

Community Vision Implementation




1



City of Garden Grove


Fiscal Year 2017/18 & 2018/19
Proposed Budget Workshop

June 06, 2017



City of Garden Grove


- Context
 - Current and Projected Economic Environment
 - Unemployment rate declined to 4.3%
 - Labor Force Participation Rate is 62.7% in May
 - Minimal Inflation Expectation
 - Low but Steady Economic Growth Vs Recession Expectations
 - Federal and State Issues
 - Federal HUD Allocation, Gas Tax
 - Legislation, Initiatives
 - City Specific Issues
 - PERS Unfunded Liability
 - Structural Budget Deficit - Fiscal Outlook,
 - Economic Development, Community Issues, etc.



Garden Grove Financial Profile

- Full Service City
 - Police, Fire, Utilities (Water, Sewer, Solid Waste), Community Services, Community Development, Housing, Support Services, Successor Agency
 - 640 Full time Employees, 231 Part Time Employees (FY 2016-17)
 - One Police Station, Seven Fire Stations
- Demographics (2015)
 - Population 177,303
 - Unemployment Rate - 4.3% (4.2% same time last year)
- Location
 - Central Orange County

4




Garden Grove Financial Profile

GARDEN GROVE


- Budget
 - Citywide Operational Budget -
 - FY 2018-19 Proposed Budget - \$228.4 Million
 - FY 2017-18 Proposed Budget - \$225.1 Million
 - FY 2016-17 Adopted Budget - \$218.1 Million
 - Citywide Capital Budget -
 - FY 2018-19 Proposed Capital Budget - \$16.9 Million
 - FY 2017-18 Proposed Capital Budget - \$19.4 Million
 - FY 2016-17 Adopted Capital Budget - \$18.7 Million
- Top Employers
 - (Hotels/Lodging, Healthcare, Industrial, Big Box stores, etc.)
- Credit Rating
 - A with Positive Outlook (Standards & Poors)

5



City of Garden Grove

City of Garden Grove
FY 2017-18 & FY 2018-19
Operating Budgets



City of Garden Grove Operating Budgets

- **Enterprise Funds**
 - Housing Authority
 - Sewer
 - Solid Waste
 - Water Supply


- **Garden Grove Successor Agency**

- **Grant Funds**
 - CDBG, Home, Public Safety Grants, etc.

- **Special Assessment Funds**
 - Lighting, Parking, Main Street, Tourism, Districts, etc.

- **Basic Services Funds**
 - General Purpose Fund, Self Supporting Recreation and Operating Gas Tax Fund

6/6/2017 7




Garden Grove Housing Authority

FY 2017-18 & FY 2018-19
Proposed Budget Workshop

June 06, 2017

6/6/2017 8


Finance Department



Garden Grove Housing Authority

- Budget – Objectives/Highlights
 - Federally Funded Through The Department of Housing and Urban Development (HUD)
 - Rental Subsidies to 2,189 Low-Income Families
 - Outreach Activities to Tenants, Landlords, and Others
 - Conduct Initial and Planned Annual Inspections
 - Continue Family Self-Sufficiency Program
 - Maintain Owned Properties
 - Monitor Former Agency Affordable Housing Agreements

6/6/2017 Finance Department 9



**Proposed Budget
Housing Authority**

Sources	(In Thousands)	FY2017-18	FY2018-19
Beginning Balance		\$ 1,073	\$ 904
Interest Income		108	108
Housing Allocation		31,694	31,765
Total Resources		\$ 32,875	\$ 32,777
Expenditures			
Voucher Program		(31,169)	(31,223)
Family Self Sufficiency Program		(122)	(125)
Property Management		(277)	(282)
City Administration		(403)	(417)
Total Expenditures		\$ (31,971)	\$ (32,047)
Balance		904	730

6/6/2017 Finance Department 10



END


QUESTIONS



GG Successor Agency

Fiscal Years 2017-18 & 2018-19
Proposed Budget Workshop


June 06, 2017



Garden Grove Successor Agency

- Budget Objectives/Highlights
 - Balanced Budget
 - Manage and Pay Recognized Obligation Payment Schedule (ROPS) obligations as Approved
 - Continue Implementation of Approved DDAs/Projects
 - Brookhurst Triangle
 - Great Wolf Hotel Expansion
 - Site B2

6/6/2017 Finance Department 13



Proposed Budget
Garden Grove Successor Agency

	In Thousands	FY2017-18	FY2018-19
Sources			
Revenue (RPTTF Distribution)		20,187	18,477
Other Revenue		103	14
Total Funds Available		\$ 20,290	\$ 18,491
Uses			
Operations and Overhead		(581)	(581)
Recognized Obligation Payments(ROPs)		(19,709)	(17,910)
Total Uses of Funds		\$ (20,290)	\$ (18,491)
Balance		\$ -	\$ -

6/6/2017 Finance Department 14



END

QUESTIONS



Garden Grove Sanitary District

Fiscal Years 2017-18 & 2018-19
Proposed Budget Workshop

June 06, 2017



Garden Grove Sanitary District SEWER/SOLID WASTE

- Budget Highlights
 - Balanced Budget
 - Continue Planned Sewer Capital Program (Capacity/Structural)
 - Continue Manhole Inspection and Replacement Program
 - Continue Fats, Oils, and Grease Control Education
 - Continue AB 939 Waste Diversion Efforts
 - Implement Commercial Organic Waste Program

6/6/2017

Finance Department

17




Proposed Budget SEWER FUNDS


(In Thousands)	FY2017-18	FY2018-19
Sources		
Beginning Balance	25,305	20,918
Bond Proceeds	-	-
Projected Revenue	9,499	10,448
Total Funds Available	34,804	31,366
Uses		
Operations and Maintenance	(4,657)	(4,740)
Contractual Services	(1,326)	(1,382)
Debt Service	(1,197)	(1,201)
Enterprise Resource Program	(300)	(300)
Capital Replacement	(1,906)	(1,963)
Capital Improvements	(4,500)	(4,500)
Total Uses of Funds	(13,886)	(14,086)
Balance (For Future Capital Work)	20,918	17,280

6/6/2017

Finance Department

18

 GARDEN GROVE	Proposed Budget SOLID WASTE FUNDS	
	(In Thousands)	FY2017-18 FY2018-19
Sources		
Beginning Balance	\$ 5,106	\$ 5,574
Projected Revenue (City Collections)	2,816	3,041
Total Funds Available	7,922	8,615
Uses		
Operations and Maintenance	(1,648)	(1,671)
Contributions to Landfill Reserves	(500)	(500)
Enterprise Resource Program	(200)	(200)
Total Uses of Funds	(2,348)	(2,371)
Balance	\$ 5,574	\$ 6,244
6/6/2017	Finance Department	19


GARDEN GROVE

END

QUESTIONS

6/6/2017 Finance Department 20



Proposed Budget Other Funds

Grant Funds

6/6/2017

Finance Department

21




Grant Funds

- Calhome Reuse
- Community Development Block Grant (CDBG)
- HOME Investment Partnerships (HOME)
- Emergency Solutions Grants (ESG)
- Justice Assistance Grant
- POST Reimbursements
- Families And Communities Together (FACT)
- Public Safety/Proposition 172
- Air Quality Improvement (AQMD AB2766)
- California Department of Conservation
- Used Oil
- Cal Integrated Waste Management Board (CIWMB)
- Federal Park Grants
- Measure M-2 and Measure M Regional

