

## AGENDA



Garden Grove City  
Council

Tuesday, February 14,  
2023

6:30 PM

Community Meeting  
Center 11300 Stanford  
Avenue Garden Grove  
California 92840

**Steve Jones**

Mayor

**George S. Brietigam**

Mayor Pro Tem - District 1

**John R. O'Neill**

Council Member - District 2

**Cindy Tran**

Council Member - District 3

**Joe DoVinh**

Council Member - District 4

**Stephanie Klopfenstein**

Council Member - District 5

**Kim B. Nguyen**

Council Member - District 6

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**COVID-19 Information:** Members of the public can address the City Council during the public comment portion of the meeting in person or via e-mail. If you plan to attend the meeting in person, masks or face coverings are required to be worn if you are not vaccinated. If you feel ill or are showing symptoms of COVID-19, please consider submitting comments by e-mail. Instructions are available on the City's website at <https://ggcity.org/city-council/meetings-participation>

**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 who attend the meeting in-person and would like 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 before the meeting begins. 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:** 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.**

## AGENDA

COUNCIL MEMBER O'NEILL, COUNCIL MEMBER TRAN, COUNCIL MEMBER DOVINH, COUNCIL MEMBER KLOPFENSTEIN, COUNCIL MEMBER K. NGUYEN, MAYOR PRO TEM BRIETIGAM, MAYOR JONES

### INVOCATION

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

#### 1. PRESENTATIONS

- 1.a. Community Spotlight in recognition of James Nguyen for being one of the 100 Rise Global Winners for 2022.
- 1.b. Community Spotlight in recognition of Phillip Nguyen for receiving the NSLI-Y Virtual Summer Intensive Scholarship from the U.S. Department of State.
- 1.c. SoCalGas update.

#### 2. ORAL COMMUNICATIONS (to be held simultaneously with other legislative bodies)

### RECESS

### CONDUCT OTHER LEGISLATIVE BODIES' BUSINESS

### RECONVENE

#### 3. CONSENT ITEMS

*(Consent Items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by a Council Member.)*

- 3.a. Adoption of a Proclamation celebrating February as Black History Month. *(Action Item)*
- 3.b. Approval of Final Parcel Map No. PM-2020-112 for the property located at 11841 Magnolia Street, Garden Grove. *(Action Item)*
- 3.c. Approval of the Second Amendment to the Agreement with the

County of Orange for Families and Communities Together (FaCT) Grant Program Funding for the Magnolia Park Family Resource Center. (*Action Item*)

- 3.d. Approval of Amendment No. 6 to the Agreement with WM Curbside, LLC. for administering the City's Household Hazardous Program. (Cost: \$12,875) (*Action Item*)
- 3.e. Receive and file minutes from the meetings held on December 13, 2023, and January 10, 2023. (*Action Item*)
- 3.f. Receive and file warrants. (*Action Item*)
- 3.g. Approval to waive full reading of ordinances listed. (*Action Item*)

4. COMMISSION/COMMITTEE MATTERS

- 4.a. Consideration to appoint to the City's Commissions, Committee, and Board (*Action Item continued from the January 24, 2023, meeting.*)

5. ITEMS FOR CONSIDERATION

- 5.a. Receive and file the annual financial reports and auditor's communication related to Fiscal Year 2021-22 annual audit, and approve additional appropriation for Fiscal Year 2022-23. (*Action Item*)
- 5.b. Adoption of a Resolution to authorize participation in the Encampment Resolution Funding Grant Program. (*Action Item*)

6. ORDINANCES PRESENTED FOR SECOND READING AND ADOPTION

- 6.a. Second reading of Ordinance No. 2941  
Entitled: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING PLANNED UNIT DEVELOPMENT NO. PUD-018-2022 TO ESTABLISH RESIDENTIAL PLANNED UNIT DEVELOPMENT IMPLEMENTATION PROVISIONS AND STANDARDS OF DEVELOPMENT FOR PROPERTY LOCATED AT 9071, 9081, AND 9091 LAMPSON AVENUE (ASSESSOR'S PARCEL NOS. 133-183-55, 56, 57, AND 58). (*Action Item*)

7. MATTERS FROM THE MAYOR, CITY COUNCIL MEMBERS, AND CITY MANAGER

8. ADJOURNMENT

The next Regular Meeting is scheduled for Tuesday, February 28, 2023, at 5:30 p.m. in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California, 92840.

***Happy Valentines Day***

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To: Scott C. Stiles From: Teresa Pomeroy  
Dept.: City Manager Dept.: City Clerk  
Subject: Adoption of a Proclamation Date: 2/14/2023  
celebrating February as Black  
History Month. (*Action  
Item*)

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Attached is a Proclamation celebrating February as Black History Month recommended for adoption.

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
Proclamation	2/9/2023	Proclamation	2-14- 23_Black_History_Month.pdf



## Proclamation

### February as Black History Month

WHEREAS, during the month of February, the nation celebrates the vast contributions of African Americans to our Nation's history and identity. Black History Month is designed to recognize and pay tribute to the contributions that African Americans made, and continue to make to our nation's economic, cultural, spiritual, and political development; and

WHEREAS, the 2023 national theme for Black History Month is "Black Resistance-A Journey to Equality." Black resistance not only encompasses rebellions, protests, and uprisings — but also the beauty, love, and pride of joyous everyday living. Black joy lives in those who dare to love themselves, their families and their communities. Black joy is the smiles and laughter of children, the courtships, love, marriage rituals, fellowships, foodways and family pride; and

WHEREAS, the 2023 theme emphasizes Through education, religious institutions, businesses, the press and organizations, Black people created ways to serve and strengthen their communities while establishing safe spaces; and

WHEREAS, the observance of Black History Month calls our attention to the continued need to battle racism, to honor diverse traditions, and to build a society that lives up to its democratic ideals; and

WHEREAS, the City of Garden Grove is proud to be an inclusive community in which all individuals are respected and recognized for their contributions and potential contributions on a local, state, national, and global level.

NOW THEREFORE, BE IT PROCLAIMED that February 2023 is Black History Month in Garden Grove and all residents are encouraged to celebrate diversity and work together to create a world that is more just, peaceful, and prosperous for all.

February 14, 2023

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To: Scott C. Stiles From: William E. Murray  
Dept.: City Manager Dept.: Public Works  
Subject: Approval of Final Parcel Map No. PM-2020-112 for the property located at 11841 Magnolia Street, Garden Grove. (*Action Item*) Date: 2/14/2023

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**OBJECTIVE**

To receive City Council approval for a Final Parcel Map No. PM-2020-112 for the property located at 11841 Magnolia Street, Garden Grove (west side of Magnolia Street, south of Tristan Drive).

**BACKGROUND**

On May 7, 2020, pursuant to Planning Commission Resolution No. 5987-20, the applicant received approval of Site Plan No. SP-084-2020 and Tentative Parcel Map No. PM-2020-112. A copy of Planning Resolution No. 5987-20 is attached.

**DISCUSSION**

The proposed Final Parcel Map No. PM-2020-112 subdivides an existing 15,552 square foot lot, improved with a single-family home, into two (2) equal size parcels. Lot 1 and lot 2 will each have an equal lot size of 7,776 square feet. The existing single-family home has been demolished to accommodate the proposed subdivision and a new two-story, single-family home which will be constructed on each new lot.

The conditions of approval, as well as California state law under the Surveyor's Act, require the applicant to be responsible for protecting all existing and newly established horizontal and vertical survey controls, monuments, ties (centerline and corner) and benchmarks located within the limits of the project and all new monuments must be set within 365 days of recording the final map as shown on the Surveyor's Statement of the final map. To guarantee the protection and re-establishment of all the monuments of the subject development, the developer has opted to provide a deposit in the forms of cashier's checks.

Staff has reviewed all the subdivision documentation mandated by City Ordinances, conditions of approval, and the Subdivision Map Act and finds this map to be in

compliance. The owner has complied with all conditions of the tentative parcel map.

#### FINANCIAL IMPACT

There is no financial impact to the General Fund.

#### RECOMMENDATION

It is recommended that the City Council:

- Approve Final Parcel Map No. PM-2020-112 for the property located at 11841 Magnolia Street, Garden Grove.

By: Kamyar Dibaj, Project Engineer

#### **ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
PARCEL MAP	1/24/2023	Backup Material	FINAL_Parcel_Map_No._2020-112.pdf
RESOLUTION	1/24/2023	Resolution	SP-084-2020_Reso_(Final).pdf
CASHIER CHECK	2/9/2023	Backup Material	Cashiers_check_Redacted.pdf



SHEET 1 OF 2

NUMBER OF PARCELS=2  
GROSS AREA=19,552 S.F.=0.449AC  
NET AREA=15552 S.F.=0.357AC  
DATE OF SURVEY 6-08-2020  
BEING ALL OF TENTATIVE  
PARCEL MAP NO. 2020-112

# PARCEL MAP NO. 2020-112

IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE,  
STATE OF CALIFORNIA

BEING A SUBDIVISION OF A PORTION OF THE NORTH HALF OF THE SOUTHEAST QUARTER  
OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 4 SOUTH, RANGE 11 WEST, IN  
THE RANCHO LOS ALAMITOS, AS PER MAP FILED IN BOOK 51, PAGE 11 OF  
MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

INDER JIT CHAUHAN R.C.E. 28466

INDER ENGINEERING, INC.

ACCEPTED AND FILED AT THE  
REQUEST OF  
CHICAGO TITLE COMPANY

DATE \_\_\_\_\_  
TIME \_\_\_\_\_ FEE \$ \_\_\_\_\_  
INSTRUMENT NO. \_\_\_\_\_  
BOOK \_\_\_\_\_ PAGES \_\_\_\_\_

HUGH NGUYEN  
COUNTY CLERK-RECORDER

## OWNERSHIP CERTIFICATE

WE, THE UNDERSIGNED, BEING ALL PARTIES HAVING ANY RECORD TITLE INTEREST IN  
THE LAND COVERED BY THIS MAP, DO HEREBY CONSENT TO THE PREPARATION AND  
RECORDATION OF SAID MAP, AS SHOWN WITHIN THE DISTINCTIVE BORDER LINE.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR  
PUBLIC STREET AND PUBLIC UTILITY PURPOSES: MAGNOLIA STREET.

WE ALSO HEREBY RELEASE AND RELINQUISH ALL VEHICULAR INGRESS AND  
EGRESS ACCESS RIGHTS TO MAGNOLIA STREET AND MAC MURRAY STREET  
EXCEPT AT APPROVED LOCATIONS.

