

AGENDA



Garden Grove City
Council

Tuesday, June 6, 2017

6:30 PM

SPECIAL MEETING -
Community Meeting
Center, 11300 Stanford
Avenue, Garden Grove,
California 92840

Steven R. Jones

Mayor

Phat Bui

Mayor Pro Tem - District 4

Kris Beard

Council Member - District 1

John R. O'Neill

Council Member - District 2

Thu-Ha Nguyen

Council Member - District 3

Stephanie Klopfenstein

Council Member - District 5

Kim B. Nguyen

Council Member - District 6

Meeting Assistance: Any person requiring auxiliary aids and services, due to a disability, to address the City Council, should contact the City Clerk's Office 72 hours prior to the meeting to arrange for accommodations. Phone: 714) 741-5040.

Agenda Item Descriptions: Are intended to give a brief, general description of the item. The City Council may take legislative action deemed appropriate with respect to the item and is not limited to the recommended action indicated in staff reports or the agenda.

Documents/Writings: Any revised or additional documents/writings related to an item on the agenda distributed to all or a majority of the Council Members within 72 hours of a meeting, are made available for public inspection at the same time (1) in the City Clerk's Office at 11222 Acacia Parkway, Garden Grove, CA 92840, during normal business hours; (2) on the City's website as an attachment to the City Council meeting agenda; and (3) at the Council Chamber at the time of the meeting.

Public Comments: Members of the public desiring to address the City Council are requested to complete a **pink speaker card** indicating their name and address, and identifying the subject matter they wish to address. This card should be given to the City Clerk prior to the start of the meeting. General comments are made during "Oral Communications" and should be limited to matters under consideration and/or what the City Council has jurisdiction over. Persons wishing to address the City Council regarding a Public Hearing matter will be called to the podium at the time the matter is being considered.

Manner of Addressing the City Council: After being called by the Mayor, you may approach the podium, it is requested that you state your name for the record, and proceed to address the City Council. All remarks and questions should be addressed to the City Council as a whole and not to individual Council Members or staff members. Any person making impertinent, slanderous, or profane remarks or who becomes boisterous while addressing the City Council shall be called to order by the Mayor. If such conduct continues, the Mayor may order the person barred from addressing the City Council any further during that meeting.

Time Limitation: Speakers must limit remarks for a total of (5) five minutes. When any group of persons wishes to address the City Council on the same subject matter, the Mayor may request a

spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the City Council's discretion, a limit on the total amount of time for public comments during Oral Communications and/or a further limit on the time allotted to each speaker during Oral Communications may be set.

PLEASE SILENCE YOUR CELL PHONES DURING THE MEETING.

STUDY SESSION

ROLL CALL:

COUNCIL MEMBER BEARD, COUNCIL MEMBER O'NEILL, COUNCIL MEMBER T. NGUYEN, COUNCIL MEMBER KLOPFENSTEIN, COUNCIL MEMBER K. NGUYEN, MAYOR PRO TEM BUI, MAYOR JONES

1. Oral Communications
2. Presentation and discussion on the Fiscal Years 2017-18 and 2018-19 proposed budget.
3. Adjournment

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy
Dept.: City Manager Dept.: City Clerk
Subject: Presentation and discussion on the Fiscal Years 2017-18 and 2018-19 proposed budget. Date: 6/6/2017

Attached is the presentation for Fiscal Years 2017-18 and 2018-19 proposed budget.

ATTACHMENTS:

Description	Upload Date	Type	File Name
FY 2017-18 and 2018-19 Budget Overview	6/7/2017	Backup Material	Fiscal_Years_2017-18_and_2018-19_Proposed_Budget_Overview.pdf

Community Vision Implementation



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City of Garden Grove


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

June 06, 2017

6/6/2017


Finance Department

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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

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Garden Grove Financial Profile

- 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)

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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

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Garden Grove Housing Authority

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

June 06, 2017

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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

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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		<u>\$ 32,875</u>	<u>\$ 32,777</u>
Expenditures			
Voucher Program		(31,169)	(31,223)
Family Self Sufficiency Program		(122)	(125)
Property Management		(277)	(282)
City Administration		(403)	(417)
Total Expenditures		<u>\$ (31,971)</u>	<u>\$ (32,047)</u>
Balance		<u>904</u>	<u>730</u>