6/6/2017

Finance Department


22



Proposed Budget
Grant Funds

(In Thousands)	FY2017-18	FY2018-19
Sources		
Beginning Balance	\$ 733	\$ 646
Projected Receipts	6,118	3,668
Total Funds Available	6,851	4,314
Uses		
Operational Grants	(3,985)	(3,643)
Capital Grants Projects	(2,220)	0
Total Uses of Funds	(6,205)	(3,643)
Balance	\$ 646	\$ 671


6/6/2017 Finance Department 23



END

QUESTIONS

6/6/2017 Finance Department 24




GARDEN GROVE

Proposed Budget

Water Supply Funds

6/6/2017 Finance Department 25




GARDEN GROVE

Garden Grove

Water Supply Program

- Budget Highlights
 - Balanced Budget
 - Review and Update Water Rates, and Develop a Sustainable Water Enterprise Financial Plan
 - Continue the Implementation of the Water Master Plan
 - Continue the Approved Capital Replacement Projects
 - Implement As Appropriate Energy Conservation Program for Water Production
 - Comply with New Mandates (Water Quality, NPDES Permit, AQMD, etc.)


6/6/2017 Finance Department 26



Proposed Budget Water Supply Program

Water Supply (In Thousands)	Proposed Budget	Proposed Budget
Sources	FY2017-18	FY2018-19
Beginning Balance	\$ 8,707	\$ 3,820
Projected Revenue	31,480	32,514
Revenue Adjustment	-	1,627
Total Funds Available	40,187	37,961
Uses		
Operations & Maintenance	(11,922)	(12,150)
Purchased Water	(15,246)	(16,029)
Debt Service	(2,403)	(2,390)
Enterprise Resource program	-	(500)
Capital Replacement	(3,246)	(3,342)
Street Repair Charge	(1,550)	(1,550)
Capital Improvements	(2,000)	(2,000)
Total Uses of Funds	(36,367)	(37,961)
Balance	\$ 3,820	\$ -

6/6/2017 Finance Department 27



END QUESTIONS

6/6/2017 Finance Department 28



Proposed Budget Other Funds

Special Assessment Funds

6/6/2017

Finance Department

29



Special Assessment Funds


Special Assessment Funds Include:

- Street Lighting
- Parking District (Maintenance & Acquisition)
- Main Street Assessment District
- Garden Grove Tourism Improvement District
- Park Maintenance Assessment District

6/6/2017

Finance Department


30



Proposed Budget Special Assessment Funds

(In Thousands)	FY2017-18	FY2018-19
Beginning Balance	\$ 85	\$ 75
Transfer Out	(796)	(796)
Annual Assessments	5,365	5,414
Total Funds Available	4,654	4,693
Projected Expenses		
Operations and Maintenance	(4,579)	(4,633)
Balance	\$ 75	\$ 60

6/6/2017
Finance Department
31

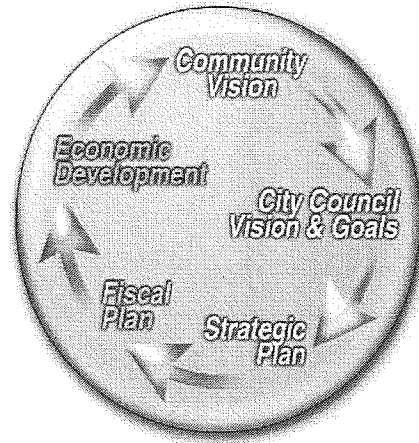


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QUESTIONS

6/6/2017
Finance Department
32

Community Vision Implementation




6/6/2017

Finance Department

Basic Services Funds


- General Purpose Fund
- Operational Gas Tax
- Self Supporting Recreation Fund



Garden Grove Synopsis

- **Challenges/Issues**
 - Service Level Expectations Versus Affordability
 - Financial Outlook
 - Growing /Deepening Structural Budget deficit
 - PERS Unfunded Liability Issues
 - Expenditure Growth/Cost Containment Issues
- **Solutions/Strategies (Bridge Gap/Structural Deficit)**
 - Budget Cuts/Optimization/Cost Containment
 - Revenue Enhancement – Explore New Revenue Opportunities
 - Economic Development
 - Site C, Hyatt Expansion, Downtown Projects
 - Deplete Internal Service Funds – One time Sources


35



Garden Grove Financial Profile

- **Sources of Funds**
 - **Taxes**
 - Principal General Fund Revenue Sources
 - Hotel Tax (resort hotels)
 - TOT Rate – 17% (City – 14.5%, TID – 2.5%)
 - Sales Tax –
 - » Top Producers (Auto Dealers, Gas Stations, Bulk Stores, Fast Food)
 - » City Tax rate = 7.75% (City Share of Sales Tax = 1%)
 - Property Tax
 - » Property Tax – (1% plus up to 2% annual Adjustment)
 - Motor Vehicle Tax
 - » Vehicle License Fees
 - **Fees**
 - Impact Fees
 - Franchise Fees
 - User Service Fees
 - **Grants and Subventions**
 - CDBG, Home, ESG, AQMD, Section8 Housing, Measure M, Gas Tax


36



Year to Date Revenue Collections

	PY April			April	
	Actual		Year End 2015-16 (Actual) *	Actual	
	10 MO. ACTUAL 2015-16 4/30/2016	2015-16 (Budget) [b]		2016-17 YTD 4/30/2017	
					2016-17 (Budget)
BASIC CITY REVENUE FUNDS					
General Purpose Fund					
Sales Tax [r]	\$ 11,597 [r]	\$ 20,500	\$ 22,052	\$ 14,295 [r]	\$ 22,000
Property Tax					
-General	14,535	13,800	15,414 [r]	14,538 [r]	14,500
-Paramedics	8,934	8,600	9,574	8,984	8,800
Property Transfer Tax	458	480	607	404	480
Motor Vehicle Tax [i]	7,486	15,000	15,058	8,047	15,100
Franchises	2,242	2,400	2,577	2,084	2,400
Bldg. Permits & Other Fees	2,041	2,200	2,415	1,717	2,200
Deferred Municipal Support	2,856	3,428	3,428	3,107	3,728
Transient Occupancy Tax	15,004 [c]	19,000 [c]	20,897 [c]	18,428 [c]	23,500
Business Tax	2,096	2,400	2,514	2,058	2,400
Other Income	2,671	2,815	3,884 [p]	2,898 [t]	2,815
Traffic Fines	424	1,000	553	546	800
Parking Fines	836	1,010	1,020	785	1,010
Interest	41	200	253	34	200
Grant OH Support	33	39	32	42	50
Street Repair/Loan Payback	1,708	2,050	2,050	1,708	2,050
Sports Facility Income	77	100	106	102	100
Animal Control	N/A	N/A	N/A	92	200
Land Sales	2,774	2,000	2,774 [m]	0	0
Total General Purpose Funds	75,813	97,022	105,208	79,869	102,333

37




Basic City Revenue Funds Estimates

FY 2016-17 Through FY 2021-22 Assumes No Change in Revenue Authority - Adjusted May 3 2017