WE ALSO HEREBY RELEASE AND RELINQUISH ALL RIGHTS TO UNDERGROUND  
WATER WITHOUT THE RIGHT OF SURFACE ENTRY.

ANH MINH THAI AND VIEN NGUYEN THAI, HUSBAND AND WIFE, AS JOINT  
TENANTS

[Signature]  
VIEN NGUYEN THAI, OWNER  
[Signature]  
ANH MINH THAI, OWNER

## NOTARY ACKNOWLEDGEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE  
IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS  
ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT

STATE OF CALIFORNIA }  
COUNTY OF ORANGE } SS

ON December 21, 2022, BEFORE ME, TERESA TANNER, A NOTARY  
PUBLIC, PERSONALLY APPEARED VIEN NGUYEN THAI

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S)  
WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED  
TO ME THAT HE/SHE/HEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED  
CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE  
PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED  
THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF  
CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND:

SIGNATURE [Signature] MY PRINCIPAL PLACE OF BUSINESS  
NOTARY PUBLIC IN AND FOR SAID STATE

IS IN ORANGE COUNTY  
MY COMMISSION EXPIRES 08-30-24  
MY COMMISSION NUMBER 2414273



## NOTARY ACKNOWLEDGEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE  
IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS  
ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT

STATE OF CALIFORNIA }  
COUNTY OF ORANGE } SS

ON December 21, 2022, BEFORE ME, TERESA TANNER, A NOTARY  
PUBLIC, PERSONALLY APPEARED ANH MINH THAI

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S)  
WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED  
TO ME THAT HE/SHE/HEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED  
CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE  
PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED  
THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF  
CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND:

SIGNATURE [Signature] MY PRINCIPAL PLACE OF BUSINESS  
NOTARY PUBLIC IN AND FOR SAID STATE

IS IN ORANGE COUNTY  
MY COMMISSION EXPIRES 08-30-24  
MY COMMISSION NUMBER 2414273



## ENGINEER'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY  
IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES  
AT THE REQUEST OF VIEN NGUYEN THAI ON JUNE 8, 2020. I HEREBY STATE THAT ALL MONUMENTS  
ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, OR THAT THEY WILL BE SET IN SUCH  
POSITIONS, ON OR BEFORE MARCH 15, 2023; AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE  
SURVEY TO BE RETRACED. I HEREBY STATE THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE  
APPROVED OR CONDITIONALLY APPROVED TENTATIVE PARCEL MAP, IF ANY.

INDER JIT CHAUHAN 12-21-2022  
INDER JIT CHAUHAN, R.C.E. 28466  
EXPIRATION DATE 3-31-2024



## CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND HAVE FOUND IT TO BE SUBSTANTIALLY  
IN CONFORMANCE WITH THE TENTATIVE MAP, IF REQUIRED, AS FILED WITH, AMENDED AND APPROVED  
BY THE CITY PLANNING COMMISSION; THAT ALL MAPPING PROVISIONS OF THE SUBDIVISION MAP ACT  
AND CITY SUBDIVISION REGULATIONS HAVE BEEN COMPLIED WITH.

DATED THIS 21st DAY OF January, 2022

[Signature]  
DANIEL J. CANDELARIA, R.C.E. 52125  
MY REGISTRATION EXPIRES 12-31-2023  
CITY ENGINEER, CITY OF GARDEN GROVE



## COUNTY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND HAVE FOUND THAT ALL  
MAPPING PROVISIONS OF THE SUBDIVISION MAP ACT HAVE BEEN COMPLIED WITH AND I  
AM SATISFIED SAID MAP IS TECHNICALLY CORRECT.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2022

KEVIN R. HILLS, COUNTY SURVEYOR  
L.S. 6617

BY: LILY M. N. SANDBERG, DEPUTY COUNTY SURVEYOR  
P.L.S. NO. 8402

## CITY CLERK'S CERTIFICATE

STATE OF CALIFORNIA )  
CITY OF GARDEN GROVE ) SS  
COUNTY OF ORANGE )

I HEREBY CERTIFY THAT THIS MAP WAS PRESENTED FOR APPROVAL TO THE CITY COUNCIL  
OF THE CITY OF GARDEN GROVE AT A REGULAR MEETING THEREOF HELD ON THE \_\_\_\_\_ DAY  
OF \_\_\_\_\_, 2022, AND THAT THEREUPON SAID COUNCIL DID, BY AN ORDER DULY  
PASSED AND ENTERED, APPROVE SAID MAP AND DID ACCEPT ON BEHALF OF THE PUBLIC, THE EASEMENT  
DEDICATION FOR PUBLIC STREET AND PUBLIC UTILITY PURPOSES OF: MAGNOLIA STREET.  
AND DID ALSO ACCEPT ON BEHALF OF THE CITY OF GARDEN GROVE :

1. THE RIGHTS TO UNDERGROUND WATER AS DEDICATED.
2. THE VEHICULAR INGRESS AND EGRESS ACCESS RIGHTS TO MAGNOLIA STREET AND  
MAC MURRAY STREET AS RELEASED AND RELINQUISHED.

AND DID ALSO APPROVE SUBJECT MAP PURSUANT TO THE PROVISIONS OF SECTION  
66436(g)(3)(A) OF THE SUBDIVISION MAP ACT.

IN WITNESS WHEREOF I HAVE HEREUNTO SET MY HAND AND THE OFFICIAL SEAL  
OF THE CITY OF GARDEN GROVE.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2022

TERESA POMEROY, CMC  
CITY CLERK OF THE CITY OF GARDEN GROVE

## COUNTY TREASURER-TAX COLLECTOR'S CERTIFICATE

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) SS

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF MY OFFICE, THERE ARE NO LIENS  
AGAINST THE LAND COVERED BY THIS MAP OR ANY PART THEREOF FOR UNPAID STATE,  
COUNTY, MUNICIPAL OR LOCAL TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES,  
EXCEPT TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES NOT YET PAYABLE.

AND DO CERTIFY TO THE RECORDER OF THE COUNTY OF ORANGE THAT THE PROVISIONS OF  
THE SUBDIVISION MAP ACT HAVE BEEN COMPLIED WITH REGARDING DEPOSITS TO SECURE  
PAYMENT OF TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES ON THE LAND  
COVERED BY THIS MAP.

DATED THIS \_\_\_\_\_ DAY \_\_\_\_\_, 2022

SHARI L. FREIDENRICH  
COUNTY TREASURER-TAX COLLECTOR  
BY: \_\_\_\_\_ TREASURER-TAX COLLECTOR



PARCEL MAP NO. 2020-112  
IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE,  
STATE OF CALIFORNIA

PARCEL MAP NO. 2020-112

PAVEMENT. STATION IS LOCATED AT VISUAL CENTERLINE INTERSECTION OF CHAPMAN AVENUE

THE BEARINGS SHOWN HEREON ARE BASED ON THE BEARING BETWEEN O.C.S. HORIZONTAL CONTROL STATION GPS NO. 3502 AND STATION GPS NO. 3628R2 BEING NORTH 89°26'50" WEST PER RECORDS ON FILE IN THE OFFICE OF THE ORANGE COUNTY SURVEYOR.

COORDINATES SHOWN ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM (CCS83) ZONE VI, 1983 NAD., (2017.50 EPOCH O.C.S. GPS ADJUSTMENT)

## REFERENCE NOTES

R2=RECORD DATA PER TRACT NO. 2190, MM 63/13-14

R4=CALCULATED PER RECORD DATA PER TRACT NO. 2190,

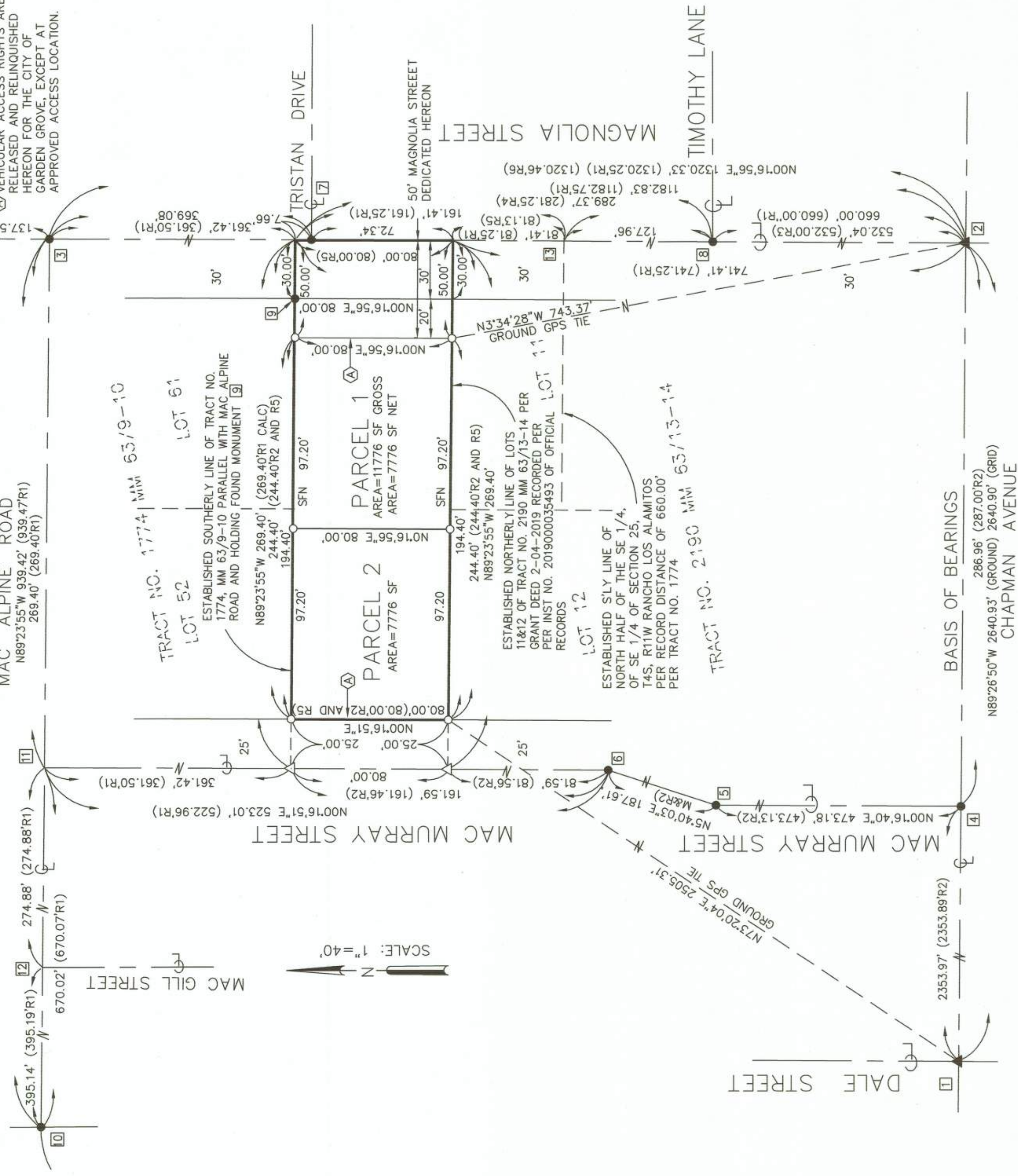
R5=GRANT DEED RECORDED IN INSTRUMENT RECORDED  
PER INSTRUMENT NO 2019000035493 ON 2/04/19

MONUMENT NOTES:

INDICATES FOUND MONUMENT AS NOTED

INDICATES 2 INCH IRON PIPE WITH TAG, STAMPED "R.C.E. 28466" AT ALL PARCEL CORNERS OR LEAD, TACK AND TAG STAMPED "R.C.E 28466" TO BE SET BEFORE 3-15-2023.

