



Financial Update

The American Rescue Plan
&
FY2021-2023 Biennial Budget Development

Garden Grove City Council Meeting
April 27, 2021



The American Rescue Plan Act of 2021

What we have...

Statutory Provisions

- Eligible uses in four broad categories
- Measurement of reduction in revenue due to the pandemic
- Periodic reports on use of the ARP funds
- ARP funds will “remain available through December 31, 2024”

What we need...

Implementation Guidelines

- Guidance detailing permissible uses
- Requirement on reporting and verifying lost revenue
- Frequency, contents, format...
- Funds **spent** by or **obligated** by or **earmarked** by December 31, 2024

[Treasury.gov/Coronavirus](https://www.treasury.gov/Coronavirus)

The U.S. Department of Treasury is currently developing methods and guidance for the allocation and oversight process of the Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act (the Act). The Act provides Treasury 60 days from enactment on March 11, 2021 to make the allocations to the state and local governments. Funds will be made to the localities once rulemaking is completed.



City Council Priorities

- COVID Recovery & Balanced Budget
- Infrastructure
- Public Safety
- Quality of Life



Recommended Guiding Principles

- Apply to non-recurring expenditures
 - Critical infrastructure
 - Replenishing reserves
- Use other less restrictive resources first
- Use the funds prudently focusing on long-term financial stability and sustainable operating performance



Revenue Forecast and Status Quo Budget

Fiscal years 2021 through 2023

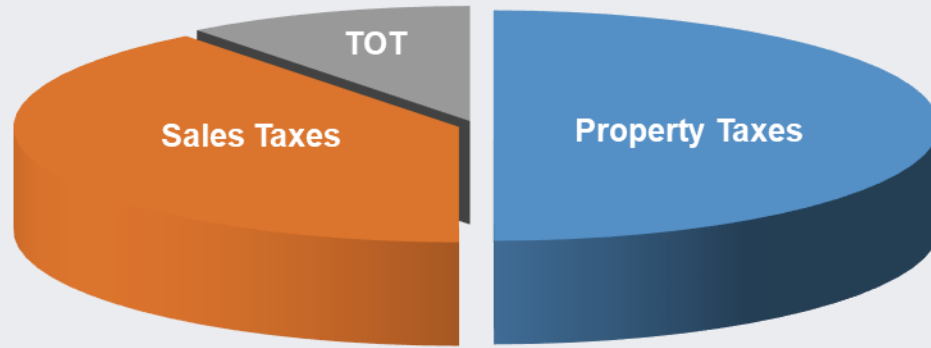


Overview of General Fund Budget

	FY 2020-21 Adopted	FY 2020-21 Year-End Est.	FY 2021-22 Estimate	FY 2022-23 Estimate
Revenue				
Sales Tax-Bradley Burns	\$ 21,436	\$ 23,800	\$ 25,517	\$ 26,484
Sales Tax-Measure O	18,026	20,902	22,136	22,974
Property Tax	49,963	50,283	50,167	51,581
Transient Occupancy Tax ①	10,514	5,322	10,514	15,771
Other	19,778	19,778	20,728	20,728
Total Revenue	119,717	120,085	129,062	137,538
Expenditure				
Full-time Labor ②	70,256	70,256	75,154	77,659
Part-time, Temp & Overtime ③	6,884	6,884	7,689	7,881
Fire Contract/Pension Payment ④	28,471	28,471	30,172	31,737
Status Quo Contracts/Commodities	23,417	23,417	23,417	23,417
Transfers	1,132	1,132	1,189	1,249
Total Expenditure	130,159	130,159	136,432	140,694
Surplus / (Deficit)	\$ (10,442)	\$ (10,074)	\$ (7,370)	\$ (3,156)

Amount is \$'000

Top 3 General Fund Revenues



Top 3 General Fund revenue sources contribute nearly 85% of total General Fund revenues.



General Fund Revenue Forecast

	FY2020-21 Adopted	FY2020-21 Projected	FY2021-22 Estimated	FY2022-23 Estimated
Property Taxes ¹	\$ 49,963	\$ 50,283 ³	\$ 50,167 ³	\$ 51,581 ³
Sales Taxes ²	39,462	44,702 ³	47,653 ³	49,458 ³
TOT	10,514	5,322 ⁴	10,514 ⁵	15,771 ⁶
	<u>\$ 99,939</u>	<u>\$ 100,307</u>	<u>\$ 108,334</u>	<u>\$ 116,810</u>

¹ Includes Motor Vehicle In-lieu Fee.

² Includes Measure O.

³ Based on HdL projection on dated 1/25/2021.

⁴ Based on July through December 2020 actual operating data.

⁵ Estimated TOT to be at 40% of FY2018-19 (pre-pandemic) level.

⁶ Estimated TOT to be at 60% of FY2018-19 (pre-pandemic) level.

Recovery Plan Development –

- Assessing operational needs
- Inviting community input



Transparency & Community Engagement...

<https://ggcity.org/arp/survey>