BASIC CITY REVENUE FUNDS	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	(Adopted) (000)	(Revised) (000)	Proposed (000)	Proposed (000)	(Estimate) (000)	(Estimate) (000)	(Estimate) (000)
General Purpose Fund							
Sales Tax	\$ 22,000	\$ 21,654	\$ 21,971	\$ 22,419	\$ 22,979	\$ 23,554	\$ 24,143
Property Tax							
- General	14,500	15,000	15,314	15,867	16,184	16,500	16,838
- Paramedic	8,800	9,000	9,000	9,204	9,368	9,576	9,767
Property Transfer Tax	480	500	480	500	500	500	500
Motor Vehicle Tax	15,100	16,000	16,600	17,015	17,440	17,876	18,323
Franchises	2,400	2,400	2,500	2,500	2,500	2,500	2,500
Bldg. Permits & Other Fees	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Deferred Municipal Support	3,728	3,728	3,383	3,383	3,383	3,383	3,383
Transient Occupancy Tax	23,500	24,000	24,960	25,958	26,997	28,077	29,200
Business Tax	2,400	2,500	2,500	2,500	2,500	2,500	2,500
Other Income	2,815	3,000	3,000	3,000	3,000	3,000	3,000
Traffic Fines	800	800	800	800	800	800	800
Parking Fines	1,010	1,010	1,010	1,000	1,000	1,000	1,000
Reimbursement Agreement	0	0	0	0	0	0	0
Interest	200	250	300	300	300	500	500
Grant OH Support	50	50	42	42	42	42	42
Street Repair/Loan Payback	2,050	2,050	2,050	2,050	2,050	2,050	2,050
Sports Facility Income	100	100	100	100	100	100	100
Animal Control Fees	200	200	200	210	221	232	243
GCTD Admin	0	0	0	0	0	0	0
Land Sales	0	0	0	0	0	0	0
Total General Purpose	\$ 102,333	\$ 104,442	\$ 106,410	\$ 109,048	\$ 111,585	\$ 114,397	\$ 117,089
Gas Tax	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Self-Supporting Recreation	675	675	675	675	675	675	675
Total Basic Services	\$ 105,008	\$ 107,117	\$ 109,085	\$ 111,723	\$ 114,260	\$ 117,072	\$ 119,764
Land Sales	0	0	0	0	0	0	0
Total Basic Revenue	\$ 105,008	\$ 107,117	\$ 109,085	\$ 111,723	\$ 114,260	\$ 117,072	\$ 119,764

38


Current Year (FY 2016-17)
Basic Budget Status/Update



FY16-17 Projected Year End Results

Expenditure Object Description	Basic Services Funds Funds 060, 111, 118		Change (+ -)
	FY 2016-17 Adopted Budget	FY 2016-17 Proj YR End Results	
Salaries and benefits	\$ 81,694,493	\$ 80,772,029	(922,464)
Contractual/Admin Exp	11,309,534	11,309,534	-
Materials/Supplies	2,429,912	2,429,912	-
IS Funds/Debt Service	12,608,863	12,608,863	-
Equip/Capital Outlay	654,300	654,300	-
Transfers	688,000	688,000	-
Total Basic Budget	\$ 109,385,102	\$ 108,462,638	(922,464)

40




FY16-17 Projected Year End Results

FISCAL YEAR 2016-17 - BASIC BUDGET (Funds 111, 060, 118)
Year End Projection

	Adopted Budget	Proj YR End Results	Difference (+ -)
Projected Fund Balance FY 2015-16	\$ -	\$ -	
General Purpose Revenue	102,333	104,442	2,109
Risk management Annual Transfer	100	100	-
Gas Tax	2,000	2,000	-
Self-Supporting Recreation	675	675	-
Total Resources	105,108	107,217	2,109
APPR - Expenditure Budget/Transfers	(109,387)	(108,463)	924
Budget Surplus/(Deficit)	(4,279)	(1,246)	3,033
<u>BALANCING MEASURES</u>			
Land Sale	900	1,200	
Exp. Reduction (Public Safety 3% PERS Offset)	900	700	
Development Agreement Fee Fund	640	-	
Property Tax Law Suit Reserve	500	-	
Draw From Workers Comp Fund	1,400	-	
Total Use of Reserves and Other Draws	4,340	1,900	
Projected Year End BALANCE(DEFICIT)	\$ 61	\$ 654	