SEN SEARCHED FOUND NOTHING SET NOTHING UNLESS OTHER





## RESOLUTION NO. 5987-20

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF GARDEN GROVE APPROVING SITE PLAN NO. SP-084-2020 AND TENTATIVE PARCEL MAP NO. PM-2020-112.

BE IT RESOLVED that the Planning Commission of the City of Garden Grove, in a regular session assembled on May 7, 2020, hereby approve Site Plan No. SP-084-2020 and Tentative Parcel Map No. PM-2020-112, for a through lot with street frontages on both Mac Murray Street and Magnolia Street, just north of Chapman Avenue, at 11841 Magnolia Street, Assessor's Parcel No. 132-467-06.

BE IT FURTHER RESOLVED in the matter of Site Plan No. SP-084-2020 and Tentative Parcel Map No. PM-2020-112, the Planning Commission of the City of Garden Grove does hereby report as follows:

1. The subject case was initiated by Vien N. and Anh M. Thai.
2. The applicant is requesting Site Plan and Tentative Parcel Map approval to subdivide an existing 15,552 square foot lot, currently vacant, into two (2) parcels. Both Lot 1 and Lot 2 will each have an equal lot size of 7,776 square feet. A new, two-story single-family home will be constructed on each new lot.
3. Pursuant to the California Environmental Quality Act ("CEQA"), the City of Garden Grove has determined that this project was categorically exempt from CEQA pursuant to Section 15315 (Minor Land Divisions) of the CEQA Guidelines (14 Cal. Code Regs., Section 15315) and Section 15303 (New Construction or Conversion of Small Structures).
4. The property has a General Plan designation of Low Density Residential and is zoned R-1 (Single-Family Residential). The site is currently vacant with a single-family home that will be demolished to accommodate the proposed subdivision.
5. Existing land use, zoning, and General Plan designation of property in the vicinity of the subject property have been reviewed.
6. Report submitted by the City staff was reviewed.
7. Pursuant to a legal notice, a public hearing was held on May 7, 2020, and all interested persons were given an opportunity to be heard.
8. The Planning Commission gave due and careful consideration to the matter during its meeting on May 7, 2020; and

BE IT FURTHER RESOLVED, FOUND AND DETERMINED that the facts and reasons supporting the conclusion of the Planning Commission, as required under Municipal Code Section 9.04.030 are as follows:

FACTS:

The property is a 15,552 square foot through lot with street frontages on both Mac Murray Street and Magnolia Street, just north of Chapman Avenue, at 11841 Magnolia Street. The property has a General Plan Land Use Designation of Low Density Residential and is zoned R-1 (Single-Family Residential). The property is located in a residential area improved with single-family residences. The property was previously improved with a 1,157 square foot single-family home, with a detached accessory structure, that were demolished in 2019.

Both parcels will have a lot size of 7,776 square feet. A new two-story, 3,134 square foot single-family home will be constructed on each lot. The single-family homes will each consist of a living room, a family room, a dining room, a kitchen, a breakfast nook, a laundry room, five (5) bedrooms, and four (4) bathrooms. A covered front entry, a loggia in the rear, and a second-floor deck will also be provided for both buildings. An attached three-car garage will be provided for each unit with the required open parking spaces along the respective driveways.

The project has been designed to comply with the development standards of the R-1 zone, including setbacks, parking, lot coverage, building height, and the minimum lot size requirements.

FINDINGS AND REASONS:

**SITE PLAN**

1. The Site Plan complies with the spirit and intent of the provisions, conditions, and requirements of the Municipal Code and other applicable ordinances.

The property has a General Plan Land Use Designation of Low Density Residential and is zoned R-1 (Single-Family Residential). The Low Density Residential designation is intended to create, maintain, and enhance residential areas characterized by detached, single-family homes on a single parcel. The R-1 (Single-Family Residential) zone is intended to provide for the establishment and promotion of single-family detached residences on individual lots and compatible associated activities.

A new two-story, single-family home will be constructed on each lot, subject to the approval of the Site Plan. The proposed project is compatible with the character of the surrounding single-family neighborhood. The project is

designed to comply with the General Plan Land Use Designation, the development standards of the R-1 zone, and all other applicable ordinances. This includes, but is not limited to, compliance with: setbacks, parking, lot coverage, building height, and the minimum lot size requirements of the zone. Lastly, the construction of the homes will further assist the City in meeting all of its housing goals.

2. The proposed development does not adversely affect essential on-site facilities such as off-street parking, loading and unloading areas, traffic circulation, and points of vehicular and pedestrian access

Lot 1 will front onto Magnolia Street to the east, and Lot 2 will front onto Mac Murray Street to the west. Both lots will be accessed from their own thirty foot (30'-0") wide drive approach. Each new residential home is designed to provide the required enclosed garage and open parking spaces for the R-1 zone. Both new residential units will have a three-car enclosed garage, with three open parking spaces.

The City's Traffic Engineering Section has reviewed the proposed project, and all appropriate conditions of approval have been incorporated to minimize any adverse impacts to surrounding streets.

3. The development, as proposed, will not adversely affect essential public facilities such as streets and alleys, utilities, and drainage channels.

The streets in the area are adequate to accommodate the development, once the developer provides the necessary improvements for the project. Required improvements include new driveway approaches, new sidewalks, and a street dedication fronting Magnolia Street.

Existing utilities and drainage channels in the area are adequate to accommodate the development. The proposed development will provide landscaping and proper grading of the site, thereby improving drainage in the area. New utility services will be provided underground to the maximum extent possible, and all above-ground equipment will be screened.

The Public Works Department has reviewed the project, and has incorporated all the appropriate conditions of approval to minimize any adverse impacts.

4. The development does have a reasonable degree of physical, functional, and visual compatibility with neighboring uses and desirable neighborhood characteristics.



The subject property is located in an area improved with existing single-family residences. The proposed project will be compatible with the surrounding neighborhood. Architecturally, the residential units have been designed with enhanced facades to be aesthetically complimentary with the neighboring properties. A variety of architectural detailing, materials, massing, and rooflines help create visual intrigue.

The project has been designed in accordance with the R-1 (Single-Family Residential) development standards. In particular, each lot will have a single-family home that complies with the development standards of the R-1 zone, including, but not limited to: minimum lot sizes, setbacks, parking, lot coverage, and maximum building height.

The City's Community and Economic Development Department has reviewed the proposed project, and all appropriate conditions of approval have been incorporated to ensure physical, functional, and visual compatibility with the surrounding neighborhood.

5. Through the planning and design of buildings and building replacement, the provision of open space landscaping and other site amenities will attain an attractive environment for the occupants of the property.

The project is designed to comply with the fifty-percent (50%) lot coverage requirement of the R-1 zone, ensuring each parcel maintains the required amount of usable open space. Additionally, the conditions of approval will ensure that the landscaping requirements of the Municipal Code, including the City's Landscape Water Efficiency Guidelines, will be complied with.

#### **TENTATIVE PARCEL MAP**

1. The proposed map is consistent with the General Plan.

The property has a General Plan land use designation of Low Density Residential. The proposed map is consistent with the provisions of the General Plan Low Density Residential land use designation. This designation is intended to create, maintain, and enhance residential areas characterized by detached, single-family homes on a single parcel. The proposed Tentative Parcel Map creates two new lots, with one detached single-family home on each lot. The proposal is consistent with the provisions of the General Plan as the number of lots, and the number of residential units on each lot does not exceed the maximum density of nine (9) units per acre allowed under the Low Density Residential General Plan land use designation.

2. The design and improvement of the proposed subdivision are consistent with the General Plan.

The design and improvement of the proposed map are consistent with the Low Density Residential General Plan land use designation. The creation of a two (2) lot subdivision for the purpose of constructing one single-family home on each lot is consistent with the General Plan. The project complies with the minimum lot size requirement of the R-1 zone. In addition, the configuration of the lots and design of the homes is compatible with the existing residential neighborhood. With the conditions of approval, the design and improvement of the subject site is consistent with the spirit and intent of the General Plan.

3. The site is physically suitable for the type of development and complies with the spirit and intent of the Municipal Code.

The site is adequate in size and shape to accommodate the proposed project. Each new parcel complies with the minimum lot size of 7,200 square feet, the minimum lot width of sixty feet (60'-0"), and all of the other development standards of the R-1 zone. The placement and size of the proposed single-family homes complies with the development standards for the R-1 zone, including, but not limited to: setbacks, parking, lot coverage and open space provisions.

4. The design of the subdivision and the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat, and the requirements of the California Environmental Quality Act have been satisfied.

The requirements of the California Environmental Quality Act have been satisfied. The project was determined to be exempt pursuant to Section 15303(a) (New Construction or Conversion of Small Structures) and Section 15315 (Minor Land Divisions) of the California Environmental Quality Act.

5. The site is physically suitable for the proposed density of the development.

The subject property was previously improved with a single family home that has been demolished to facilitate the proposed subdivision. None of the previous improvements remain on the site currently.

