

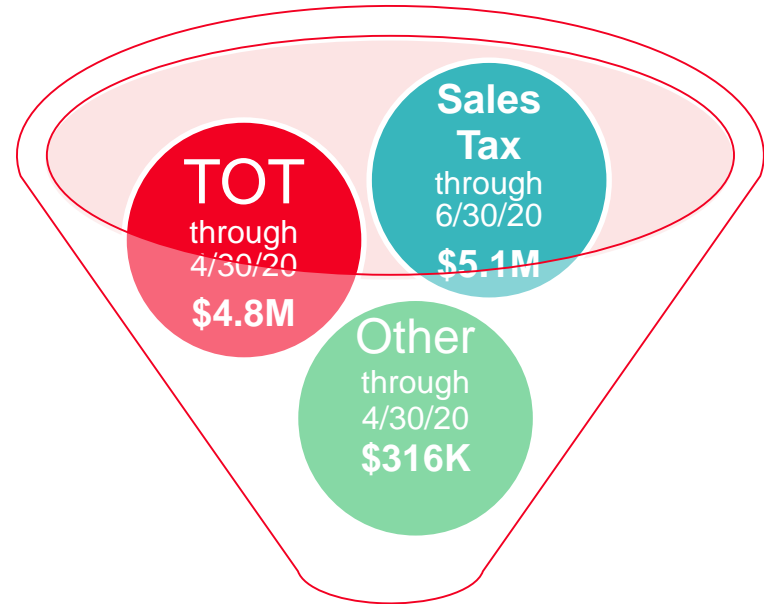
COVID-19 Financial Impact

City Council Meeting on April 14, 2020

Initial Damage Assessment

Damage Estimated Reported to County EOC

City of Garden Grove Initial Damage Estimate	
As of 4/9/20	
Estimated Revenue Loss	\$ 10,216,850
Direct Cost other than Personnel	\$ 258,472
Direct Personnel Cost	\$ 453,130
Indirect Cost	\$ -
Total	\$ 10,928,451



Revenue Loss Reported to County EOC \$10.2M

Direct Cost Relates to COVID-19 – as of 4/9/2020

Purchase Orders:

- 39 issued since 3/16/2020
- \$217,919 in value

Credit Card Purchases:

- 35 transactions
- \$24,996 in value

- Total cost to date is \$712K (including Warehouse Issues)
- Future cost impact could be much more significant due to routine work being delayed...

Personnel Costs:

- 9,184 man hours since 3/16/2020
- \$453,130 in value

- ❖ Average \$50K per week in additional spending for the initial three weeks;
- ❖ Estimated additional expenses for the FY is \$550K (\$50K*11weeks)
- ❖ Costs relate to Emergency Paid Sick Leave (up to 80 hour per eligible employee) unknown as of yet

Federal Assistance – CARES Act

Available Resources (\$2 trillion)

- ❑ FEMA Disaster Relief Fund (\$45B)
- ❑ Housing and Urban Development (HUD) Programs
 - ❑ CDGB (\$5B)
 - ❑ Homeless Assistance Grant (\$4B)
 - ❑ Public Housing Agency (\$2B)
- ❑ Economic Development Assistance Programs (\$1.5B)
- ❑ State and Local Law Enforcement Assistance (\$850M)

Known Funding for GG (\$1 million)

(as of April 9, 2020)

- ❑ HUD Programs:
 - ❑ CDBG Allocation - \$1.2M
 - ❑ Emergency Solutions Grant (ESG) Allocation - \$600K
- ❑ Coronavirus Emergency Supplemental Funding (CESF) - \$125K

We are actively seeking and applying grants/recovery funding, including:

- ❑ Submitted Request for Public Assistance – initial step to establish eligibility
- ❑ Preparing application for the Coronavirus Emergency supplemental Funding (up to \$124,600)
- ❑ Tracking direct costs on Emergency Protective Measures (FEMA Category B)
- ❑ Tracking personnel hours including overtime
- ❑ Tracking equipment use
- ❑ Tracking estimated loss on revenues

General Fund Budget Outlook

Estimates as of 02/20/2020

FY2019-20 Operating Results

	(\$ in '000)
Revenue	\$ 143,409
Expenditure + Transfer	125,364
Estimated Surplus	\$ 18,045

Estimates as of 04/02/2020

FY2019-20 Operating Results

	(\$ in '000)
Revenue	\$ 128,151
Expenditure + Transfer	125,914
Estimated Surplus	\$ 2,237

FY2020-21 Operating Results

	(\$ in '000)
Revenue	\$ 127,374
Expenditure + Transfer	132,469
Estimated Deficit	\$ (5,095)

Sales Tax (& Measure O)

	Adopted Budget	HdL Estimate as of 2/4/2020	HdL Estimate as of 4/6/2020
FY2019-20			
Sales Tax	\$ 22,668,000	\$ 24,134,080	\$ 21,509,914
Transaction Tax (Measure O)	19,000,000	20,767,000	18,325,000
Total	\$ 41,668,000	\$ 44,901,080	\$ 39,834,914
		\$(5,066,166)	
FY2020-21			
Sales Tax	\$ 23,006,000	\$ 24,388,607	\$ 20,993,867
Transaction Tax (Measure O)	19,285,000	21,003,000	17,654,000
Total	\$ 42,291,000	\$ 45,391,607	\$ 38,647,867
		\$(6,743,740)	

Hotel Visitors Tax

	Adopted Budget	Collected as of Feb. 2020	Estimate as of 4/6/2020
FY2019-20			
	\$ 26,477,000	\$ 17,507,521	\$ 17,737,374
		\$(8,739,626)	
FY2020-21			
	Adopted Budget	Estimate as of 4/6/2020	
	\$ 27,007,000	\$ 21,028,000	
		\$(5,979,000) <i>(80% of FY2018-19 Actual)</i>	

Fiscal Measures Implemented

❑ Cost containment

- ❑ Hiring freeze (with exceptions for sworn public safety, critical emergency dispatch, and certain enterprise-funded positions)
- ❑ Recruitment on hold, 30-day delay on part-time hiring
- ❑ Suspend non-essential training, travel & conferences
- ❑ Defer non-essential equipment & capital purchases
- ❑ Reassess personnel equipment needs (cell phone, uniform, take-home vehicle etc.)
- ❑ Eliminate low-value tasks & reassess business processes

❑ Other considerations

Factors Impacting Future Years

➤ Long-term Economic Impact

- Sales tax – unemployment, consumer confidence, behavioral change
- Hotel visitor tax – business travels, leisure travel...

➤ CalPERS investment loss

- Loss on investment – fiscal year to date is -4%, projected fiscal year investment earning is 2%, targeted discount rate is 7%, ;
- Investment in PERS as of 6/30/18 was \$574M;
- FY19-20's 5% Loss = \$28.7M;
- Amortize over 20 years starting FY2022-23 (est. \$718K ramp up to \$3.6M/year starting FY2026-27)