



# MEASURE O CITIZEN'S OVERSIGHT BOARD COMMITTEE

SPECIAL MEETING  
JANUARY 21, 2020





## 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.

# Agenda

- Overview of FY 2018-19 Audited Financials
  - Current year update on Measure O Revenue and Expenditures
  - Recent Efforts on Developing Important Financial Policies and Benchmarking
  - Next Meeting Topics and Committee Responsibilities

# COMMITTEE PURPOSE AND RESPONSIBILITIES

RESOLUTION NO. 9540-19

## Purpose

*Provide citizen oversight of Measure O's funds, to ensure all funds are spent properly*

## Responsibilities

- Review General Fund Budget;
- Review Comprehensive Annual Financial Report; and
- Communicate Review Findings Annually to the City Council during public meeting.



# FY2018-19 AUDITED FINANCIAL STATEMENTS

## FY2018-19 Financial Highlights

[HTTPS://GGCITY.ORG/SITES/DEFAULT/FILES/2018-19-CAFR.PDF](https://ggcity.org/sites/default/files/2018-19-cafr.pdf)

- Governmental activities' net position increased by \$9.1 million, and \$8.7 million was attributable to Business-type activities;
- A glance at Public Safety, the largest component of Governmental activities:
  - Total cost of Public Safety was \$90.1 million, representing 59.4% of total cost of governmental activities;
  - 72.1% of these costs are funded by taxes and fees, including Measure O;
  - Fiscal Year 2018-19 total Measure O revenue was \$4.8 million.