41

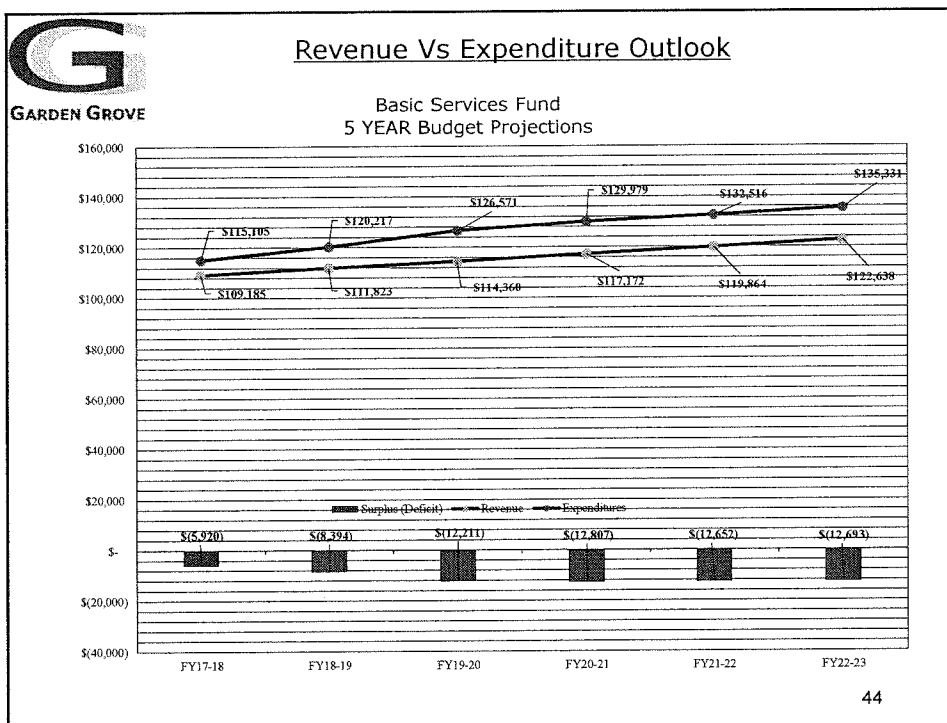
BASIC SERVICES FUNDS
FY 2017-18 & FY 2018-19
BIENNIAL BUDGET



FY17-18 & FY 18-19 Basic Proposed Biennial Budget

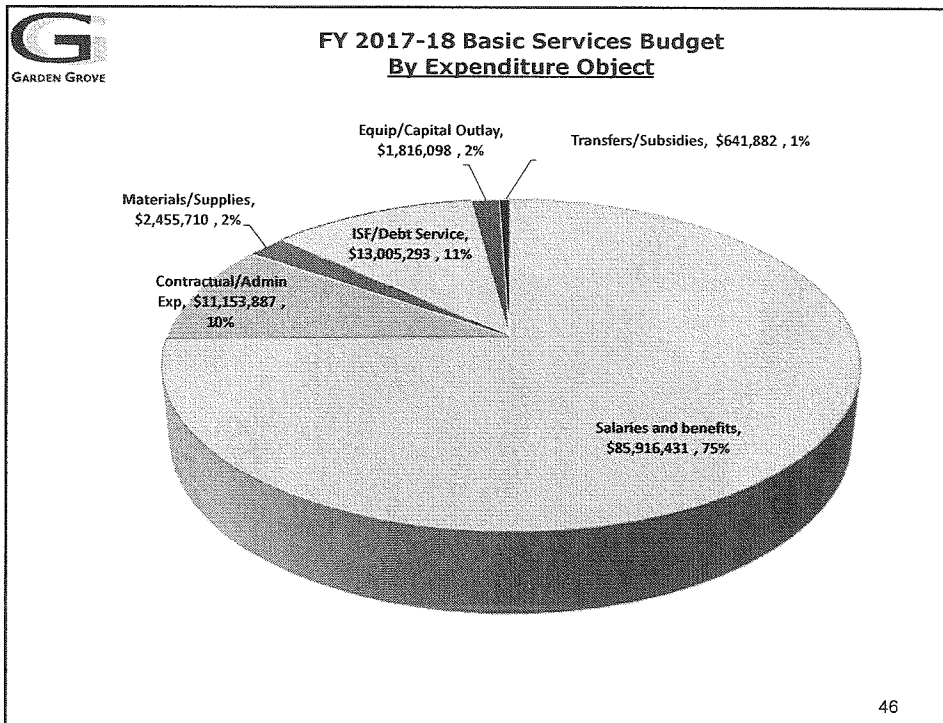
- Proposed Budget Includes:
 - Base Load Budget Includes:
 - Contractual COLA/Inflation Adjustments
 - PERS Contribution Adjustments
 - Negotiated Salary Adjustments
 - Austere Budget
 - Budget Cuts
 - Supplemental Requests
 - Mandates
 - Critical Service Augmentation Changes
 - Enterprise Resource Program
 - Structural Deficit Persists
 - FY 2017-18 Balanced with One-time Sources
 - FY 2018-19 Budget Cuts Or Revenue Enhancement Necessary

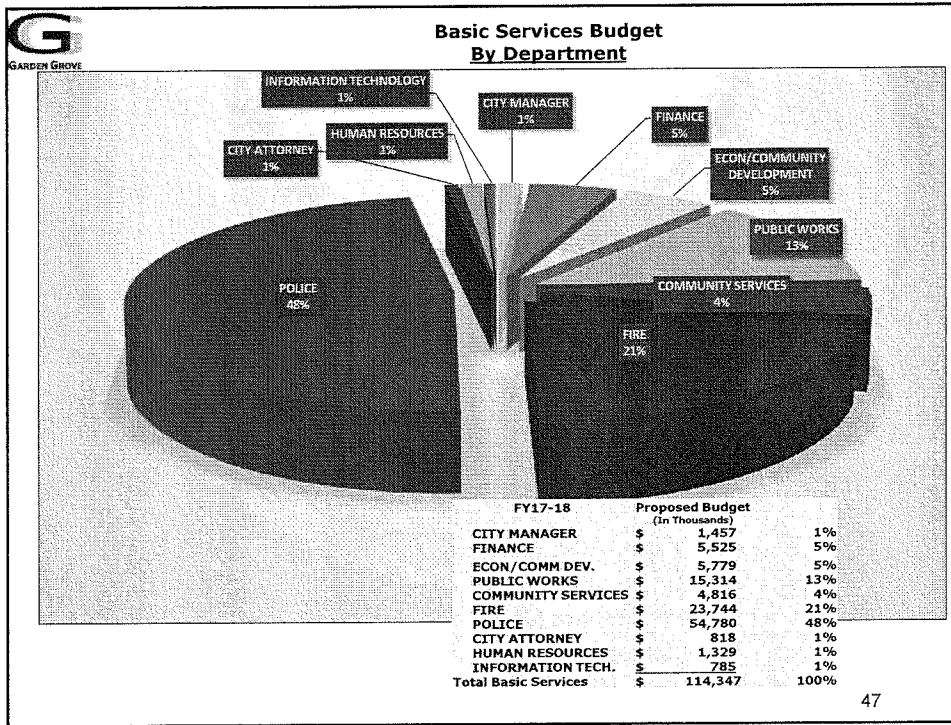
6/6/2017
Finance Department
43



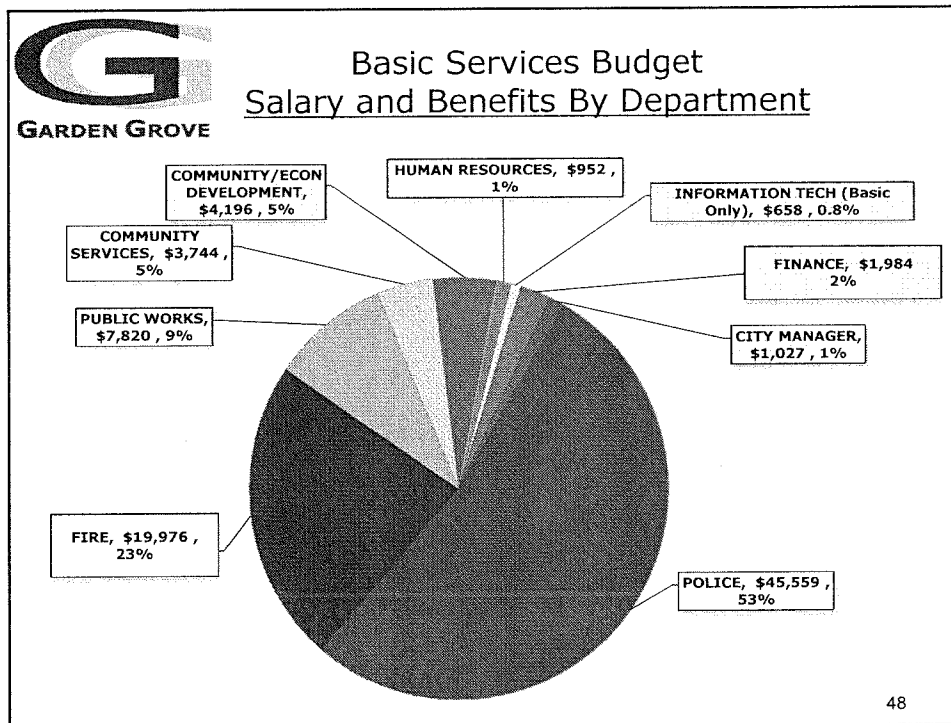
Basic Services Funds

FY 2017 – 18
Proposed Budget








47




48

 GARDEN GROVE	FY17-18 Proposed Basic Budget	
	FISCAL YEAR 2017-18	
	MANDATES	
	General Fund	
<u>ITEM</u>		<u>COST</u>
Annual Financial Audit Fees	\$	39,340
OC Sheriff- Coroner Cost Increase		58,657
Police Auto Fingerprint ID System Annual Fee		21,425
Police Auto Fingerprint ID System Costs		41,777
Fire Turnout Sets		127,689
Increase in Metro Net Fire Dispatch Services		39,549
Increase North Net Fire Training		37,815
Total	\$	366,252
6/6/2017	Finance Department	49