The site is adequate in size and shape to accommodate a two (2) lot subdivision that complies with the minimum lot size and width requirements of the R-1 zone. The proposed design of the residential lot includes the placement of one single-family home on each lot, which complies with the density requirement of the General Plan.

The placement of the new single-family home on each lot complies with the R-1 development standards. The project complies with the minimum parking, open space, setbacks, lot coverage and building height requirements of the R-1 zone.

6. The design of the subdivision and the proposed improvements are not likely to cause serious public health problems.

As long as the conditions of approval are adhered to for the life of the project, the design of the subdivision, and the proposed improvements, are not likely to cause serious public health problems. Various City divisions, including the Traffic Division, Water Division, Engineering Division, Police Department, and the Planning Division, and Orange County Fire Authority, have reviewed the proposed development, and have applied conditions of approval to minimize against any potential negative impacts that the project may have on the community. The conditions of approval for on- and off-site improvements will safeguard the public health.

7. The design of the project and the proposed improvements will not conflict with easements of record or easements established by court judgment acquired by the public at large for access through or use of property within the subdivision; or, if such easements exist, alternate easements for access or for use will be provided and these will be substantially equivalent to the ones previously acquired by the public.

The design of the subdivision and the proposed improvements will not conflict with easements of record, or easements established by court judgment acquired by the public at large for access through or use of property within the proposed subdivision. The project has been designed to avoid development over existing easements.

8. The design and improvement of the proposed subdivision are suitable for the uses proposed and the subdivision can be developed in compliance with the applicable zoning regulations.

The design of the proposed use, and the subdivision are developed in compliance with the applicable zoning requirements. The design of the subdivision is suitable for the low-density residential project, and complies with the spirit and intent of the General Plan, and the Subdivision Map Act. The project has also been designed to comply with the R-1 development standards, and complies with the minimum lot size, and minimum lot width requirement.

9. The design of the subdivision provides, to the extent feasible, for future passive or natural heating and cooling opportunities in the subdivision.

To the extent feasible, the project has been designed in accordance with Government Code Section 66473.1, such as to allow for passive or natural heating opportunities in the subdivision design, to encourage the orientation of structures to take advantage of shade and prevailing breezes, to allow solar access for passive heating and opportunities for placement of shade trees and other vegetation for cooling.

10. The design, density, and configuration of the subdivision strike a balance between the affect of the subdivision on the housing needs of the region and public service needs. The character of the subdivision is compatible with the design of existing structures, and the lot sizes of the subdivision are substantially compatible with the lot sizes within the general area.

The project has been reviewed in relation to the housing needs and goals of the City, and is compatible with the existing residential projects in the vicinity. The property is located in an area with existing single-family residences. The property is currently unimproved, with a single-family home having been previously demolished. A new, two-story, single-family home, will be constructed on each lot. The subdivision will be compatible with the surrounding area since the lots are designed to comply with the minimum lot size. The project complies with the density requirements of the General Plan, and complies with all applicable R-1 development standards.

#### INCORPORATION OF FACTS AND FINDINGS SET FORTH IN STAFF REPORT

In addition to the foregoing, the Planning Commission incorporates herein by this reference, the facts and findings set forth in the staff report.

BE IT FURTHER RESOLVED that the Planning Commission does conclude:

1. The Site Plan and Tentative Parcel Map possess characteristics that would justify the request in accordance with Municipal Code Section No. 9.32.030.3 (Site Plan) and Section 9.40.060 (Tentative Maps).
2. In order to fulfill the purpose and intent of the Municipal Code and thereby promote the health, safety, and general welfare, the attached Conditions of Approval (Exhibit "A") shall apply to Site Plan No. SP-084-2020 and Tentative Parcel Map No. PM-2020-112.

Adopted this 7th day of May 2020

/s/ JEREMY LEHMAN  
CHAIR

/s/ LEE MARINO  
RECORDING SECRETARY

A decision becomes final if it is not timely appealed to the City Council. Appeal deadline is May 28, 2020.

CASHIER'S CHECK

Remitter:  
Purchaser:  
Purchaser Account:  
Operator I.D.:  
Funding Source: Electronic Item(s)

PAY TO THE ORDER OF \*\*\*CITY OF GARDEN GROVE\*\*\*

**\*\*Two Thousand and 00/100 -US Dollars \*\***

Payee Address:  
Memo: 2020-115 11841 MAGNOLIA ST GARDEN GROVE

NOTICE TO PURCHASER-IF THIS INSTRUMENT IS LOST,  
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION  
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND  
REISSUANCE, WELLS FARGO & COMPANY MAY IMPOSE A FEE  
AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

Purchaser Copy

January 24, 2023

**\*\*\$2,000.00\*\***

VOID IF OVER US \$ 2,000.00

NON-NEGOTIABLE

FB004 (10/19) M4203 20087593

PRINTED ON LINEMARK PAPER - HOLD TO LIGHT TO VIEW. FOR ADDITIONAL SECURITY FEATURES SEE BACK.

CASHIER'S CHECK

0091011336

Remitter:  
Operator I.D.:

PAY TO THE ORDER OF \*\*\*CITY OF GARDEN GROVE\*\*\*

**\*\*Two Thousand and 00/100 -US Dollars \*\***

Payee Address:  
Memo: 2020-115 11841 MAGNOLIA ST GARDEN GROVE

January 24, 2023

**\*\*\$2,000.00\*\***

VOID IF OVER US \$ 2,000.00

*Munira P. Khan*  
CONTROLLER

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Scott C. Stiles	From:	John Montanez
Dept.:	City Manager	Dept.:	Community Services
Subject:	Approval of the Second Amendment to the Agreement with the County of Orange for Families and Communities Together (FaCT) Grant Program Funding for the Magnolia Park Family Resource Center. ( <i>Action Item</i> )		
		Date:	2/14/2023

---

**OBJECTIVE**

To request that the City Council approve the Second Amendment to the Agreement with the County of Orange Social Services Agency to receive Families and Communities Together (FaCT) grant funding for the Magnolia Park Family Resource Center (MPFRC).

**BACKGROUND**

Since 1999, the City has been the lead agency for the Garden Grove Community Collaborative, which provides the community with family preservation services at the MPFRC. The majority of the funding for the Center comes through a grant from the County of Orange, Families and Communities Together (FaCT) Program. The original grant received in 1999 was extended in 2003, then in 2005, then in 2010, then in 2015, and once again in 2020 as part of a competitive grant process. County funded services provided by the Family Resource Center include counseling, case management, information and referral, family support services, parent education, domestic violence prevention and treatment services, and childcare services.

On March 4, 2020, City Council approved an Agreement with County of Orange to receive FaCT grant funding for the MPFRC that covered a three-year period from July 1, 2020, through June 30, 2023. The grant funding available for each one-year period is \$300,000, for a total amount of \$900,000 for the three-year period, with the option to extend two (2) additional one-year periods, without competitive bid process, at the sole discretion of the County. The City's General Fund provided matching funds in the amount of \$124,030 each year, which was part of the adopted budget. The City continued to serve as the lead fiscal agency for this grant,

and provide family support services, case management, strengthening family workshops, parent education, clinical supervision, information and referral, community outreach services, and teen programming. Other family services will be provided through the Garden Grove Community Collaborative that involves partner agencies from the community. The funded partners include Interval House for domestic violence prevention and treatment services; Human Options for differential response supportive services, and counseling services; and Team of Advocates for Special Kids (TASK) for parent workshops and IEP clinics and services.

In May 2022, the City Council approved the first Amendment to the Agreement to increase grant funding by \$70,800 for fiscal year 2022-2023, for a total grant amount of \$370,800 that included additional services provided by the MPFRC and Garden Grove Community Collaborative.

### DISCUSSION

Attached is the Second Amendment to the Agreement with the County of Orange Social Services Agency to extend the Agreement for two additional years from July 1, 2023, through June 30, 2025 with grant funding in the amount of \$370,800 each fiscal year for the remaining Contractor partner agencies, the City of Garden Grove, Human Options, Inc., and Interval House.

### FINANCIAL IMPACT

As lead agency, the City will be overseeing the program and fiscal operations of the grant. For the two additional years, fiscal year 2023-2024 and 2024-2025, the total grant amount each year will be \$370,800 for services through management of the Garden Grove Community Collaborative. The City's General Fund will match an estimated amount \$130,000 each year, during fiscal year 2023-24 and fiscal year 2024-2025.

### RECOMMENDATION

It is recommended that the City Council:

- Approve the attached Second Amendment to the Agreement with the County of Orange Social Services Agency to receive Families and Communities Together (FaCT) grant funding for the Magnolia Park Family Resource Center (MPFRC); and
- Authorize the City Manager to sign the Second Amendment, including making any modifications during the contract period for the operation and implementation of the contract services.

By: Janet Pelayo, Department Manager



**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
Second Amendment to the FaCT Agreement for Two Additional Years	2/1/2023	Agreement	Second_Amendment_for_Magnolia_Park_FRC_Agreement_2.14.2023.pdf

AMENDMENT TWO TO AGREEMENT  
BETWEEN  
COUNTY OF ORANGE  
AND  
CITY OF GARDEN GROVE  
AND  
HUMAN OPTIONS, INC.  
AND  
INTERVAL HOUSE  
FOR THE PROVISION OF FAMILY RESOURCE CENTER SERVICES

THIS AMENDMENT TWO, made and entered into upon execution of all necessary signatures, is to that certain AGREEMENT Number FCK0220 between the parties hereto, hereinafter referred to as the “Agreement” and is by and between the COUNTY OF ORANGE, hereinafter referred to as “COUNTY,” and City of Garden Grove, a California municipal agency; Human Options, Inc., a California non-profit corporation; and Interval House, a California non-profit corporation, hereinafter collectively referred to as “MAGNOLIA PARK FAMILY RESOURCE CENTER” or “CONTRACTOR.” City of Garden Grove, Human Options, Inc., and Interval House, may each also be referred to as “Contractor Partner Agencies.” COUNTY and CONTRACTOR may be referred to individually as “Party” and collectively as “the Parties.”