# FY2018-19 Audited General Fund at a Glance

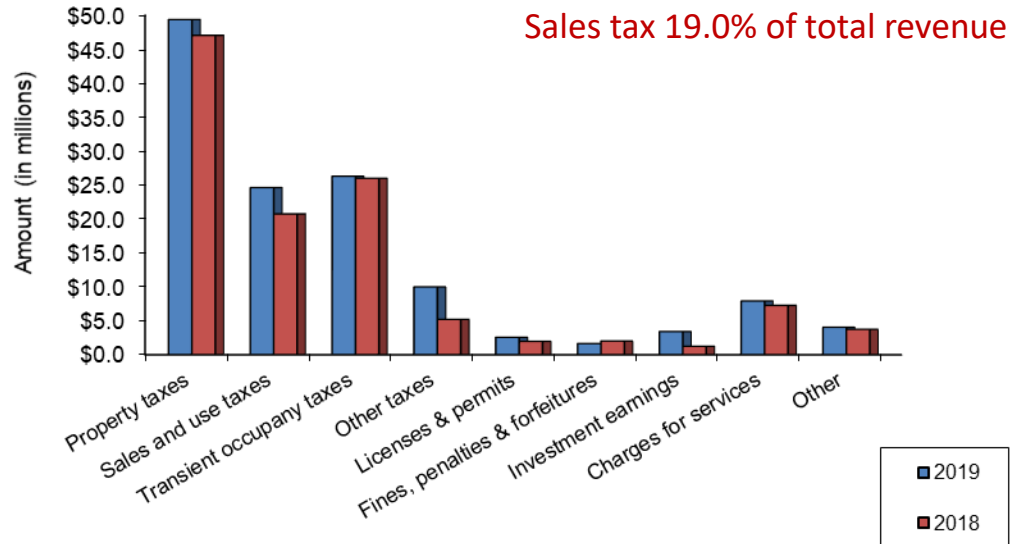


FY 2017-18 \$115.2M  
 FY2018-19 \$129.8M

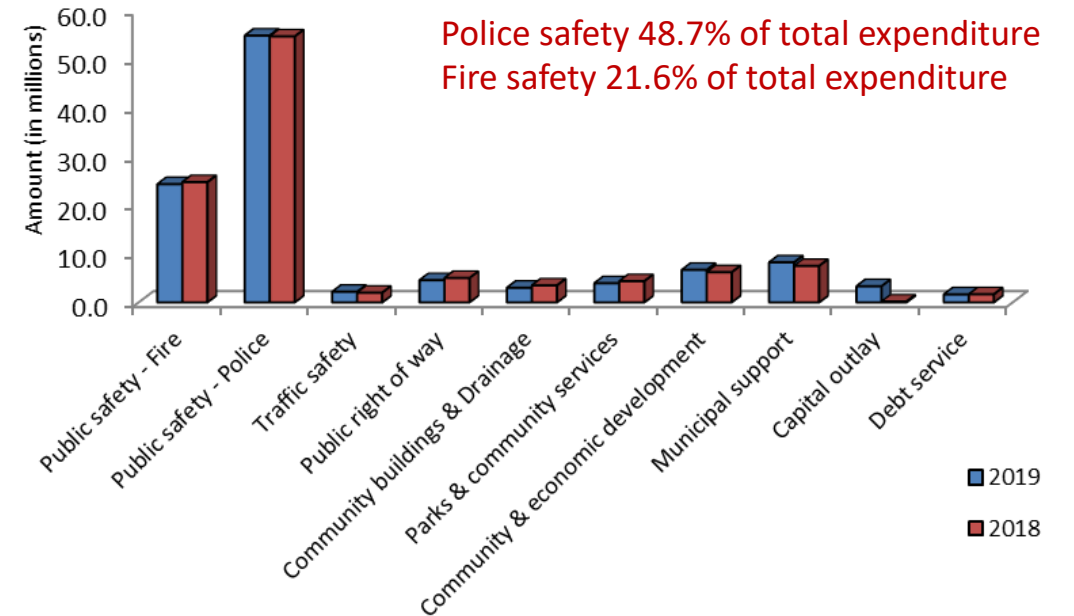


FY 2017-18 \$109.8M  
 FY2018-19 \$112.7M

General Fund Revenues - Two-Year Comparison



General Fund Expenditures - Two Year Comparison



# UPDATE ON MEASURE O REVENUES & EXPENDITURES

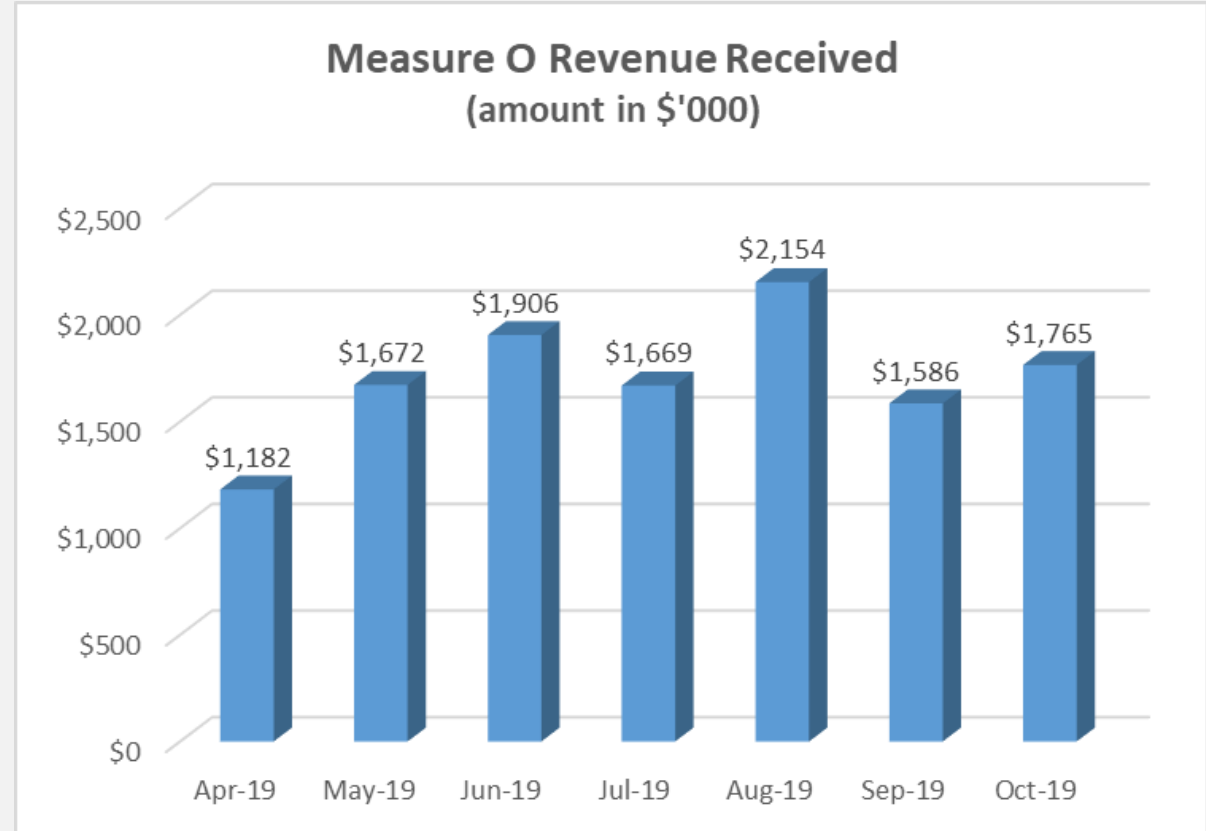
FISCAL YEAR 2019-20 YTD





# FY2019-20 Year-to-Date Measure O Revenue

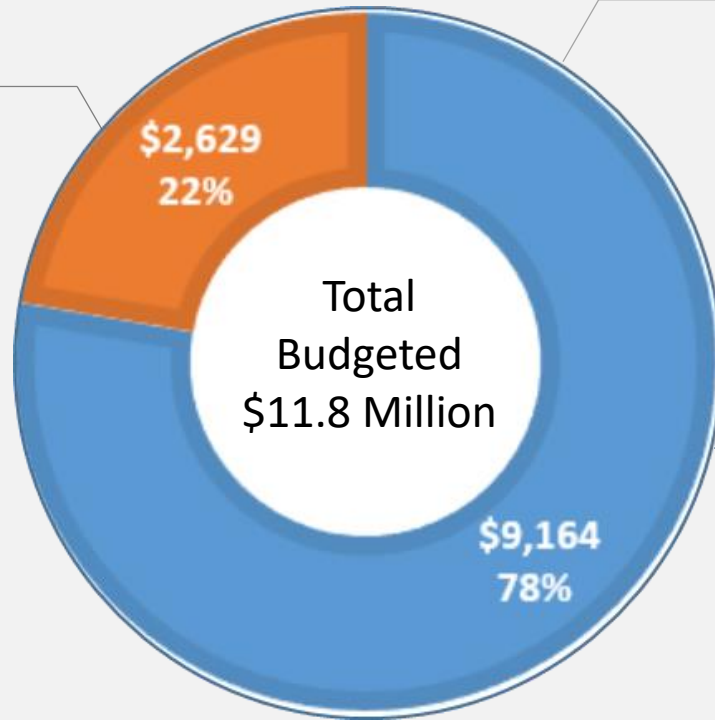
	Amount Received	Date Received
<b>July 2019</b>	\$ 1,669,295	9/24/2019
<b>August 2019</b>	2,154,060	10/24/2019