 GARDEN GROVE	FY17-18 Proposed Basic Budget	
	FISCAL YEAR 2017-18	
	<u>Changes</u>	
Public Works		
Increases to Tree Trimming/Planting Services Contract	\$ 100,000	
Increases to Parks Janitorial Contract Services	50,000	
Animal Care (TNR) Program	5,000	
Animal Care (Vaccination/Neuter) Program	2,500	
ADA Evaluation Contract Services	105,000	<u>262,500</u>
Information Technology		
Add Network Administrator	89,201	
ERP Replacement	1,500,000	<u>1,589,201</u>
Community Services		
Temp Position Adjustments	(4)	
City Hall Lobby Security/Remodel	15,000	<u>14,996</u>
Finance		
GFOA Accounting Academy	4,810	
CSMFO Annual Conference	1,580	<u>6,390</u>
Fire Department		
Fire Engineers Salary Adjustment	78,667	<u>78,667</u>
Police Department		
Tactical Vests	26,466	
Add 1 Police Officer Position	182,585	
Tuition and Training	10,000	<u>219,051</u>
Community Development		
Re-Imagine Garden Grove Campaign	75,000	
Small Business Assistance Loan	50,000	<u>125,000</u>
Total	\$ 2,295,805	\$ 2,295,805
6/6/2017	Finance Department	50

		FISCAL YEAR 2017-18 PROPOSED BASIC BUDGET (Funds 111, 060, 118) June 6, 2017	
		Proposed Budget	
		<small>In Thousands</small>	
Projected Fund Balance FY 2016-17			\$ -
General Purpose Revenue	\$ 106,410		
Gas Tax	2,000		
Self-Supporting Recreation	675		
Basic Services Revenues		109,085	
Transfers (Risk Management)		100	
Total Resources		109,185	
Base Expenditure Budget			(110,835)
Balance/(Structural Deficit)			\$ (1,650)
6/6/2017	Finance Department		51

		FISCAL YEAR 2017-18 PROPOSED BASIC BUDGET (Funds 111, 060, 118) June 6, 2017	
		Proposed Budget	
		<small>In Thousands</small>	
			\$ (1,650)
Balance/(Structural Deficit)			
FY 17-18 Budget Requests			
Add Operating Factors			
Equipment/Automation	(63)		
GG Cable Support	(392)	(455)	
Add Supplemental Opr.			
Street Lighting Subsidy	(408)		
CDBG Subsidy	(30)		
Park Maintenance	(231)		
Concrete Replacement	(234)		
Economic Development	(250)		
Mandates	(366)		
Other Budget Requests/Changes	(2,296)	(3,816)	
Updated Balance/(Deficit)			(5,920)
6/6/2017	Finance Department		52



**FISCAL YEAR 2017-18
PROPOSED BASIC BUDGET
(Funds 111, 060, 118)
June 6, 2017**

	Proposed Budget	
	<small>In Thousands</small>	
Updated Balance/(Deficit)		(5,920)
<u>BALANCING MEASURES</u>		
Exp. Reduction (Public Safety 3% PERS Offset)		380
Paramedic Tax Override Increase		801
Loan From Liability Insurance Fund		2,000
Loan From Workers Comp Fund		1,300
Draw From IT Fund Savings for ERP Replacement		1,500
Projected Year End BALANCE(DEFICIT)		\$ 61

6/6/2017

Finance Department

53

**PROPOSED BASIC BUDGET
(Funds 111, 060, 118)
June 6, 2017**

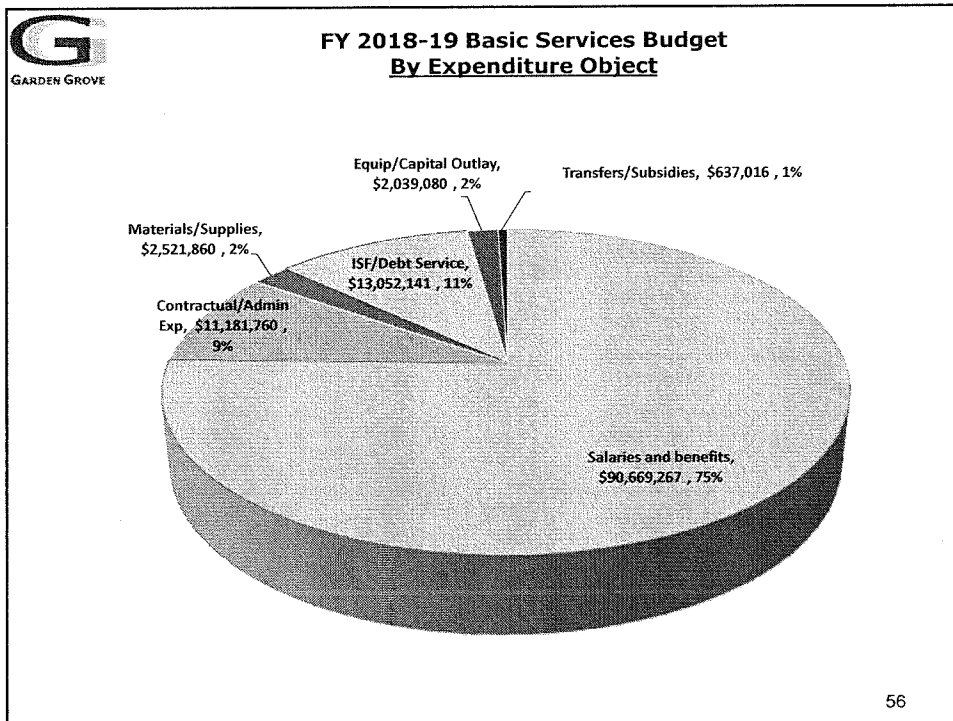
	<small>In Thousands</small>	
	Proposed Budget	
	<small>In Thousands</small>	
Projected Fund Balance FY 2016-17		\$ -
Total Resources		109,185
Base Expenditure Budget		(110,835)
Balance/(Structural Deficit)		\$ (1,650)
FY 17-18 Budget Requests		
Add Operating Factors		
Equipment/Automation	(63)	
GC Cable Support	(392)	(455)
Add Supplemental Opr.		
Street Lighting Subsidy	(408)	
CDBG Subsidy	(30)	
Park Maintenance	(231)	
Concrete Replacement	(234)	
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Mandates	(366)	
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Updated Balance/(Deficit)		(5,920)
<u>BALANCING MEASURES</u>		
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Paramedic Tax Override Increase		801
Loan From Liability Insurance Fund		2,000
Loan From Workers Comp Fund		1,300
Draw From IT Fund Savings for ERP Replacement		1,500
Projected Year End BALANCE(DEFICIT)		\$ 61