W I T N E S S E T H

WHEREAS, on July 1, 2020, COUNTY and CONTRACTOR entered into an Agreement for the provision of Family Resource Center Services, for the term of July 1, 2020, through June 30, 2023;

WHEREAS, on August 1, 2020, COUNTY and CONTRACTOR modified the Agreement to add Network Security and Privacy Liability Insurance;

WHEREAS, AMENDMENT ONE was issued to increase funding for the provision of additional Family Resource Center Services to clients; amend Subparagraph 21.1 of the

Agreement; and amend Subparagraphs 4.15, 5.8, 6.4, 8.6, 14.1, 14.4, and Paragraph 15 of Exhibit A of the Agreement;

WHEREAS, Contractor Partner Agency TASK, has elected not to renew the Agreement with the COUNTY and the remaining Contractor Partner Agencies, the City of Garden Grove, Human Options, Inc., and Interval House, desire to renew the Agreement with the County and assume all contractual obligations of TASK;

WHEREAS, COUNTY desires to renew the Agreement for an additional two (2) years from July 1, 2023, through June 30, 2025 with the remaining Contractor Partner Agencies; amend Paragraph 1, 13, and Subparagraphs 21.1, and 21.2 of the Agreement; amend Paragraph 5 and Subparagraphs 5.9, 5.11, 14.1, 14.3, and 14.4 of Exhibit A of the Agreement; remove Subparagraph 5.12 of Exhibit A of the Agreement; and remove all references to TASK;

WHEREAS, CONTRACTOR agrees to continue to provide such services under the terms and conditions set forth in this Agreement; and

ACCORDINGLY, THE PARTIES AGREED AS FOLLOWS:

1. Paragraph 1 of the Agreement is hereby amended to read as follows:

1. TERM

The term of this Agreement shall commence on July 1, 2020, and terminate on June 30, 2025, unless earlier terminated pursuant to the provisions of Paragraph 42 of this Agreement; however, CONTRACTOR shall be obligated to perform such duties as would normally extend beyond this term, including, but not limited to, obligations with respect to indemnification, audits, reporting, and accounting.

2. Paragraph 13 of the Agreement is hereby amended to read as follows:

13. INSURANCE

13.1 Prior to the provision of services under this Agreement, CONTRACTOR agrees to carry all required insurance at CONTRACTOR's expense, including all endorsements required herein, necessary to satisfy COUNTY that the insurance provisions of this Agreement have been complied with. CONTRACTOR agrees to keep such insurance coverage current, provide Certificates of Insurance and endorsements to ADMINISTRATOR during the entire term of this Agreement.

13.2 CONTRACTOR shall ensure that all subcontractors performing work on behalf of CONTRACTOR pursuant to this Agreement shall be covered under

CONTRACTOR's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for CONTRACTOR. CONTRACTOR shall not allow subcontractors to work if subcontractors have less than the level of coverage required by COUNTY from CONTRACTOR under this Agreement. It is the obligation of CONTRACTOR to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by CONTRACTOR through the entirety of this Agreement for inspection by COUNTY representative(s) at any reasonable time.

- 13.3 All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any SIRs in excess of fifty thousand dollars (\$50,000) shall specifically be approved by the COUNTY's Risk Manager, or designee. COUNTY reserves the right to require current audited financial reports from CONTRACTOR. If CONTRACTOR is self-insured, CONTRACTOR will indemnify COUNTY for any and all claims resulting or arising from CONTRACTOR's services in accordance with the indemnity provision stated in this Agreement.
- 13.4 If CONTRACTOR fails to maintain insurance acceptable to COUNTY for the full term of this Agreement, COUNTY may terminate this Agreement.
- 13.5 Qualified Insurer
  - 13.5.1 The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com).
- 13.6 If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.
- 13.7 The policy or policies of insurance maintained by CONTRACTOR shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>	<u>Responsible Contractor Partner Agencies</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate	City of Garden Grove (City), Human Options, Inc. (HO), and Interval House (IH)
Automobile Liability, including coverage for owned or scheduled, non-owned, and hired vehicles	\$1,000,000 combined single limit each accident	City, HO, IH
Workers' Compensation	Statutory	City, HO, IH
Employer's Liability Insurance	\$1,000,000 per accident or disease	City, HO, IH
Network Security and Privacy Liability	\$1,000,000 per claims made	City, HO, IH
Professional Liability Insurance	\$1,000,000 per claims made or occurrence \$1,000,000 aggregate	City, HO
Sexual Misconduct Liability	\$1,000,000 per occurrence	City, HO, IH

13.8 Increased insurance limits may be satisfied with Excess/Umbrella policies. Excess/Umbrella policies when required must provide Follow Form coverage.

### 13.9 Required Coverage Forms

13.9.1 Commercial General Liability coverage shall be written on occurrence basis utilizing Insurance Services Office (ISO) form CG 00 01 or a substitute form providing liability coverage at least as broad.

13.9.2 Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20 or a substitute form providing coverage at least as broad.

### 13.10 Required Endorsements

13.10.1 Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

13.10.1.1 An Additional Insured endorsement using ISO form CG 20 26 04 13, or a form at least as broad, naming the County of Orange, its elected and appointed officials, officers, agents and employees, as Additional Insureds or provide blanket coverage, which will state AS REQUIRED BY WRITTEN CONTRACT.

13.10.1.2 A primary non-contributory endorsement using ISO form CG 20 01 04 13, or a form at least as broad, evidencing that CONTRACTOR's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

13.10.2 The Network Security and Privacy Liability policy shall contain the following endorsements which shall accompany the Certificate of Insurance.

13.10.2.1 An Additional Insured endorsement naming the County of Orange, its elected and appointed officials, officers, agents and employees as Additional Insureds for its vicarious liability.

13.10.2.2 A primary and non-contributory endorsement evidencing that the CONTRACTOR's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

13.11 The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees or provide blanket coverage, which will state AS REQUIRED BY WRITTEN CONTRACT.

13.12 All insurance policies required by this Agreement shall waive all rights of subrogation against the County of Orange, its elected and appointed officials,

officers, agents and employees when acting within the scope of their appointment or employment.

- 13.13 CONTRACTOR shall provide thirty (30) days prior written notice to the County of any policy cancellation or non-renewal and ten (10) days prior written notice where cancellation notice is due to non-payment of premium and provide a copy of the cancellation notice to COUNTY. Failure to provide written notice of cancellation may constitute a material breach of the contract, upon which the COUNTY may suspend or terminate this Agreement.
- 13.14 If CONTRACTOR's Professional Liability policy, and/or Network Security & Privacy Liability policy are a "Claims-Made" policies, CONTRACTOR shall agree to the following:
- 13.14.1 The retroactive date must be shown and must be before the date of the contract or the beginning of the contract services.
- 13.14.2 Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after expiration or earlier termination of contract services.
- 13.14.3 If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the contract services, Contractor must purchase an extended reporting period for a minimum of three (3) years after expiration of earlier termination of the Contract.
- 13.15 The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).
- 13.16 Insurance certificates should be mailed to COUNTY at the address indicated in Paragraph 10 of this Agreement.
- 13.17 If CONTRACTOR fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/County Procurement Office or ADMINISTRATOR, award may be made to the next qualified proponent.
- 13.18 COUNTY expressly retains the right to require CONTRACTOR to increase or decrease insurance of any of the above insurance types throughout the term of this

Agreement. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect COUNTY.

13.19 COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If CONTRACTOR does not deposit copies of acceptable certificates of insurance and endorsements with COUNTY incorporating such changes within thirty (30) days of receipt of such notice, this Agreement may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to all legal remedies.

13.20 The procuring of such required policy or policies of insurance shall not be construed to limit CONTRACTOR's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

3. Subparagraph 21.1 of the Agreement is hereby amended to read as follows:

21.1 Maximum Contractual Obligation

The maximum obligation of COUNTY under this Agreement shall not exceed the amount of \$1,712,400, or actual allowable costs, whichever is less. The estimated annual amount for each twelve (12) month period is as follows:

21.1.1 Year One: \$300,000 for July 1, 2020, through June 30, 2021;

21.1.2 Year Two: \$300,000 for July 1, 2021, through June 30, 2022;

21.1.3 Year Three: \$370,800 for July 1, 2022, through June 30, 2023;

21.1.4 Year Four: \$370,800 for July 1, 2023, through June 30, 2024; and

21.1.5 Year Five: \$370,800 for July 1, 2024, through June 30, 2025

4. Subparagraph 21.2 of the Agreement is hereby amended to read as follows:

21.2 Allowable Cost

During the term of this Agreement, COUNTY shall pay CONTRACTOR monthly in arrears, for actual allowable costs incurred and paid by CONTRACTOR pursuant to this Agreement, as defined in Title 2 CFR Part 200, or as approved by ADMINISTRATOR. However, COUNTY, in its sole discretion, may pay CONTRACTOR for anticipated allowable costs that will be incurred by CONTRACTOR for the month of June during the term of the contract, during the month of such anticipated expenditure.



5. Paragraph 5 of Exhibit A of the Agreement is hereby amended to read as follows:

5. SERVICES

Throughout this Exhibit, the Contractor Partner Agencies shall herein be referred to as: City of Garden Grove (City); Human Options, Inc. (HO); and Interval House (IH). The Contractor Partner Agency that shall provide the particular service listed in Subparagraphs 5.1 through 5.11 below shall be indicated by the reference to that particular Contractor Partner Agency. Where more than one Contractor Partner Agency is responsible for providing a service, or there is joint responsibility for providing the service, that responsibility will be outlined under the service category.

6. Subparagraph 5.9 of Exhibit A of the Agreement is hereby amended to read as follows:

5.9 Other Services: Out-of-School-Time Programs (City)

5.9.2 City shall provide OST services to a minimum of forty (40) unduplicated PARTICIPANTS annually throughout the term of this Agreement.

7. Subparagraph 5.11 of Exhibit A of the Agreement is hereby revised to read as follows:

5.11 Other Services: Father Involvement and Engagement Program (City)

5.11.1 The objective of the Father Involvement and Engagement Program is to strengthen bonds and promote enduring relationships between father and child.

5.11.2 City shall facilitate seven (7) Monthly Father Group sessions (United Fathers/Papas Unidos) for a minimum of twenty (20) unduplicated fathers. The meetings shall last two (2) hours in duration. A light dinner, refreshments and childcare will be provided. Each group session shall include a topic promoting father involvement such as:

5.11.2.1 Attachment;

5.11.2.2 Healthy Communication;

5.11.2.3 Stress Management;

5.11.2.4 Child Development; and

5.11.2.5 Mental Health.

5.11.3 City shall provide three (3) father and child engagement activities annually. These activities will be two (2) hours in duration, and will include interactive, fun, and engaging activities to promote attachment and bonding for father and child. City shall serve a minimum of fifteen (15) families annually.