<b>September 2019</b>	1,585,592	11/25/2019
<b>October 2019</b>	1,765,306	12/24/2019
<b>Total Fiscal YTD</b>	<b>\$ 7,174,253</b>	
<b>Total Fiscal Year Budget</b>	<b>\$ 19,000,000</b>	
<b>%-age Received</b>	<b>37.8%</b>	





# Use of Measure O Funding – FY 2019-20 Year-to-Date

(\$ in '000)

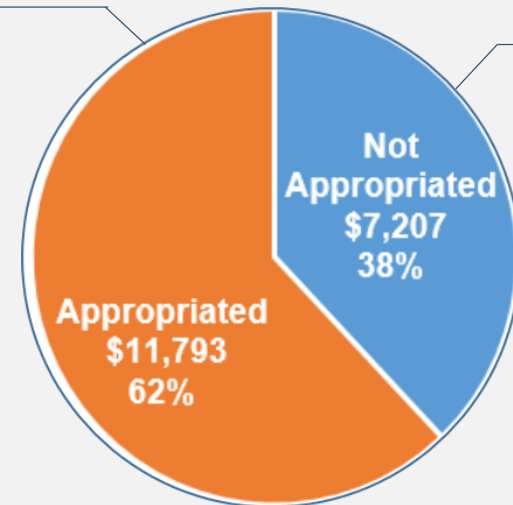


	Adopted Budget	Actual (July-Dec 2019)
<b>Public Safety</b>		
Police Workforce Expansion	3,473	631
SRO Program Enhancement	206	103
Police Facility Assessment	150	225
Additional Police Training	45	45
Labor & Pension Cost Increase	3,570	1,785
OCFA Contract/Transition	1,720	860
<b>TOTAL</b>	<b>9,164</b>	<b>3,649</b>

