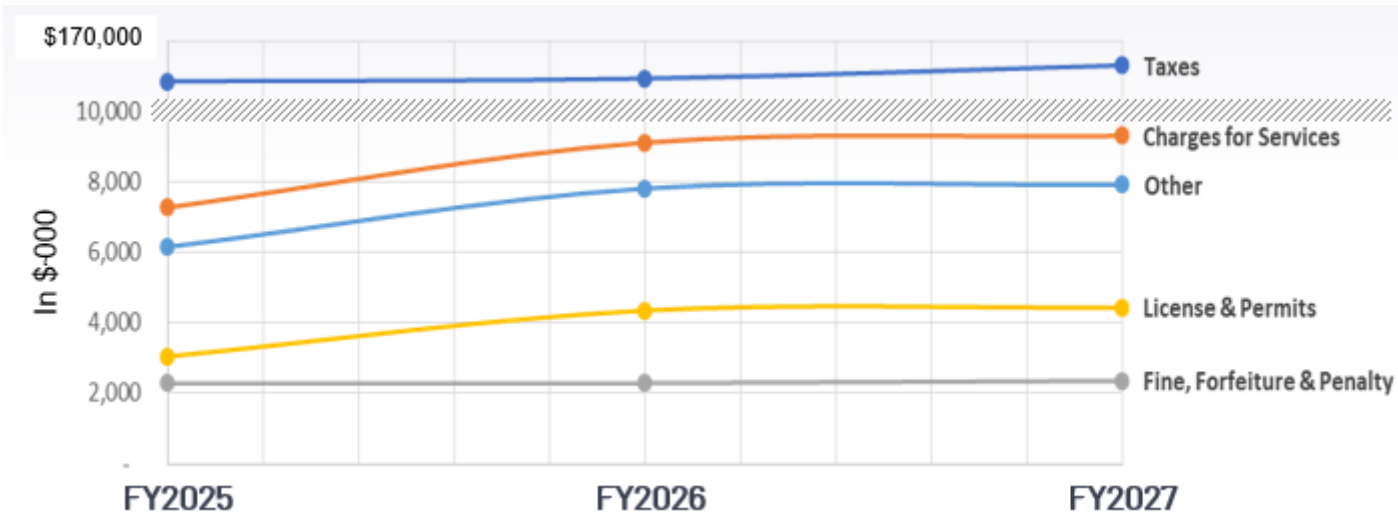


Municipal Support:
36% - General Fund

General Fund Budget – Revenue



General Fund – Revenue Trend



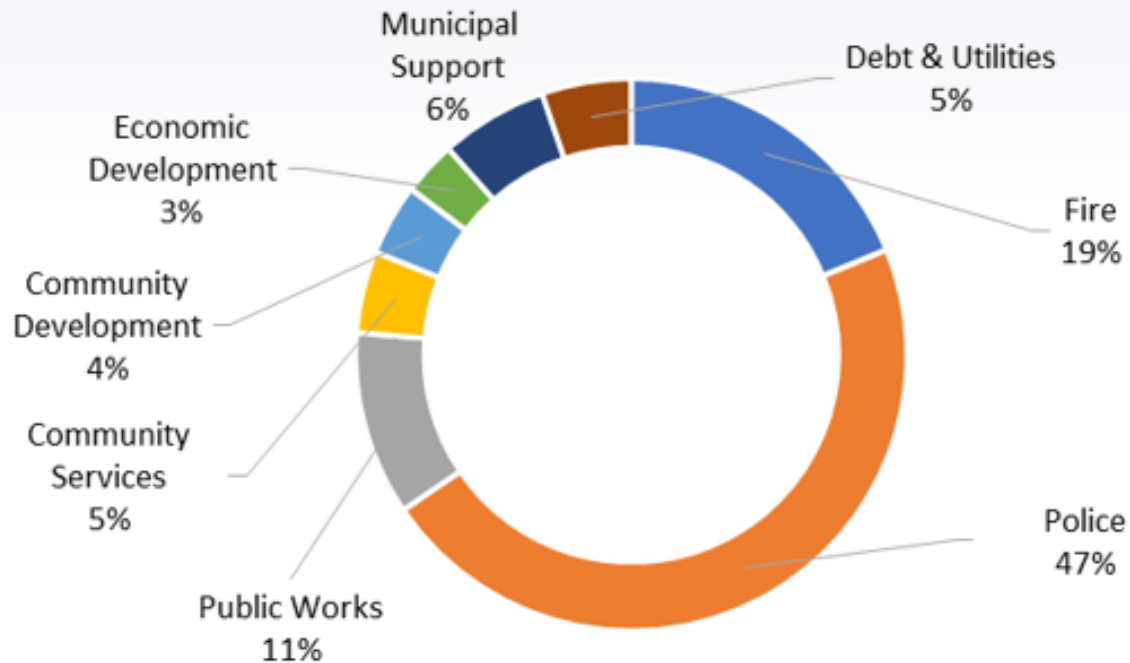
FY2025-2027 General Fund Amended Budget - Revenue