8. Subparagraph 5.12 of Exhibit of the Agreement is removed in its entirety.
9. Subparagraph 14.1 of Exhibit A of the Agreement is hereby amended to read as follows:
  - 14.1 For the five (5) COUNTY fiscal years (July 1 through June 30) included during the term of this Agreement, the maximum budget for services provided pursuant to Exhibit A of this Agreement shall not exceed \$1,712,400.
10. Subparagraph 14.3 of Exhibit A of the Agreement is hereby amended to read as follows:
  - 14.3 The budget specified in Subparagraph 14.4 below shall be for the period of July 1, 2020, through June 30, 2025. Each period shall be defined as follows:
    - 14.3.1 Year One shall be for the period of July 1, 2020, through June 30, 2021.
    - 14.3.2 Year Two shall be for the period of July 1, 2021, through June 30, 2022.
    - 14.3.3 Year Three shall be for the period of July 1, 2022, through June 30, 2023.
    - 14.3.4 Year Four shall be for the period of July 1, 2023, through June 30, 2024.
    - 14.3.5 Year Five shall be for the period of July 1, 2024, through June 30, 2025.
11. Subparagraph 14.4 of Exhibit A of the Agreement is hereby amended to read as follows:
  - 14.4 The budget for services provided pursuant to Exhibit A of this Agreement is set forth as follows:

<b><u>FRC Services</u></b>	<b>YEAR ONE</b>	<b>YEAR TWO</b>	<b>YEAR THREE</b>	<b>YEAR FOUR</b>	<b>YEAR FIVE</b>
Direct Service Costs <sup>(1)</sup>	\$299,288	\$299,288	\$368,990	\$368,990	\$368,990
Indirect Costs <sup>(2)</sup>	\$ 712	\$ 712	\$ 1,810	\$ 1,810	\$ 1,810
<b>TOTAL MAXIMUM OBLIGATION:</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$370,800</b>	<b>\$370,800</b>	<b>\$370,800</b>

<sup>(1)</sup> Direct Service Costs are costs that are incurred and specifically allocable to the provision of services identified in this Agreement. Employee Benefits include contributions to 401k or retirement plans; health insurance; dental insurance; life insurance; long-term disability insurance; payroll taxes such as FICA, Federal Unemployment Tax, State Unemployment Tax, and Workers' Compensation Tax, based on the currently prevailing rates; and expense for accrued vacation time payout, for a separated employee, limited to the actual vacation time accrued during the fiscal year in which the expense is claimed, minus the actual vacation time used by the employee during said fiscal year.

<sup>(2)</sup> Indirect Costs are costs that are incurred for an organization's common objectives and

that cannot be readily identified with a particular final cost objective.

12. The Parties agree that separate copies of this Amendment may be signed by each of the Parties, and this Amendment will have the same force and effect as if the original had been signed by all Parties.
13. All other terms and conditions of the Agreement shall remain the same and in full force and in effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment One to Agreement on the date set forth opposite their signatures. If Contractor is a corporation, Contractor shall provide two signatures as follows: 1) the first signature must be either the Chairman of the Board, the President, or any Vice President; 2) the second signature must be that of the Secretary, an Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution or by-laws demonstrating the legal authority of the signature to bind the company.

**Contractor:** CITY OF GARDEN GROVE

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Print Name

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Title

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Signature

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Date

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**Contractor:** HUMAN OPTIONS, INC.

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Print Name

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Title

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Signature

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Date

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**Contractor:** INTERVAL HOUSE

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Print Name

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Title

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Signature

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Date

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**County of Orange**, a political subdivision of the State of California

Deputized Designee Signature:

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Print Name

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Deputy Purchasing Agent  
Title

---

Signature

---

Date

**APPROVED AS TO FORM**  
COUNTY COUNSEL  
COUNTY OF ORANGE, CALIFORNIA

---

Print Name

---

Deputy County Counsel  
Title

---

Signature

---

Date

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Scott C. Stiles	From:	William E. Murray
Dept.:	City Manager	Dept.:	Public Works
Subject:	Approval of Amendment No. 6 to the Agreement with WM Curbside, LLC. for administering the City's Household Hazardous Program. (Cost: \$12,875) ( <i>Action Item</i> )		
Date:	2/14/2023		

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**OBJECTIVE**

For City Council to approve Amendment No. 6 with WM Curbside, LLC. for administering the City's Household Hazardous Program (Used Motor Oil Collection Program).

**BACKGROUND**

Through annual grant funding from the California Department of Resources Recycling and Recovery (CalRecycle), the City uses the services of WM Curbside, LLC. to administer the City's Household Hazardous Program. The Program consists of picking up used motor oil and oil filters from residences, including the collection of batteries at City facilities (Municipal Services Center, City Hall, and Senior Center), annual verification of certified used oil collection centers within the City, and assistance with CalRecycle grant reports.

**DISCUSSION**

The existing contract will be expiring in February 2023. Staff is in the process of issuing a Request for Proposals; however, to avoid any service gaps, the contract will need to be extended through May 31, 2023.

**FINANCIAL IMPACT**

There is no impact to the General Fund. Contract services are funded with CalRecycle grant funds.

**RECOMMENDATION**

It is recommended that the City Council:

- Approve Amendment No. 6 to the Agreement with WM Curbside, LLC., in the amount of \$12,875, from February 14, 2023 through May 31, 2023. for administration of the City's Household Hazardous Program; and
- Authorize the City Manager to execute Amendment No. 6 on behalf of the City, including making minor modifications as appropriate.

By: Ana V. Neal, Principal Administrative Analyst

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
Amendment No. 6	1/23/2023	Agreement	Agreement_Amendment_No._6.pdf

**CITY OF GARDEN GROVE**

**AMENDMENT NO. 6**

This Amendment No. 6 to Furnish all Labor, Materials, and Equipment Related to Administering the Household Hazardous Waste Program for the City of Garden Grove is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2023, by and between the CITY OF GARDEN GROVE, hereinafter referred to as "CITY", and WM Curbside, LLC, hereinafter referred to as "CONTRACTOR".

WHEREAS, CONTRACTOR and CITY entered into Contract No. 155556 effective February 14, 2017.

WHEREAS, Contractor and City desire to amend the Existing Contract as provided herein.

Now, therefore, it is mutually agreed, by and between the parties as follows:

1. Section 1: Term and Termination, shall be revised as follows:

The CITY hereby extends the performance period through May 31, 2023.

2. Section 3.1 Amount, shall be revised as follows:

The prorated contract price is hereby set at \$12,875.00, from February 14, 2023 through May 31, 2023.

Except as expressly amended hereby, the Existing Contract remains in full force and effect as originally executed.

*[SIGNATURES ON FOLLOWING PAGE]*



IN WITNESS WHEREOF, the parties have caused this Amendment No. 6 to the Existing Contract to be executed by their respective officers duly authorized on the date first written above.

**"CITY"**

**CITY OF GARDEN GROVE**, a municipal corporation

Dated: \_\_\_\_\_, 2023

By: \_\_\_\_\_  
Scott C. Stiles  
City Manager

**ATTEST**

**"CONTRACTOR"**

WM Curbside, LLC

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_, 2023

Dated: \_\_\_\_\_, 2023

**APPROVED AS TO FORM:**

If CONSULTANT/CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY

\_\_\_\_\_  
Garden Grove City Attorney

Dated: \_\_\_\_\_, 2023

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To: Scott C. Stiles                      From: Teresa Pomeroy

Dept.: City Manager                      Dept.: City Clerk

Subject: Receive and file minutes                      Date: 2/14/2023  
from the meetings held on  
December 13, 2023, and  
January 10, 2023. (*Action  
Item*)

---

Attached are the minutes from the meetings held on December 13, 2023, and January 10, 2023, recommended to be received and filed as submitted or amended.

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
Minutes	2/9/2023	Minutes	December_13__2022.docx
Minutes	2/9/2023	Minutes	cc-min_01_10_2023.pdf

MINUTES

GARDEN GROVE CITY COUNCIL

Regular Meeting

Tuesday, December 13, 2022

Community Meeting Center  
11300 Stanford Avenue, Garden Grove, CA 92840

CONVENE MEETING

At 6:38 p.m., Mayor Jones convened the meeting in the Council Chamber.

ROLL CALL      PRESENT:      (7)      Mayor Jones, Mayor Pro Tem D. Nguyen,  
Council Members Brietigam, O'Neill, Bui,  
Klopfenstein, K. Nguyen

ABSENT:      (0)      None

INVOCATION AND PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

DECLARATION OF RESULTS OF THE GENERAL MUNICIPAL ELECTION AND SEATING OF ELECTED MAYOR AND CITY COUNCIL MEMBERS (F: 58.2.2022)

It was moved by Council Member Brietigam, seconded by Council Member K. Nguyen that:

Resolution No. 9777-22 entitled: A Resolution of the City Council of the City of Garden Grove, reciting the fact of the General Municipal Election held on November 8, 2022, declaring the result and such other matters as provided by law, be adopted.

The motion carried by a 7-0 vote as follows:

Ayes:      (7)      Brietigam, O'Neill, Bui, Klopfenstein, K. Nguyen,  
D. Nguyen, Jones  
Noes:      (0)      None

COURTESY OF THE FLOOR EXTENDED TO OUTGOING MAYOR PRO TEM D. NGUYEN

COURTESY OF THE FLOOR EXTENDED TO OUTGOING COUNCIL MEMBER BUI

OATH OF OFFICE ADMINISTERED TO ELECTED MAYOR JONES

OATH OF OFFICE ADMINISTERED TO ELECTED COUNCIL MEMBER BRIETIGAM – DISTRICT 1

OATH OF OFFICE ADMINISTERED TO ELECTED COUNCIL MEMBER T. NGUYEN – DISTRICT 3

OATH OF OFFICE ADMINISTERED TO ELECTED COUNCIL MEMBER BUI – DISTRICT 4

CONVENE NEW CITY COUNCIL

At 7:01 p.m., Mayor Jones convened the meeting with new City Council.

ROLL CALL      PRESENT:      (7)      Mayor Jones, Council Members Brietigam, O'Neill, Tran, DoVinh, Klopfenstein, K. Nguyen

ABSENT:      (0)      None

COURTESY OF THE FLOOR EXTENDED TO MAYOR JONES, COUNCIL MEMBER BRIETIGAM, COUNCIL MEMBER TRAN, COUNCIL MEMBER DOVINH

PRESENTATIONS (F: 52.3)

COMMUNITY SPOTLIGHT IN RECOGNITION OF MAYOR PRO TEM D. NGUYEN

COMMUNITY SPOTLIGHT IN RECOGNITION OF COUNCIL MEMBER BUI

COMMUNITY SPOTLIGHT IN RECOGNITION OF POLICE CHIEF TOM DARÉ ON HIS UPCOMING RETIREMENT

This item was heard later in the meeting.