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END

QUESTIONS

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GG Successor Agency

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

June 06, 2017

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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

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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		\$ -	\$ -

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END
QUESTIONS

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Garden Grove
Sanitary District

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

June 06, 2017

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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

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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

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 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
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GARDEN GROVE

END

QUESTIONS

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Proposed Budget Other Funds

Grant Funds

6/6/2017

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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

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Proposed Budget <u>Grant Funds</u>		
	(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

		
<p style="text-align: center;">END</p> <p style="text-align: center;">QUESTIONS</p>		
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Proposed Budget

Water Supply Funds

6/6/2017

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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.)

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Finance Department

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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	\$ -

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END

QUESTIONS

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Proposed Budget Other Funds

Special Assessment Funds

6/6/2017

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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

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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

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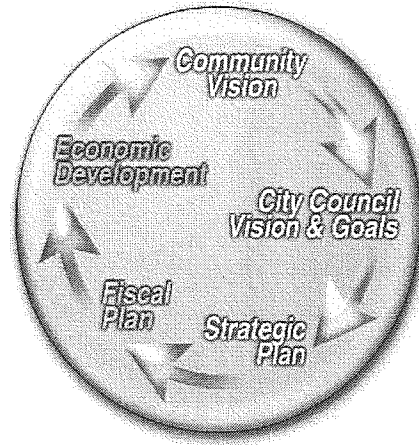
END QUESTIONS

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Community Vision Implementation



6/6/2017

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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


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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

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 Year to Date Revenue Collections					
	PY April Actual 10 MO. ACTUAL 2015-16 4/30/2016		Year End 2015-16 (Actual) *		April Actual 2016-17 YTD 4/30/2017
	2015-16 4/30/2016	2015-16 (Budget) [b]	2015-16 (Actual)		2016-17 (Budget)
BASIC CITY REVENUE FUNDS					
General Purpose Fund					
Sales Tax [n]	\$ 11,597 [n]	\$ 20,500	\$ 22,052	\$ 14,295 [n]	\$ 22,000
Property Tax					
-General	14,535	13,800	15,414 [n]	14,538 [f]	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]	20,697 [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


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 Basic City Revenue Funds Estimates							
FY 2016-17 Through FY 2021-22							
Assumes No Change in Revenue Authority - Adjusted May 3, 2017							
	2016-17 (Adopted) (000)	2016-17 (Revised) (000)	2017-18 (Proposed) (000)	2018-19 (Proposed) (000)	2019-20 (Estimate) (000)	2020-21 (Estimate) (000)	2021-22 (Estimate) (000)
BASIC CITY REVENUE FUNDS							
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
GGTD 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

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Current Year (FY 2016-17)

Basic Budget Status/Update

 GARDEN GROVE			
FY16-17 Projected Year End Results			
<div style="text-align: center;">Basic Services Funds</div> <div style="text-align: center;">Funds 060, 111, 118</div>			
Expenditure Object Description	FY 2016-17 Adopted Budget	FY 2016-17 Proj YR End Results	Change (+ -)
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)



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	

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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

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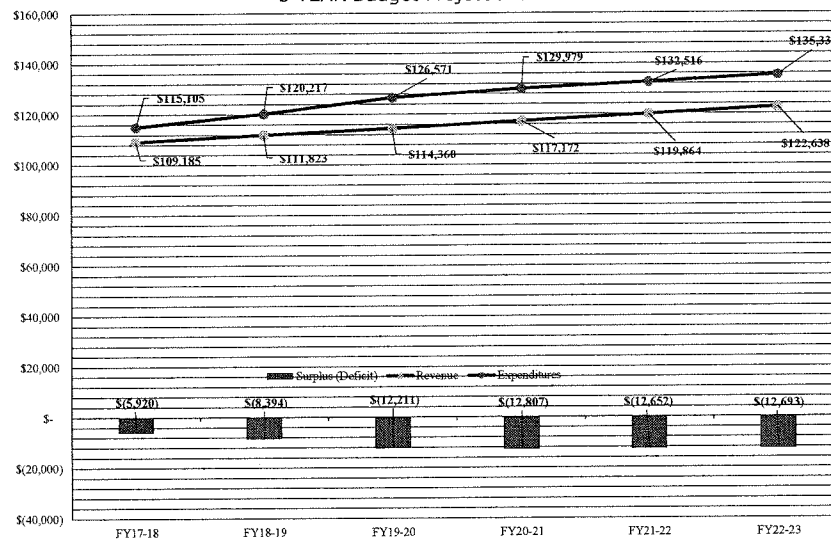
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Revenue Vs Expenditure Outlook