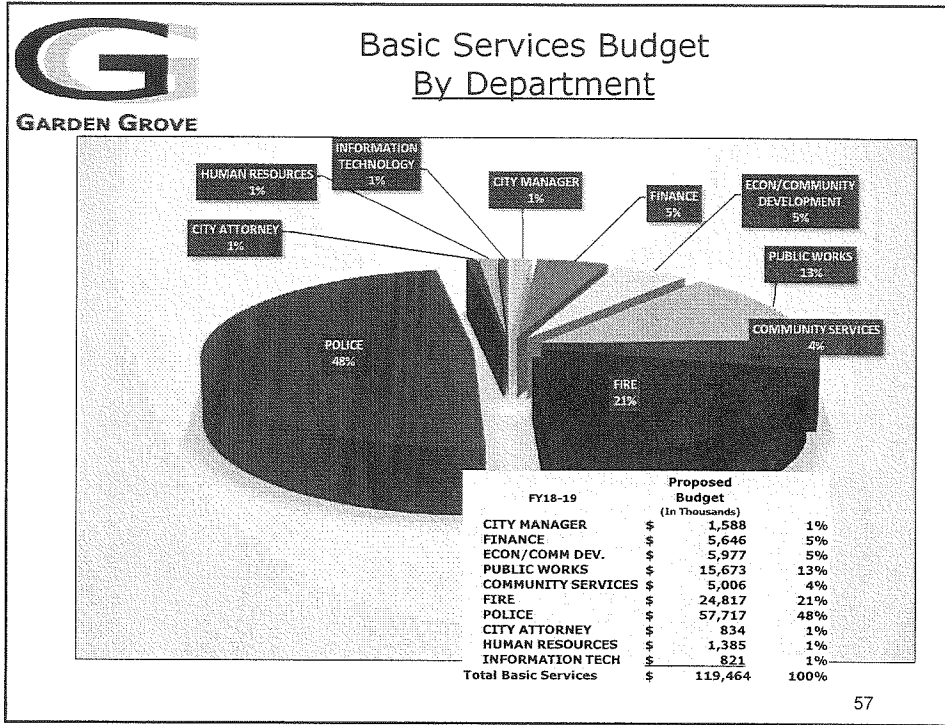
\$2,662 New Requests
 One time Sources \$5,180

54

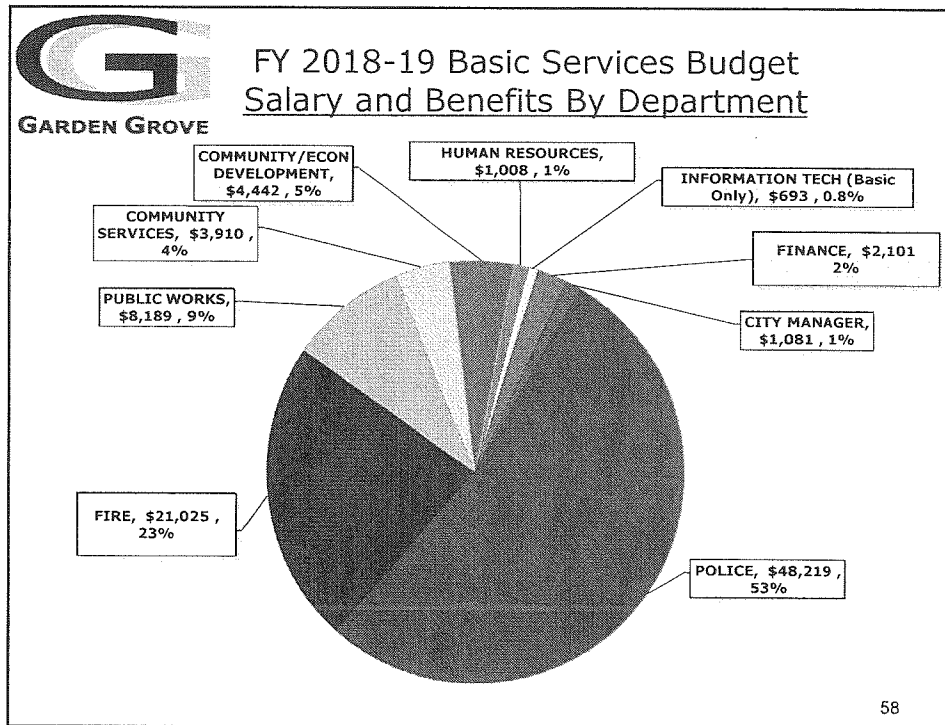
Basic Services Funds

FY 2018-19
Proposed Budget






57



58




FY18-19 Proposed Basic Budget

FISCAL YEAR 2018-19
MANDATES
General Fund

ITEM	COST
2018 Elections	80,948
Increase in Metro Net Fire Dispatch Services	40,000
Increase North Net Fire Training	40,000
Total	\$ 160,948

6/6/2017 Finance Department 59




FY18-19 Proposed Basic Budget

FISCAL YEAR 2018-19
Changes

Public Works		
Increase to Tree Trimming/Planting Services Contract	\$ 50,000	
Increase to Parks Janitorial Contract Services	50,000	<u>100,000</u>
Information Technology		
ERP Replacement	1,500,000	<u>1,500,000</u>
Community Services		
City Hall Lobby Security/Remodel	30,950	<u>30,950</u>
Finance		
GFOA Annual Conference	1,643	<u>1,643</u>
Police Department		
Tactical Vests	22,500	
Add 1 Police Officer Position	188,685	
60 Tablets	42,000	<u>253,185</u>
Community/Economic Development		
Re-Imagine Garden Grove Campaign	75,000	<u>75,000</u>
Total	\$ 1,960,778	\$ 1,960,778


6/6/2017 Finance Department 60



**FISCAL YEAR 2018-19
PROPOSED BASIC BUDGET
(Funds 111, 060, 118)
June 6, 2017**

	Proposed Budget	
	In Thousands	
Projected Fund Balance FY 2017-18		\$ -
General Purpose Revenue	\$ 109,048	
Gas Tax	2,000	
Self-Supporting Recreation	675	
Basic Services Revenues		111,723
Transfers (Risk Management)		100
Total Resources		111,823
Base Expenditure Budget		(116,229)
Balance/ (Structural Deficit)		\$ (4,405)


6/6/2017
Finance Department
61




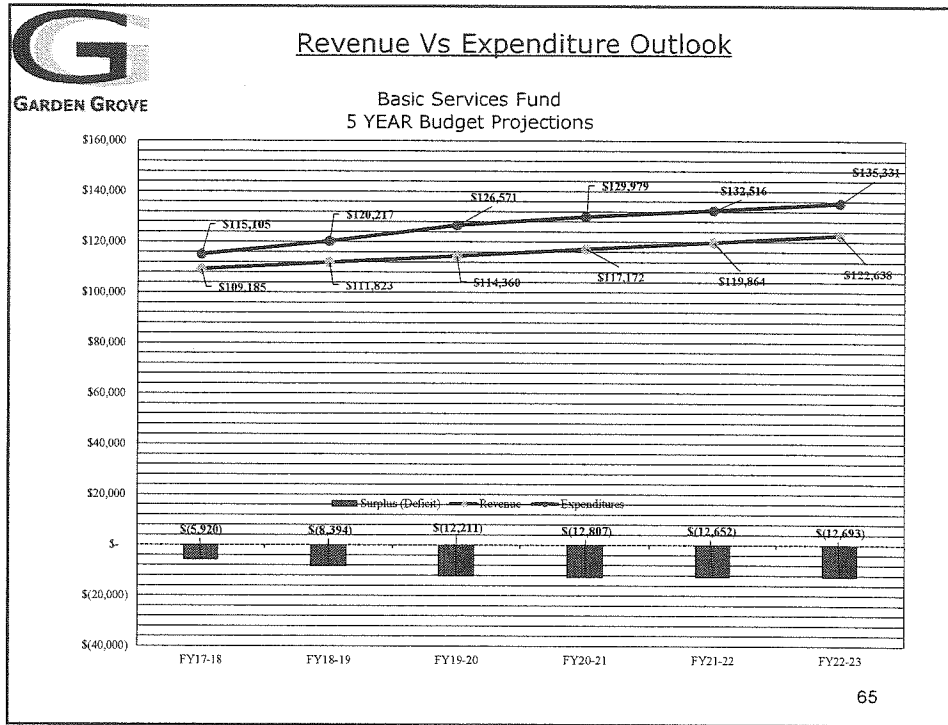
**FISCAL YEAR 2018-19
PROPOSED BASIC BUDGET
(Funds 111, 060, 118)
June 6, 2017**