39.8%

Non-Public Safety	Adopted Budget	Actual (July-Dec 2019)
BiGG/Revenue Enhancement	807	377
Public Works Contracts	395	341
Compliance & Legal Services	205	93
Community Partnerships & Ev	59	21
Service Level Enhancement	21	9
Financial Transparency Efforts	5	-
Labor Cost Increase	1,137	568
<b>TOTAL</b>	<b>2,629</b>	<b>1,409</b>

53.6%



**Projected Surplus (\$7.2 Million)**

- Pension Liability Pay Down
- Rainy Day Fund



# Progress with Measure O Funded Public Safety Efforts – FY 2019-20

- Police Personnel
  - Goal – 10 New Officers, 1 Sergeant, 5 Support Staff
  - Stat –
    - 2 Officers hired in November 2019
    - 8 Police recruits currently in Academy, with anticipated start date in March 2020
    - 2 Public Safety Dispatchers to start in February 2020
- Other Police Safety Efforts
  - Purchased 5 Police Vehicles
  - Hired Architect for Facility Assessment, preliminary results will be presented to City Council on 1/28/2020
  - Upgraded and expanded School Resource Officers Program with 3 full-time police officers
  - Approved new MOU with Police labor group through April 2022
  - Added 2 Community Service Officers to the Neighborhood Traffic Unit



# UPDATE ON IMPORTANT FINANCIAL POLICIES

- Garden Grove Administrative Policy  
No. 200-06  
Pension Funding Policy
- Garden Grove Administrative Policy  
No. 200-07  
General Fund Reserve Policy

A hand holding a blue marker is writing the words "FISCAL POLICY" in blue, uppercase letters on a whiteboard. The whiteboard is positioned within a circular frame that has a thick, light blue border. The background of the slide is a dark blue gradient with a large, stylized white circle on the right side that contains the whiteboard image.

FISCAL POLICY



## Policy Highlights



Paying down unfunded liabilities/stabilizing future contribution rates.



Contribution 100% of actuarially determined contribution amount.



Consider full pension costs in making hiring decisions.



Prohibit any pension benefit increases until plans are fully funded.

# Admin Policy No. 200-06 Pension Funding Policy

Initial funding level is at \$673,159

# A

## Stability Reserve

- 2 months (16.7%) operating revenue – GFOA Recommendation
- Require 2/3 vote to use

# B

## Catastrophic Reserve

- Target at 13.3% of operating revenue for a total of 30% combined with Stability Reserve

# C

## Designated Revenue Reserve

- One-time revenue from non-operating activities
- Require 2/3 vote to use



# Admin Policy No. 200-07 General Fund Reserve Policy

Initial reserve level is at \$22.5 million

### GFOA Recommended Minimum Level

Two months (or 16.7%) of regular General Fund operating revenues or expenditures.

### Garden Grove Target Reserve Level

Stability Reserve	16.7%
Catastrophic Reserve	13.3%
<b>Total Operating Reserve</b>	<b>30.0%</b>



- Timing – September 29, 2020 (tentative)
  - Sales Tax information availability
  - Changes to the originally adopted FY2020-21 Budget
  - Preliminary FY2019-20 Financial Results
- Topics:
  - Review of FY2019-20 preliminary General Fund operating results
  - Discuss annual written report to the City Council which covers the following:
    - A summary of the Committee’s proceedings and activities during Fiscal Year 2019-20;
    - Comments on audited Fiscal Year 2018-19 financial information in regards to Measure O funds’ collection and spending; and
    - Comments on the Fiscal Year 2020-21 annual budget and CIP plan in regards to the City’s core services including Public Safety.



# Next Meeting

# THANK YOU