	Amended FY2025 (in \$000)	Adopted FY2026 (in \$000)	Adopted FY2027 (in \$000)	Change ¹
Sales Tax	\$ 31,408	\$ 29,992	\$ 30,846	-3.1%
Measure O	30,415	29,951	30,803	-0.1%
Property Tax	67,134	70,055	72,628	6.3%
Hotel Visitors Tax	28,000	28,000	28,560	1.0%
Other Taxes	5,900	6,018	6,779	8.4%
Charges for Services	7,272	9,117	9,306	26.7%
Fines, Forfeitures & Penalties	2,285	2,290	2,354	1.6%
Licenses & Permits	3,045	4,349	4,433	44.2%
Other Revenue:				
Investment Income	1,855	1,969	2,232	13.2%
Rental Income	1,177	1,685	1,692	43.5%
Expense Reimbursement	1,437	1,390	1,449	-1.2%
Other	1,685	2,768	2,546	57.7%
	\$ 181,613	\$ 187,584	\$ 193,628	5.0%

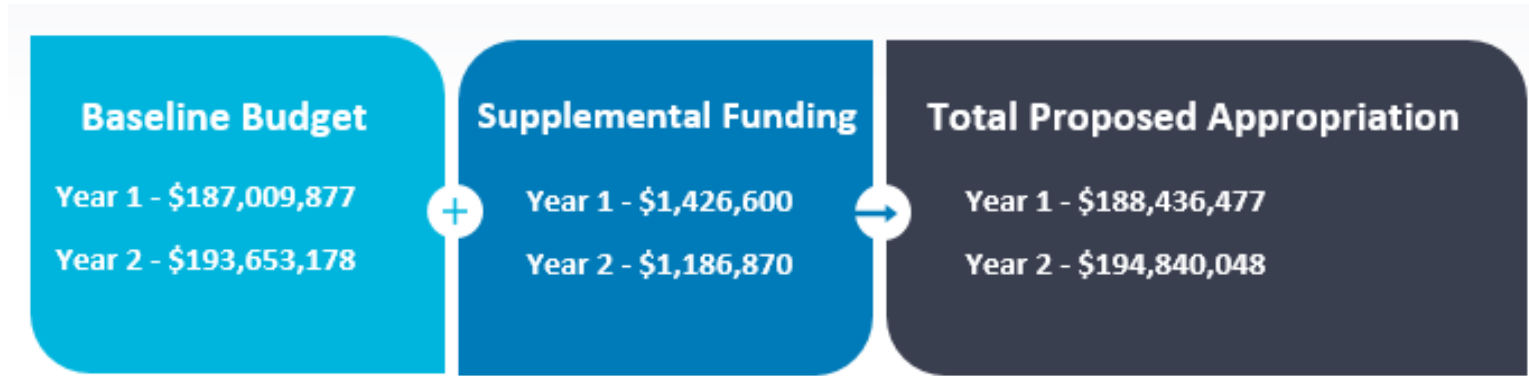
¹ Compares the average of FY2026 and FY2027 to FY2025.

General Fund Budget – Expenditure

Municipal Functions Supported by General Fund



Highlights of Adopted FY2025-27 General Fund Budget



- Baseline was increased to accommodate inflation in contractual and commodities
- Supplemental Funding:
 - ✓ Total of 41 requests were received for the two-year period, amounting to \$10.4M, of which \$7.9M were General Fund requests;
 - ✓ Out of these, 25 requests were approved – 15 funded by the General Fund, totaling \$2.6M for the two-year cycle