	Proposed Budget	
	In Thousands	
Balance/ (Structural Deficit)		\$ (4,405)
FY 18-19 Budget Requests		
Add Operating Factors		
Equipment/Automation	(320)	
GG Cable Support	(387)	(707)
Add Supplemental Opr.		
Street Lighting Subsidy	(408)	
CDBG Subsidy	(30)	
Park Maintenance	(231)	
Concrete Replacement	(234)	
Economic Development	(250)	
Mandates	(161)	
Other Budget Requests/Changes	(1,961)	(3,275)
Updated Balance/ (Deficit)		(8,388)

6/6/2017
Finance Department
62

	
FISCAL YEAR 2018-19 PROPOSED BASIC BUDGET (Funds 111, 060, 118) June 6, 2017	
	Proposed Budget
	<small>In Thousands</small>
Updated Balance/(Deficit)	(8,388)
BALANCING MEASURES	
Early Retirement Plan	500
5% Budget Cut (Excluding Sworn Personnel)	2,800
Paramedic Override Tax Adjustment	1,571
Revenue Enhancement ?????	??
Additional Budget Cuts	??
Deplete Internal Service Funds	??
Projected Year End BALANCE(DEFICIT)	\$ (3,517)
6/6/2017	Finance Department
	63

	
FISCAL YEAR 2018-19 PROPOSED BASIC BUDGET (Funds 111, 060, 118) June 6, 2017	
	Proposed Budget
	<small>In Thousands</small>
Projected Fund Balance FY 2017-18	\$ -
Total Resources	111,823
Base Expenditure Budget	(116,229)
Balance/(Structural Deficit)	\$ (4,405)
FY 18-19 Budget Requests	
Add Operating Factors	
Equipment/Automation	(320)
GG Cable Support	(387)
	(707)
Add Supplemental Opr.	
Street Lighting Subsidy	(408)
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Concrete Replacement	(234)
Economic Development	(250)
Mandates	(161)
Other Budget Requests/Changes	(1,961)
	(3,275)
Updated Balance/(Deficit)	(8,388)
BALANCING MEASURES	
Early Retirement Plan	500
5% Budget Cut (Excluding Sworn Personnel)	2,800
Paramedic Override Tax Adjustment	1,571
Revenue Enhancement ?????	??
Additional Budget Cuts	??
Deplete Internal Service Funds	??
Projected Year End BALANCE(DEFICIT)	\$ (3,517)
	64




G
GARDEN GROVE

Basic Services Budget

Balancing Alternatives:

- Additional Budget Cuts
 - 10% or More = Service Reductions
- Deplete Internal Service Funds
 - One time Sources
- Revenue Enhancements
 - Sales Tax
 - Other New Revenue Sources

6/6/2017 Finance Department 66




Summary Remarks

- Austere Budgets - FY17-18 & FY18-19
 - Contemplates Budget Cuts
 - Includes Impact of Negotiated Salary Adjustments
 - Sustain/Enhances Service Capacity (Public Safety)
 - Use of One-time Funds to Balance
- Outlook for the City's Revenues:
 - Revenue Enhancement Critical
 - Continue to Explore Revenue Growth Opportunities
 - Harbor Blvd Redevelopment Expectations – Positive
 - Major Revenue Generating Projects in the Works
- Other Issues – Looking Ahead
 - PERS Issues and Future Impact
 - Eliminate Structural Deficit
 - Contain Operating Costs

6/6/2017

Finance Department

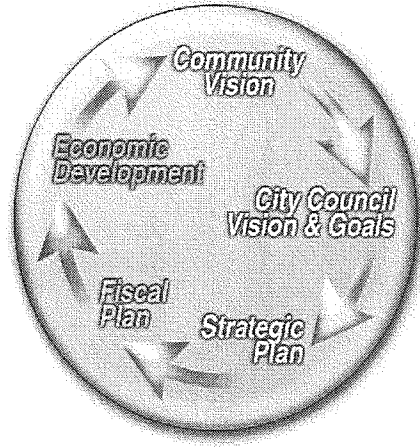
67



END

QUESTIONS

Community Vision Implementation



6/6/2017

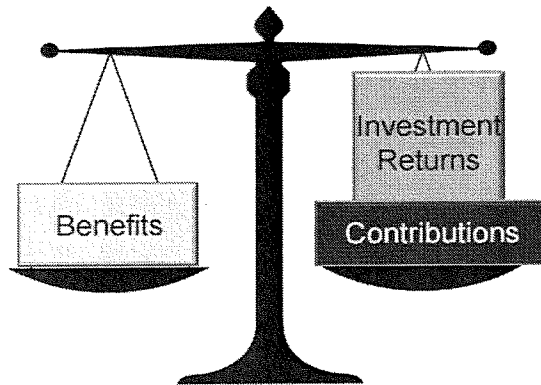
Finance Department



PERS

Public Safety Plan
&
Miscellaneous Plan


Balancing the Fund



How To Determine your Revised Contributions?

- Circular Letter 200-004-17 dated January 19, 2017

Valuation Date	Fiscal Year Impact	Normal Cost		LAL Payments	
		Misc. Plans	Safety Plans	Misc. Plans	Safety Plans
6/30/2016	2018-19	0.25% - 0.75%	0.5% - 1.25%	2% - 3%	2% - 3%
6/30/2017	2019-20	0.5% - 1.5%	1.0% - 2.5%	4% - 6%	4% - 6%
6/30/2018	2020-21	1.0% - 3.0%	2.0% - 5.0%	10% - 15%	10% - 15%
6/30/2019	2021-22	1.0% - 3.0%	2.0% - 5.0%	15% - 20%	15% - 20%
6/30/2020	2022-23	1.0% - 3.0%	2.0% - 5.0%	20% - 25%	20% - 25%
6/30/2021	2023-24	1.0% - 3.0%	2.0% - 5.0%	25% - 30%	25% - 30%
6/30/2022	2024-25	1.0% - 3.0%	2.0% - 5.0%	30% - 40%	30% - 40%



RECEIVED
Circular Letter

CITY OF GARDEN GROVE

To: All Public Agency Employees

Subject: Unemployment Insurance

The City of Garden Grove has been notified by the State of California that the unemployment insurance rates for 2017-2018 have increased. The City of Garden Grove has been notified that the unemployment insurance rates for 2017-2018 will be 4.25% for the first quarter, 4.50% for the second quarter, 4.75% for the third quarter, and 5.00% for the fourth quarter. The City of Garden Grove has been notified that the unemployment insurance rates for 2017-2018 will be 4.25% for the first quarter, 4.50% for the second quarter, 4.75% for the third quarter, and 5.00% for the fourth quarter. The City of Garden Grove has been notified that the unemployment insurance rates for 2017-2018 will be 4.25% for the first quarter, 4.50% for the second quarter, 4.75% for the third quarter, and 5.00% for the fourth quarter.