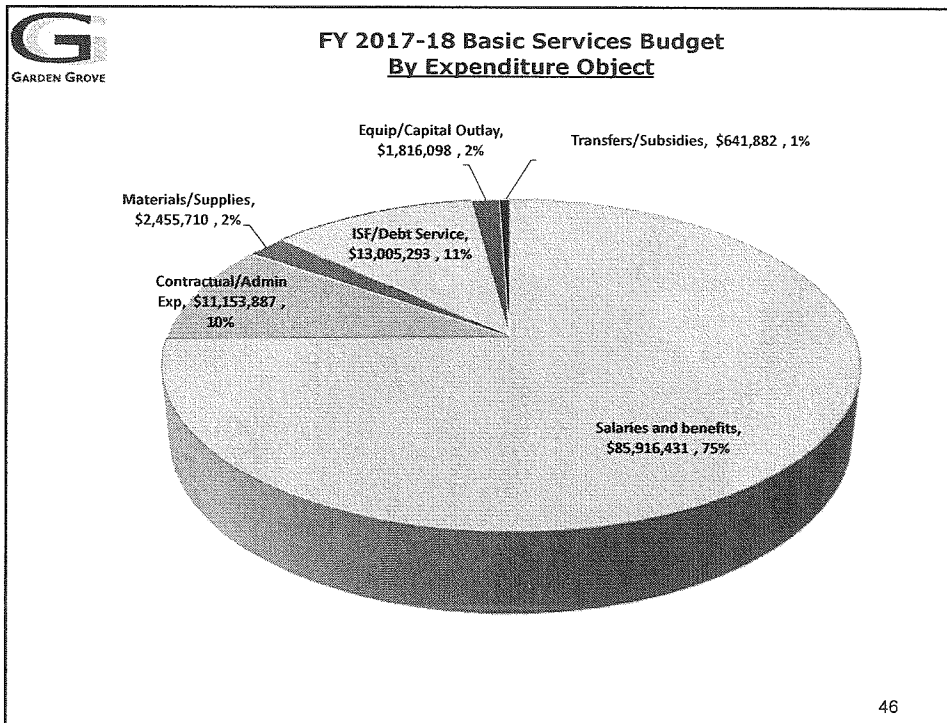
Basic Services Fund
5 YEAR Budget Projections

