MINUTES
MEASURE O CITIZENS' OVERSIGHT COMMITTEE

SPECIAL MEETING

Community Meeting Center, Founders Room,
11300 Stanford Avenue, Garden Grove, CA 92840

Monday, April 13, 2026

CALL TO ORDER: 5:47 p.m.

ROLL CALL PRESENT: (4) Chair Sanders, Members Beard, Luu, Malo

ABSENT: (3) Vice Chair Mackanic, Members Ferrer, Tran

OTHERS PRESENT: Lisa Kim, City Manager, Patricia Song, Finance Director; Sam Fandrich, Deputy Director of Finance Director.

ORAL COMMUNICATIONS – PUBLIC:

None.

RECEIVE AND FILE MINUTES:

Members confirmed the receipt of the October 27, 2025 meeting minutes. Chair Sanders motioned to approve the minutes, seconded by Member Beard.

Ayes:	(4)	Beard, Luu, Malo, Sanders
Noes:	(0)	None
Abstained:	(0)	None
Absent:	(3)	Ferrer, Mackanic, Tran

REVIEW BROWN ACT:

Ms. Song presented an overview of the Brown Act to the Committee, highlighting its purpose of promoting transparency and ensuring public access to local government meetings. She noted that the law, enacted in 1953, was intended to prevent secret meetings and support open decision-making by public agencies, and that it applies to committee meetings.

She reviewed the Brown Act's definition of a "meeting" and provided guidance on avoiding "serial meetings." Ms. Song also discussed the recently enacted SB 707, which

took effect on January 1, 2026, noting that most of its updates relate to teleconference rules.

Committee members were advised to consult City Attorney Omar Sandoval or Assistant City Attorney James Eggart for guidance when questions arise.

REVIEW CODE OF ETHICS:

Ms. Song provided an overview of Garden Grove Municipal Code Section 2.02, the Code of Ethics for Public Officers and Employees, highlighting key provisions:

- Section 2.02.040 – Fair and Equal Treatment: No preferential consideration shall be given to any request or petition.

- Section 2.02.050 – Use of Public Property: Public property includes not only equipment and vehicles but also City employees. The Code explicitly states that "No public official or employee shall use the time of any City employee during working hours for personal convenience or profit."

- Section 2.02.060 (Subsection D) – Conflict of Interest: This section defines various conflict of interest scenarios in detail. Members with questions were advised to contact Ms. Song, who will consult the City's legal counsel if needed.

REVIEW FISCAL YEAR 2024-25 AUDITED FINANCIALS:

Ms. Song presented the audited FY2024-25 Annual Comprehensive Financial Report (ACFR) to the Committee, highlighting the following key points:

- **Independent Auditor's Opinion:** The City received a clean opinion from its independent auditor, confirming that the financial statements were presented accurately and in compliance with accounting principles and Governmental Accounting Standards Board (GASB) requirements. A clean opinion is a standard requirement for municipalities to ensure financial transparency.

- **GFOA Recognition:** The City was awarded its 40th consecutive Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), the highest form of recognition in governmental accounting and reporting. The City anticipates receiving this recognition again for the 2025 ACFR.

- **Communication to the City Council:** The auditor reported no material misstatements, no uncorrected misstatements, and no disagreements with management in the financial statements.

- **Net Position Trends:** Ms. Song presented a five-year trend analysis of the City's net position, representing the difference between assets and liabilities. Since 2021, the City's net position has grown at an average annual rate of 5.3%; however, this growth began to decelerate in FY2024. In FY2025, net position increased by 2.6% compared to FY2024.

- **FY2024-25 General Fund Revenue:** Total revenue increased modestly by $2.6 million compared to FY2024. However, Sales Tax and Hotel Visitors Tax declined by a combined $2.1 million. The primary driver of the overall revenue increase was investment income; due to favorable market conditions, the City reported $8.5 million in investment income for FY2025. In recent years, the City experienced rapid growth in both assessed valuation and consumer spending as the economy rebounded from the pandemic. As with many agencies, these tax revenue streams have begun to stabilize. In particular, rapid interest rate hikes have slowed real estate transactions, while discretionary spending has declined noticeably. In response to these trends, the City is exercising caution in monitoring declining tax revenues to avoid a significant structural deficit while planning the FY2027 Amended Budget.

- **FY2024-25 General Fund Expenditure:** FY2025 expenditures declined by 11% or $23 million compared to the prior year, primarily due to one-time costs incurred in FY2024. These included the $21 million payoff of the 2015 Lease Revenue Bonds and the $12 million acquisition of an office building at the corner of Euclid Street and Garden Grove Boulevard as part of the Civic Center Master Plan. Excluding these two one-time items, on-going General Fund expenditures had an increase of over $10 million, with Public Safety spending grew $9.3 million.

- **Public Safety Spending:** Consistent with prior years, Public Safety expenditure remain the largest spending for the City, totaling nearly $118M. Comparing to the overall GF expenditure, public safety spending is about 65%, however, excluding capital and debt payment, Public Safety portion of the spending is about 75% of the GF operating costs.

- **Measure O Revenue:** Measure O generated $29 million in FY2024-25, surpassing the City's hotel tax revenue.

REVIEW FY 2025-26 MID-YEAR GENERAL FUND BUDGET:

Ms. Song presented the General Fund expenditures and revenue for the current fiscal year as of December 31, 2025, to the Committee.

- Expenditures: Spending was on target and projected to remain within budget by the end of the fiscal year.

- Revenue Trends: Sales and use tax, as well as hotel tax, were both trending lower during the first half of the year. Staff has been closely monitoring market conditions and is prepared to make necessary adjustments if revenue fluctuations significantly impact the overall revenue base.

DISCUSS NEXT MEETING:

The next meeting is tentatively scheduled for September or October 2026. Agenda items will include a review of the Amended Fiscal Years 2026-2027 budget, preliminary General Fund FY2025-26 operating results, and the draft 2026 Committee Annual Report to the City Council.

MATTERS FROM COMMITTEE MEMBERS AND STAFF:

Chair Sanders reminded all Committee members of their responsibility to participate in these semiannual special meetings. Once attendance is confirmed and a meeting is scheduled, members who encounter unforeseen circumstances should notify staff in advance to help ensure a quorum. Members are also encouraged to provide or update their contact information with staff to maintain effective communication.

City Manager Kim invited Committee members to tour the new Public Safety Building in the coming month ahead of the ribbon cutting, which is scheduled for August 2026.

Members also thanked staff for the update and emphasized that the strong communication between City staff and the Committee helps ensure transparency and accountability in the use of Measure O revenue.

ADJOURNMENT: At 6:56 p.m.