Summary

The following table shows the unemployment insurance rates for 2017-2018 by quarter. The rates are based on the State of California's unemployment insurance rates for 2017-2018. The City of Garden Grove has been notified that the unemployment insurance rates for 2017-2018 will be 4.25% for the first quarter, 4.50% for the second quarter, 4.75% for the third quarter, and 5.00% for the fourth quarter. The City of Garden Grove has been notified that the unemployment insurance rates for 2017-2018 will be 4.25% for the first quarter, 4.50% for the second quarter, 4.75% for the third quarter, and 5.00% for the fourth quarter.

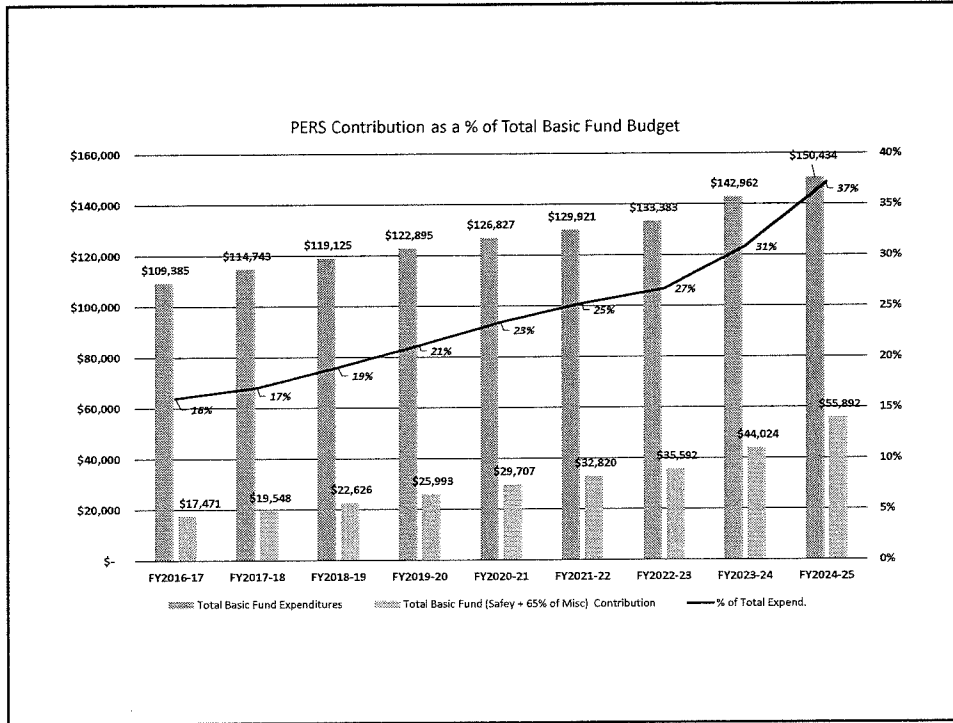
Quarter	Rate
1st Quarter	4.25%
2nd Quarter	4.50%
3rd Quarter	4.75%
4th Quarter	5.00%

Notes

The City of Garden Grove has been notified that the unemployment insurance rates for 2017-2018 will be 4.25% for the first quarter, 4.50% for the second quarter, 4.75% for the third quarter, and 5.00% for the fourth quarter. The City of Garden Grove has been notified that the unemployment insurance rates for 2017-2018 will be 4.25% for the first quarter, 4.50% for the second quarter, 4.75% for the third quarter, and 5.00% for the fourth quarter. The City of Garden Grove has been notified that the unemployment insurance rates for 2017-2018 will be 4.25% for the first quarter, 4.50% for the second quarter, 4.75% for the third quarter, and 5.00% for the fourth quarter.

Unfunded liability Adjustments

Employer Contribution	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Safety Plan							
Normal Cost (Disc. Adjustment)	5,181,082	5,454,682	5,688,551	5,931,544	6,258,502	6,446,257	6,639,645
UAL (Disc Adjustment)	7,461,031	8,692,112	10,676,733	12,859,924	15,219,537	17,254,998	19,041,335
Annual Contribution (With Disc. Adjustment)	\$12,642,113	\$14,146,794	\$16,365,284	\$18,791,468	\$21,478,039	\$23,701,255	\$25,680,980
Misc. Plan							
Normal Cost (Disc. Adjustment)	2,656,025	2,791,854	2,897,177	3,006,306	3,142,256	3,236,524	3,333,620
UAL (Disc Adjustment)	4,773,319	5,516,931	6,734,576	8,073,210	9,517,231	10,792,226	11,913,374
Annual Contribution (With Disc. Adjustment)	\$ 7,429,344	\$ 8,308,785	\$ 9,631,752	\$11,079,516	\$12,659,487	\$14,028,750	\$15,246,993
Total City Annual Contribution	\$20,071,457	\$22,455,579	\$25,997,037	\$29,870,984	\$34,137,526	\$37,730,006	\$40,927,973
Basic/General Fund Share	\$17,471,187	\$19,547,504	\$22,625,923	\$25,993,154	\$29,706,706	\$32,819,943	\$35,591,526
Total Projected Annual Increase		\$ 2,384,122	\$ 3,541,458	\$ 3,873,948	\$ 4,266,542	\$ 3,592,479	\$ 3,197,968
Basic/General Fund Share		\$ 2,076,318	\$ 3,078,419	\$ 3,889,950	\$ 4,912,056	\$ 6,262,803	\$ 7,184,812
Updated Basic/Gen Fund Share		\$ 2,076,318	\$ 3,078,419	\$ 3,367,230	\$ 3,713,552	\$ 3,113,237	\$ 2,771,583



END
QUESTIONS



Fleet Management Program

- Represents Investments Made to Maintain and Replace:
 - City of Garden Grove Light Fleet (Police Vehicles, Citywide Light Fleet),
 - Water and Sewer Heavy Fleet,
 - Heavy Equipment, and
 - Fire and Rescue Apparatus

- Contributions (Allocable Ownership of Fund Balance)
 - General Fund
 - Water Fund
 - Sewer Fund
 - Housing Fund

- Uses of Fund
 - Vehicle Maintenance Costs
 - Annual Replacement

6/6/2017

Finance Department

77

Fleet Management Program

Fleet Vehicle and Equipment Inventory

	Cost Basis	Replacement Cost
FURN MACH & EQUIP	\$ 167,951	\$ 218,336
MOTOR VEH/ MV EQ	\$ 20,350,284	\$ 26,455,369
Total	\$ 20,518,235	\$ 26,673,706

FY15-16 CashFlow Statement Summary

Net increase (decrease) in cash	\$ (567,412)
Cash and cash equivalents, beginning of year	\$ 24,618,375
Cash and cash equivalents, end of year	\$ 24,050,963

78



END

QUESTIONS

Community Vision Implementation