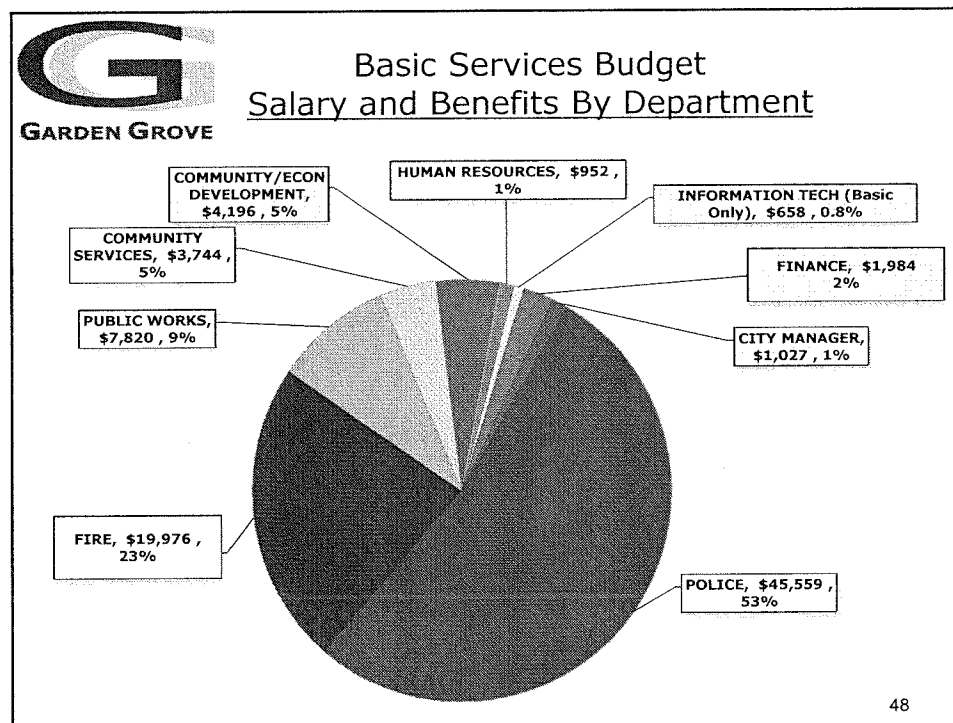
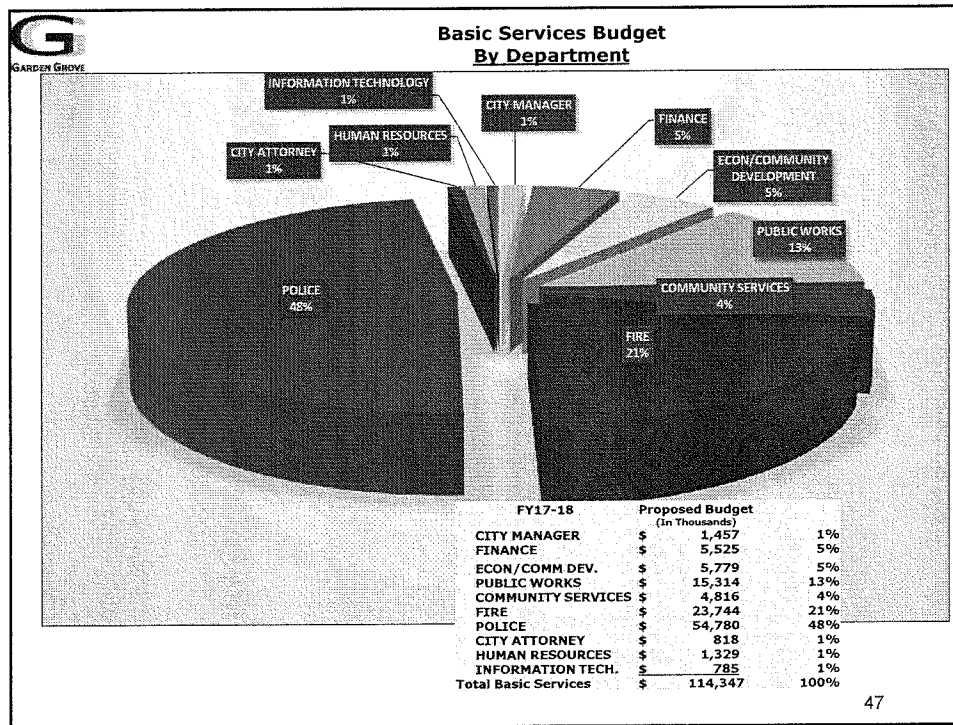


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Basic Services Funds

FY 2017 – 18
Proposed Budget







FY17-18 Proposed Basic Budget

FISCAL YEAR 2017-18

MANDATES
General Fund

ITEM	COST
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

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FY17-18 Proposed Basic Budget

FISCAL YEAR 2017-18
Changes

GARDEN GROVE

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	262,500

Information Technology

Add Network Administrator	89,201	
ERP Replacement	1,500,000	1,589,201

Community Services

Temp Position Adjustments	(4)	
City Hall Lobby Security/Remodel	15,000	14,996

Finance

GFOA Accounting Academy	4,810	
CSMFO Annual Conference	1,580	6,390

Fire Department

Fire Engineers Salary Adjustment	78,667	78,667
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Police Department