ADOPTION OF A RESOLUTION OF COMMENDATION FOR POLICE CHIEF DARÉ (F: 52.2)

This item was pulled out of order from the Consent Calendar by Mayor Steve Jones.

Following the reading of the Resolution of Commendation, it was moved by Council Member Brietigam, seconded by Council Member Klopfenstein that:

A Resolution of Commendation recognizing Police Chief Tom DaRé for his service upon his retirement, be adopted.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, Tran, DoVinh, Klopfenstein,  
K. Nguyen, Jones  
Noes: (0) None

#### PRESENTATIONS (continued) (F: 52.3)

#### COMMUNITY SPOTLIGHT IN RECOGNITION OF POLICE CHIEF TOM DARÉ ON HIS UPCOMING RETIREMENT

Council Member K. Nguyen left the meeting at 7:26 p.m.

#### RECESS FOR RECEPTION

At 7:41 p.m., Mayor Jones declared a recess.

#### RECONVENE

At 8:13 p.m., Mayor Jones reconvened the meeting with Council Members Brietigam, O'Neill, Tran, DoVinh, and Klopfenstein present.

#### ORAL COMMUNICATIONS

Speakers: Teresa Tran, Nicolas Dibs, Grace Lee, Maureen Blackmun, Kris Beard

#### REORGANIZATION OF THE CITY COUNCIL (F: 46.1)(F: 10.2)(VIP)

It was moved by Council Member Klopfenstein, seconded by Council Member K. Nguyen that:

Council Member Brietigam be selected as Mayor Pro Tempore.

The motion carried by a 6-0-1 vote as follows:

Ayes: (6) O'Neill, Tran, DoVinh, Klopfenstein, Brietigam,  
Jones  
Noes: (0) None  
Absent: (1) K. Nguyen

#### RECESS

At 8:29 p.m., Mayor Jones recessed the meeting.

## RECONVENE

At 8:33 p.m., Mayor Jones reconvened the meeting with Council Members O'Neill, Tran, DoVinh, Klopfenstein, and Mayor Pro Tem Brietigam present.

## ADOPTION OF A RESOLUTION OF COMMENDATION FOR POLICE CHIEF DARÉ (F: 52.2)

This item was heard earlier in the meeting.

## ADOPTION OF A RESOLUTION FOR FISCAL YEAR 2021-2022 RENEWED MEASURE M (M2) ANNUAL EXPENDITURE REPORT (F: 23.18C)

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Klopfenstein that:

Resolution No. 9778-22 entitled: A Resolution of the City Council of the City of Garden Grove concerning the Fiscal Year 2021-22 Measure (M2) Annual Expenditure Report, be adopted; and

The Finance Director be authorized to submit the Renewed Measure M (M2) Annual Expenditure Report to the Orange County Transportation Authority.

The motion carried by a 6-0-1 vote as follows:

Ayes: (6) O'Neill, Tran, DoVinh, Klopfenstein, Brietigam,  
Jones  
Noes: (0) None  
Absent: (1) K. Nguyen

## ACCEPTANCE OF PROJECT NO. CP-109000, EUCLID-WESTMINSTER INTERSECTION CAPACITY ENHANCEMENT PROJECT, EUCLID STREET AT WESTMINSTER AVENUE; OCTA PROJECT NO. 21-GGRV-ICE-3992 AS COMPLETE (F: 96.1PROJ.CP-1090000)

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Klopfenstein that:

Project No. CP-1090000- Euclid-Westminster Intersection Capacity Enhancement be accepted as complete, OCTA Project No. 21-GGRV-ICE-3992;

The City Manager to execute the Notice of Completion of Public Works Improvement and Work; and

The Finance Director to release the retention payment when appropriate to do so

The motion carried by a 6-0-1 vote as follows:

Ayes: (6) O'Neill, Tran, DoVinh, Klopfenstein, Brietigam,  
Jones  
Noes: (0) None  
Absent: (1) K. Nguyen

AWARD A CONTRACT TO CONTINENTAL FLOORING COMPANY DBA ARIZONA  
CONTINENTAL FLOORING COMPANY FOR REPLACEMENT OF THE FLOORING AT  
THE PURCELL BUILDING, IFB NO. S-1299 (F: 55-CONTINENTAL FLOORING  
COMPANY DBA ARIZONA CONTINENTAL FLOORING COMPANY)

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Klopfenstein that:

A contract in the amount of \$99,888.00 be awarded to Continental Flooring Company dba Arizona Continental Flooring Company; and

The City Manager be authorized to execute the contract, and make minor modifications as appropriate.

The motion carried by a 6-0-1 vote as follows:

Ayes: (6) O'Neill, Tran, DoVinh, Klopfenstein, Brietigam,  
Jones  
Noes: (0) None  
Absent: (1) K. Nguyen

ADOPTION OF A RESOLUTION AMENDING THE HOURLY RATES OF SELECT PART-  
TIME CLASSIFICATIONS TO MAINTAIN COMPLIANCE WITH STATE HOURLY  
MINIMUM WAGE MANDATES (78.1)

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Klopfenstein that:

Resolution No. 9779-22 entitled: A Resolution of the City Council of the City of Garden Grove establishing wages and fringe benefits for part-time positions, be adopted.

The motion carried by a 6-0-1 vote as follows:

Ayes: (6) O'Neill, Tran, DoVinh, Klopfenstein, Brietigam,  
Jones  
Noes: (0) None  
Absent: (1) K. Nguyen

ADOPTION OF A RESOLUTION ADOPTING THE CITY OF GARDEN GROVE'S  
EMERGENCY OPERATION PLAN (EOP) (F: 82.17)

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Klopfenstein that:

Resolution No. 9780-22 entitled: A Resolution of the City Council of the City of Garden Grove approving the 2022 Emergency Operations Plan for the City of Garden Grove, be adopted; and

The Police Department's Emergency Manager be authorized to submit the EOP to the State of California's Governor's Office of Emergency Services (Cal OES).

The motion carried by a 6-0-1 vote as follows:

Ayes: (6) O'Neill, Tran, DoVinh, Klopfenstein, Brietigam,  
Jones  
Noes: (0) None  
Absent: (1) K. Nguyen

WARRANTS

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Klopfenstein that:

Demands covered by Wire numbers 00001289 through 00001307, EFT numbers 00029049 through 00029076, and check numbers 00682220 through 00682365 inclusive have been verified by the Finance Division as properly issued and bear all proper signatures;

Demands covered by Wire numbers 00001308 through 00001310 EFT numbers 0029077 through 00029114, and check numbers 00682366 through 00682533 inclusive have been verified by the Finance Division as properly issued and bear all proper signatures;

Demands covered by Wire numbers 00001311 through 00001330 EFT numbers 0029115 through 00029140, and check numbers 00682534 through 00682622 inclusive have been verified by the Finance Division as properly issued and bear all proper signatures;

Demands covered EFT numbers 0029141 through 00030155, and check numbers 00682623 through 00682840 inclusive have been verified by the Finance Division as properly issued and bear all proper signatures;

Demands covered by Wire numbers 00001331 through 00001332 EFT numbers 00030156 through 00030185, and check numbers 00682841 through 00682950



inclusive have been verified by the Finance Division as properly issued and bear all proper signatures;

Demands covered by Wire numbers 00001333 through 00001337 EFT numbers 00030186 through 00030213, and check numbers 00682951 through 00683087 inclusive have been verified by the Finance Division as properly issued and bear all proper signatures; and

Payroll deposits 00015203 through 00015817 and checks 00185230 through 00185239 inclusive have been verified by the Finance Division as properly issued and bear all proper signatures, be received and filed.

The motion carried by a 6-0-1 vote as follows:

Ayes: (6) O'Neill, Tran, DoVinh, Klopfenstein, Brietigam,  
Jones  
Noes: (0) None  
Absent: (1) K. Nguyen

#### WAIVER

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Klopfenstein that:

Full reading of ordinances listed be waived.

The motion carried by a 6-0-1 vote as follows:

Ayes: (6) O'Neill, Tran, DoVinh, Klopfenstein, Brietigam,  
Jones  
Noes: (0) None  
Absent: (1) K. Nguyen

#### PUBLIC HEARING – SECOND READING, AND ADOPTION OF ORDINANCE NO. 2940 ADOPTING THE 2022 CALIFORNIA BUILDING STANDARDS CODES WITH MODIFICATIONS (F: 35.2) (XR: 50.2)

*(As approved earlier in the meeting, it was moved by Mayor Pro Tem Brietigam, seconded by Council Member Klopfenstein, and approved by a 6-0-1 vote, that full reading of ordinances listed be waived.)*

Mayor Jones declared the Public Hearing open and asked if anyone wished to address the City Council on the matter.

Speakers: None.

There being no further response from the audience, the Public Hearing was declared closed.

Following reading of the Ordinance title, it was moved by Council Member Brietigam, seconded by Council Member O'Neill that:

Ordinance No. 2940 entitled: An Ordinance of the City Council of the City of Garden Grove amending Title 18 of the Garden Grove Municipal Code and adopting by reference the following primary codes with certain amendments, deletions, and additions thereto: California Building Code, 2022 Edition; California Residential Code, 2022 Edition; California Electrical Code, 2022 Edition; California Mechanical Code, 2022 Edition; California Plumbing Code, 2022 Edition; California Energy Code, 2022 Edition; California Fire Code, 2022 Edition; California Existing Building Code, 2022 Edition; California Green Building Standards Code, 2022 Edition; California Referenced Standards Code, 2022 Edition; and certain secondary codes including the International Property Maintenance Code, 2021 Edition, as published by the International Code Council; and the International Swimming Pool and Spa Code, 2021 Edition, as published by the International Code Council, be adopted.

The motion carried by a 6-0-1 vote as follows:

Ayes: (6) O'Neill, Tran, DoVinh, Klopfenstein, Brietigam,  
Jones  
Noes: (0) None  
Absent: (1) K. Nguyen

AUTHORIZE THE ISSUANCE OF A PURCHASE ORDER TO NATIONAL AUTO FLEET GROUP FOR FOUR (4) NEW PUBLIC WORKS DEPARTMENT UTILITY BODY TRUCKS

Following staff presentation, Council Member O'Neill noted that the high cost is due to the necessary outfitting required for public works utility vehicles.