FY2025-2027 General Fund Adopted Budget - Expenditure

	Amended FY2025 (in \$000)	Adopted FY2026 (in \$000)	Adopted FY2027 (in \$000)	Change ¹
Fire	\$ 33,668	\$ 35,236	\$ 36,797	7.0%
Police	85,738	87,861	91,156	4.4%
Public Works	21,038	20,273	21,040	-1.8%
Community Services	7,217	9,104	9,269	27.3%
Community Development	7,065	7,939	8,121	13.7%
Economic Development	9,038	6,058	6,123	-32.6%
Municipal Support:				
City Administration	4,794	4,052	4,081	-15.2%
City Attorney	1,161	1,161	1,161	0.0%
Finance	4,524	3,936	4,072	-11.5%
Human Resources	2,229	2,109	2,184	-3.7%
Information Technology	854	697	723	-16.9%
Non-Departmental:				
Debt Service	7,172	8,753	8,756	22.1%
Utilities	857	1,257	1,357	52.5%
	<u>\$ 185,355</u>	<u>\$ 188,436</u>	<u>\$ 194,840</u>	3.4%

¹ Compares the average of FY2026 and FY2027 to FY2025.

City of Garden Grove
FY 2024-25
Preliminary Financial Performance
- General Fund -

Agenda Item No. 5

FY2024-25 Preliminary General Fund Operating Result

GENERAL FUND REVENUE VS. EXPENDITURE						
		Revised Budget ¹	Preliminary Actual As of June 30, 2025 ³	Variance		
				\$		%
Revenue Total	\$	181,613,400 ²	\$ 188,324,036	\$ 6,710,636		3.7%
Expenditure Total		192,262,500	180,152,776	(12,109,724)		-6.3%
Operating Surplus⁴			\$ 8,171,260			

¹ Revised budget includes capital carryovers from previous fiscal years, such as Pavement Management Acceleration Program and Civic Center Revitalization Project.

² Amount reflects operating revenue only. An additional one-time allocation of \$2,625,700 from FY2022-23 surplus and \$1,089,100 from fund balance was included in the Amended FY2024-25 General Fund budget to balance the budget for the year.

³ Preliminary amounts subject to audit.

⁴ Operating surplus includes \$3.0M in unspent capital budget and \$2.7M in encumbrances, totaling \$5.7M, which will be carried over to FY2025-26.

FY2024-25 Preliminary General Fund Revenue

Source	Revised		Preliminary Actual		Variance		
		Budget		As of June 30, 2025	\$	%	
Property Tax	\$	67,134,400	\$	67,776,897	\$	642,497	1.0%
Sales Tax		61,823,500		58,425,208		(3,398,292)	-5.5%
Hotel Visitor's Tax		28,000,000		27,090,812		(909,188)	-3.2%
Other Taxes		5,900,000		5,924,744		24,744	0.4%
Licenses & Permits		3,045,100		3,507,080		461,980	15.2%
Charges for Services		7,254,200		8,684,741		1,430,541	19.7%
Investment Earnings ¹		1,854,700		9,066,055		7,211,355	388.8%
Other General Fund Revenue		6,601,500		7,848,498		1,246,998	18.9%
Total	\$	181,613,400	\$	188,324,035	\$	6,710,635	3.7%

¹ The actual amount includes a \$3.7 million mark-to-market adjustment in accordance with GASB Statement No. 31.

FY2024-25 Preliminary General Fund Expenditure

Department	Revised Budget*	Preliminary Actual As of Dec 31, 2024	Variance	
			\$	%
Fire ¹	\$ 33,667,500	\$ 33,381,354	\$ (286,146)	-0.8%
Police	85,738,000	84,277,043	(1,460,957)	-1.7%
City Administration	5,089,300	4,057,345	(1,031,955)	-20.3%
Human Resources	2,263,600	1,746,335	(517,265)	-22.9%
Finance	4,484,950	3,453,101	(1,031,849)	-23.0%
Information Technology	854,200	615,047	(239,153)	-28.0%
Community Development	7,082,600	6,977,224	(105,376)	-1.5%
Community Services	7,415,800	6,008,544	(1,407,256)	-19.0%
Economic Development	11,968,500	8,877,762	(3,090,738)	-25.8%
Public Works	25,668,950	22,644,564	(3,024,386)	-11.8%
Non-Departmental ²	8,029,100	8,114,457	85,357	1.1%
Total	\$ 192,262,500	\$ 180,152,776	\$ (12,109,724)	-6.3%

¹ Fire expenditure includes entire year's UAL payment, and seven months of payment to OCFA.

² Non-departmental costs include debt service and utilities.

Next Meeting...

Topics to cover:

- Discuss audited General Fund operating results for Fiscal Year 2024-25
- Review Fiscal Year 2025-26 mid-cycle budget and Measure O Revenue outlook

Tentative date:

February/March 2026



Thank you!

Questions?

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