Tactical Vests	26,466	
Add 1 Police Officer Position	182,585	
Tuition and Training	10,000	219,051

Community Development


Re-Imagine Garden Grove Campaign	75,000	
Small Business Assistance Loan	50,000	125,000


Total	\$ 2,295,805	\$ 2,295,805
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 FISCAL YEAR 2017-18 PROPOSED BASIC BUDGET (Funds 111, 060, 118) June 6, 2017		
	Proposed Budget	
	In Thousands	
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	
	In Thousands	
Balance/(Structural Deficit)		\$ (1,650)
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

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

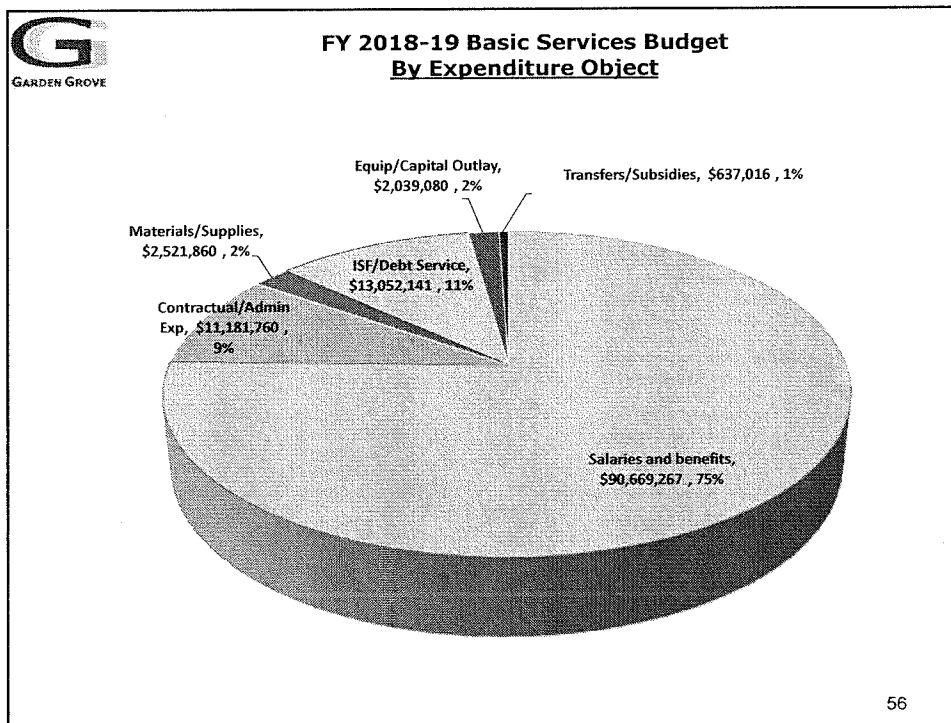
	<small>In Thousands</small>	Proposed Budget
		<small>In Thousands</small>
Projected Fund Balance FY 2016-17		\$ -
Total Resources		109,185
Base Expenditure Budget		(110,835)
Balance/(Structural Deficit)		\$ (1,650)
FY 17-18 Budget Requests		
Add Operating Factors		
Equipment/Automation	(63)	
GC Cable Support	(392)	(455)
Add Supplemental Opr.		
Street Lighting Subsidy	(408)	
CDBG Subsidy	(30)	
Park Maintenance	(231)	
Concrete Replacement	(234)	
Economic Development	(250)	
Mandates	(366)	
Other Budget Requests/Changes	(2,296)	(3,816)
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

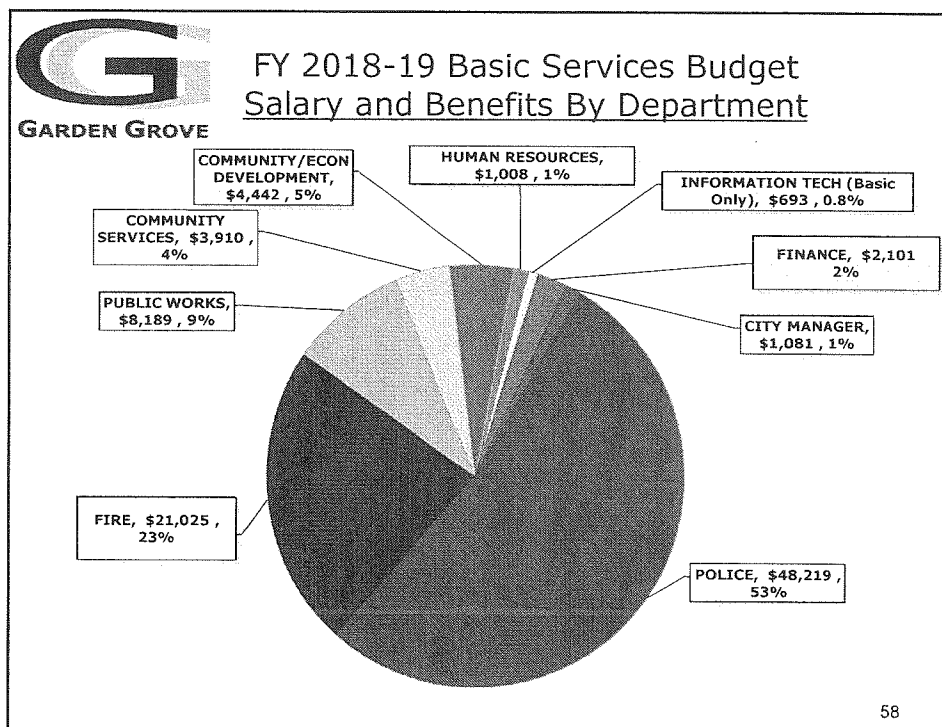
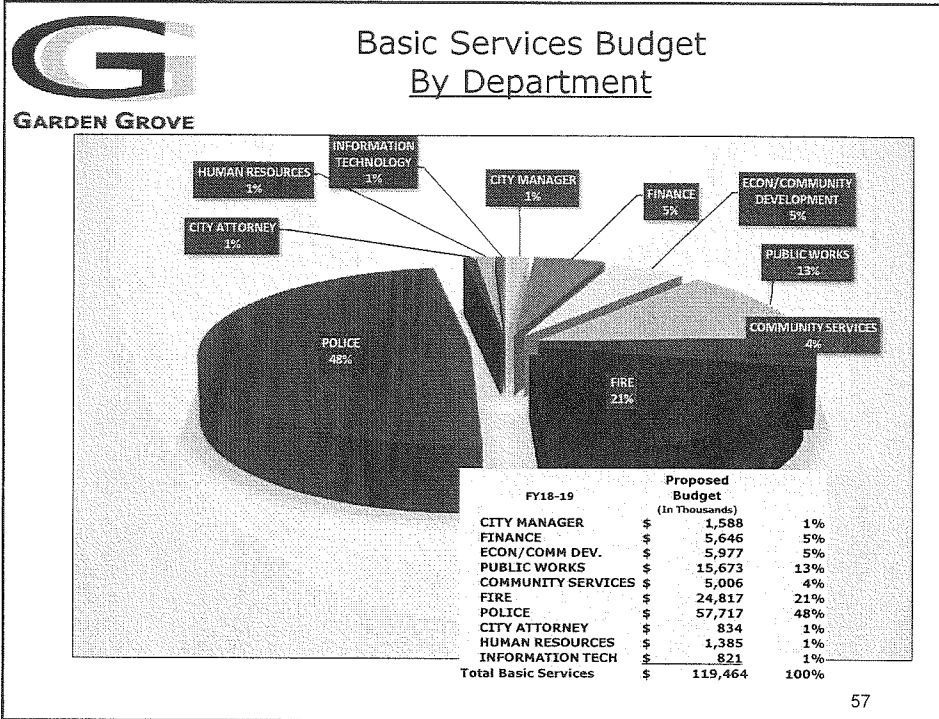
\$2,662
New Requests
One time Sources
\$5,180

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Basic Services Funds

FY 2018-19
Proposed Budget







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

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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	100,000
Information Technology		
ERP Replacement	1,500,000	1,500,000
Community Services		
City Hall Lobby Security/Remodel	30,950	30,950
Finance		
GFOA Annual Conference	1,643	1,643
Police Department		
Tactical Vests	22,500	
Add 1 Police Officer Position	188,685	
60 Tablets	42,000	253,185
Community/Economic Development		
Re-Imagine Garden Grove Campaign	75,000	75,000
Total	\$ 1,960,778	\$ 1,960,778

6/6/2017

Finance Department

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**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	\$	-
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)

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Finance Department

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


	Proposed Budget	
	<small>In Thousands</small>	
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)

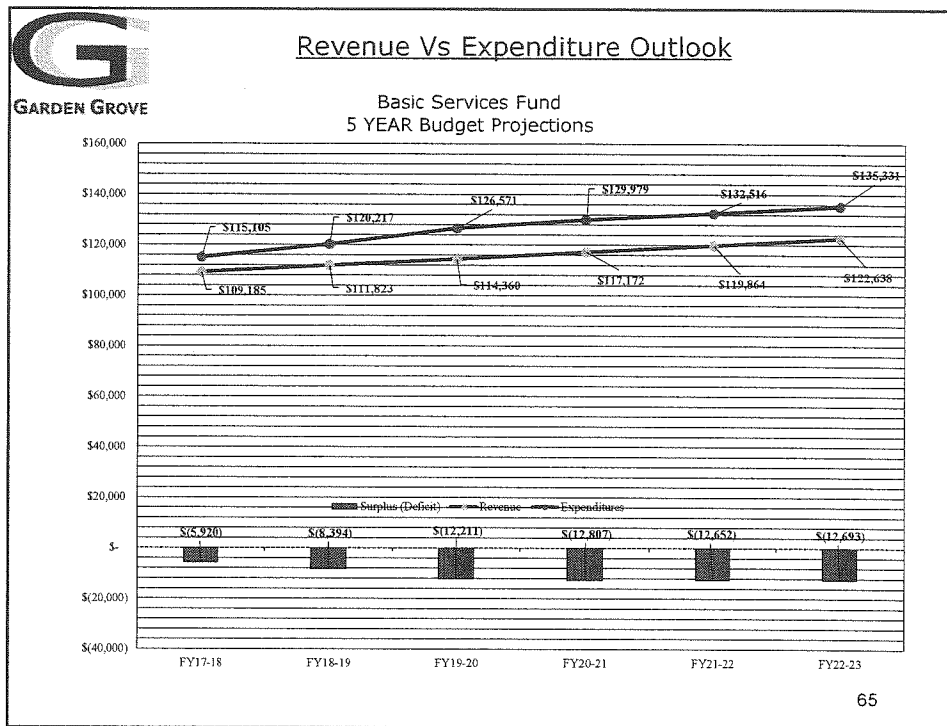
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FISCAL YEAR 2018-19 PROPOSED BASIC BUDGET (Funds 111, 060, 118) June 6, 2017	
	Proposed Budget
	In Thousands
Updated Balance/(Deficit)	(8,388)
BALANCING MEASURES	
Early Retirement Plan	500
5% Budget Cut (Excluding Sworn Personnel)	2,800
Paramedic Override 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
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FISCAL YEAR 2018-19 PROPOSED BASIC BUDGET (Funds 111, 060, 118) June 6, 2017	
	Proposed Budget
	In Thousands
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)
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)
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)
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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

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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

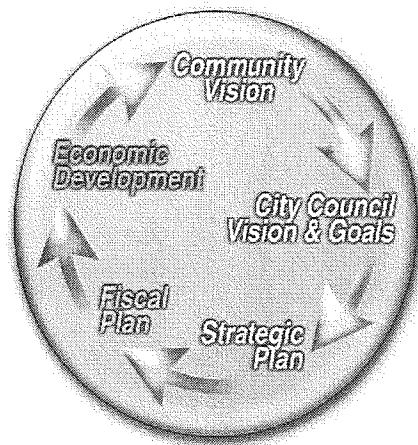
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END

QUESTIONS

Community Vision Implementation



6/6/2017

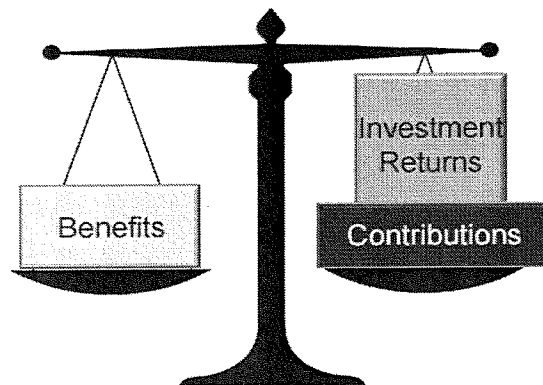
Finance Department



PERS

Public Safety Plan
&
Miscellaneous Plan

Balancing the Fund

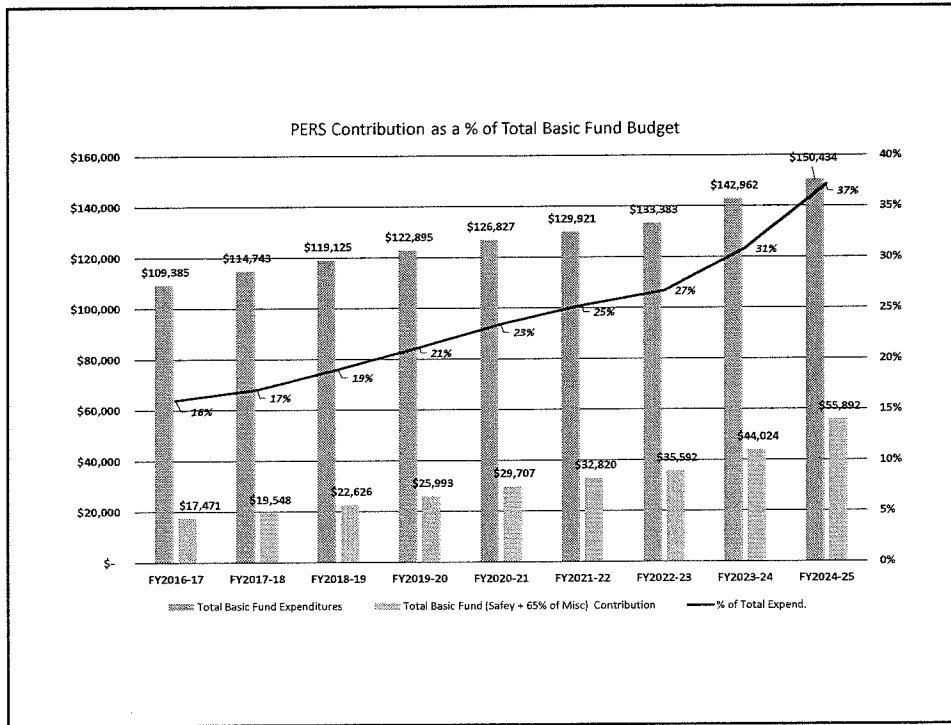


How To Determine your Revised Contributions?

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

Valuation Date	Fiscal Year Impact	Normal Cost		UAL 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%

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	8,682,112	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

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Fleet Management Program

Fleet Vehicle and Equipment Inventory

	<u>Cost Basis</u>	<u>Replacement Cost</u>
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

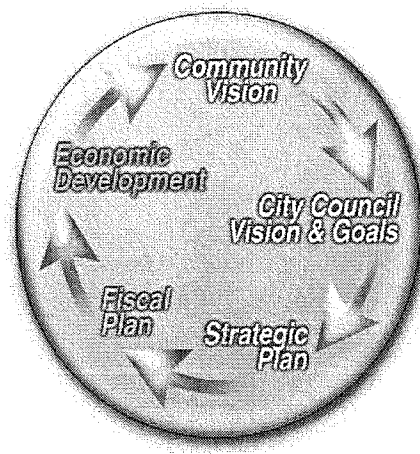
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END

QUESTIONS

Community Vision Implementation



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