Council Member Brietigam noted the high mileage of vehicles and supported the need for replacement.

Council Member DoVinh inquired when the remaining vehicles would be ordered and their estimated costs.

In response, Public Works Director Bill Murray shared that a new vehicle order will be placed when supply is available; however, the price is subject to vehicle specification and outfitting needs, in addition to significant dealer price increases.

Council Member DoVinh inquired whether green or electric vehicles are considered for vehicle replacements.

Public Works Director Bill Murray shared that the Public Works yard does not currently have the infrastructure to support green vehicles.

Council Member Brietigam inquired whether the funds are derived from the Vehicle Maintenance Fund to which staff confirmed.

Council Member Tran inquired why a vehicle with relatively lower mileage was being replaced.

In response, Public Works Director shared that while vehicles might not accumulate road miles, vehicles age and breakdown over time with some vehicles being subject to more engine idle hours than others.

Lastly, Council Member DoVinh shared his interest in budgeting for future infrastructure upgrades for electric vehicles.

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member O'Neill that:

The Finance Director be authorized to issue a purchase order in the amount of \$461,328.33 to National Auto Fleet Group for the purchase of four (4) new Public Works Department utility body trucks.

The motion carried by a 6-0-1 vote as follows:

Ayes: (6) O'Neill, Tran, DoVinh, Klopfenstein, Brietigam,  
Jones  
Noes: (0) None  
Absent: (1) K. Nguyen

#### MATTERS FROM THE MAYOR, CITY COUNCIL MEMBERS, AND CITY MANAGER

Council Member Brietigam thanked his constituents in District 1 for his re-election. He also congratulated Council Member DoVinh and Council Member Tran on being elected to the City Council. Lastly, he wished everyone a Merry Christmas.

Council Member O'Neill congratulated Council Member DoVinh and Council Member Tran on their election to the City Council. He also reminded the public of the upcoming toy drive scheduled for Saturday, December 17, 2022, hosted by the Brown Descents Orange County Car Club. Event will take place at the Orange Baptist Church located on Orangewood Avenue and Dale Street from 10:00 a.m. to 2:00 p.m.

Council Member Tran thanked City Manager Scott Stiles and Assistant City Manager Maria Stipe for their help and dedication as she gets familiar with her role.

Council Member Klopfenstein congratulated Council Member Tran and Council Member DoVinh on their election to the City Council and she congratulated Council Member Brietigam and Mayor Jones on their re-election. Lastly, she thanked outgoing Council Member Diedre Thu-Ha Nguyen and Council Member Bui for their years of dedicated service and leadership.

Council Member DoVinh noted the City Council's leadership which has fostered a harmonious city and shared that he is proud to join the City Council. He views his role as a partnership with citizens, staff, family and friends, surrounding cities, and with all levels of government. He is looking forward to being a good partner and serving well with the support of City staff. He commended outgoing City Council Member Bui and Council Member Diedre Thu-Ha Nguyen for serving their community well over the last eight years. He described himself as a public servant and his role as partnership, and as a long-time resident wants to improve the city. He thanked members of the Vietnamese-refugee community that were instrumental in getting him elected to the City Council. Lastly, he thanked Maureen Blackmun for her support.

City Manager Stiles congratulated newly elected and re-elected City Council members. He reminded the public that City Hall will be closed December 26, 2022 through December 30, 2022 and therefore the City Council meeting scheduled for December 27, 2022 is cancelled.

Mayor Jones adjourned the meeting in memory of Bob Pomeroy, husband of the City Clerk, Terri Pomeroy. He recently passed away from COVID-19 and pneumonia. Bob lived in Garden Grove for over 40 years, raising a family and running his wedding photography business. Not only did he leave behind a legacy of creating beautiful memories, he was also a Structural Mechanic at McDonnell Douglas. His work on the C-17 was always a source of great pride. Bob was dedicated to his wife and children, Diana, Liz, and Ken, and they will miss him deeply.

#### ADJOURNMENT

At 8:58 p.m., Mayor Jones adjourned the meeting in memory of Bob Pomeroy. The next Regular City Council Meeting will be held on Tuesday, January 10, 2023, at 5:30 p.m. at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

Lizabeth Vasquez  
Deputy City Clerk

MINUTES

GARDEN GROVE CITY COUNCIL

Regular Meeting

Tuesday, January 10, 2023

Community Meeting Center  
11300 Stanford Avenue, Garden Grove, CA 92840

CONVENE CLOSED SESSION

At 6:03 p.m., Mayor Jones convened closed session.

ROLL CALL      PRESENT:      (7)      Council Members O'Neill, Tran, DoVinh,  
Klopfenstein, Nguyen, Brietigam, Mayor  
Jones

ABSENT:      (0)      None

ORAL COMMUNICATIONS FOR CLOSED SESSION

Speakers: None.

Conference with Legal Counsel – Anticipated Litigation

Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): One potential case.

ADJOURN CLOSED SESSION

At 6:20 p.m., Mayor Jones adjourned closed session.

CONVENE REGULAR MEETING

At 6:34 p.m., Mayor Jones convened the meeting in the Council Chamber with all Council Members present.

INVOCATION

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

FIRE SAFETY UPDATE BY ORANGE COUNTY FIRE AUTHORITY DIVISION CHIEF COVEY  
AS REQUESTED BY CITY MANAGER STILES (F: 61.1A)

COMMUNITY SPOTLIGHT IN RECOGNITION OF HAZEL CORONADO FOR BEING NAMED THE ORANGE COUNTY BOYS AND GIRLS CLUB YOUTH OF THE YEAR (F: 74.3)

ADOPTION OF A PROCLAMATION DECLARING JANUARY 13, 2023, AS KOREAN AMERICAN DAY IN GARDEN GROVE (F: 83.1-2023)

Mayor Jones pulled this item forward, moved adoption of a Proclamation declaring January 13, 2023, as Korean American Day in Garden Grove, which was seconded by Mayor Pro Tem Brietigam.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen, Brietigam, Jones  
Noes: (0) None

Following the City Council action, Consul General Youngwan Kim approached the podium thanking the Mayor and City Council for recognizing the Korean American community.

ORAL COMMUNICATIONS

Speakers: Patrick Bui, Monique Jaime, Kris Beard, Nicholas Dibs, Maureen Blackmun, Pierre Marconi, Maryam Amarifa, Ali Sheikh

Written Communications: Craig Durfey

CONSIDERATION OF A WRITTEN REQUEST FROM WEST GARDEN GROVE YOUTH BASEBALL FOR CO-SPONSORSHIP OF THE 2023 OPENING DAY PARADE (F: 74.27)

Following staff introduction, it was moved by Mayor Pro Tem Brietigam, seconded by Council Member O'Neill that:

Co-sponsorship for the 2023 Opening Day Parade to provide Police staff and equipment required to close city streets, the rental and staff for use of the showmobile stage in the estimated amount of \$5,400, be approved.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen, Brietigam, Jones  
Noes: (0) None

CONSIDERATION OF A WRITTEN REQUEST FROM THE CITY OF WESTMINSTER FOR THE USE OF THE SHOWMOBILE FOR THE UPCOMING TET PARADE TO BE HELD IN WESTMINSTER ON JANUARY 22, 2023 (F: 74.27)

Following staff introduction and City Council questions, it was moved by Council Member O'Neill, seconded by Council Member Nguyen that:

The request from the City of Westminster to waive the rental fee for the showmobile in the amount of \$250 for the upcoming Tet Parade on January 22, 2023, with the City of Westminster responsible for the set-up, clean up and dismantling, be approved.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

RECESS

At 7:31 p.m. Mayor Jones recessed the meeting.

RECONVENE

At 7:34 p.m., Mayor Jones reconvened the meeting in the Council Chamber with all Council Members present.

ADOPTION OF A PROCLAMATION DECLARING JANUARY 13, 2023, AS KOREAN AMERICAN DAY IN GARDEN GROVE (F: 83.1-2023)

This matter was considered earlier in the meeting.

ADOPTION OF A RESOLUTION RECOGNIZING JAMES D. HERBERG, GENERAL MANAGER OF THE ORANGE COUNTY SANITATION DISTRICT, ON HIS UPCOMING RETIREMENT (F: 83.1-2023)

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Nguyen that:

A Resolution of Commendation recognizing James D. Herberg, General Manager of the Orange County Sanitation District on his upcoming retirement, be adopted.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

REJECTION OF ALL BIDS RECEIVED FOR IFB S-1300A FOR ON CALL PAVING AND  
AUTHORIZATION TO RE-ADVERTISE THE PROJECT FOR RECEIVING BIDS (F: 96.1)

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Nguyen  
that:

All bids received on Tuesday, November 29, 2022, for IFB S-1300A be rejected;  
and

Staff be authorized to re-advertise the request for bids for On-call Asphalt Cold  
Milling, Trucking, Street Sweeping, and Operator Services for the City of Garden  
Grove.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

RECEIVE AND FILE FISCAL YEAR 2021-22 DEVELOPMENT IMPACT FEE ANNUAL  
REPORT (F: 60.2D)

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Nguyen  
that:

Fiscal Year 2021-22 Development Impact Fee Annual Report as required by  
Government Code Section 66006 (b) be received and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

APPROVAL OF PAYMENT TO SOUTHERN CALIFORNIA GAS COMPANY FOR GAS LINE  
RELOCATION FOR PROJECT CP1286000 – ORANGEWOOD AVENUE – DALE SREET  
WATER IMPROVEMENTS (F: 121.2B)

Council Member Klopfenstein stated that she would not be voting on this matter as  
her husband is employed by the Southern California Gas Company.



It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Nguyen that:

Payment in the amount of \$120,878.39 to the Southern California Gas Company for Gas Line Relocation for Project CP1286000 – Orangewood Avenue – Dale Street Water Improvements, be approved; and

The City's Water Services Manager and/or the Public Works Director be authorized to execute Southern California Gas Company's Collectible Work Authorization and all other documents necessary to authorize the work.

The motion carried by a 6-0 vote as follows:

Ayes: (6) O'Neill, Tran, DoVinh, Nguyen, Brietigam, Jones  
Noes: (0) None

APPROVAL OF AN AGREEMENT WITH THE COUNTY OF ORANGE FOR THE 2022 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANTS (JAG) PROGRAM; AND ALLOCATION OF JAG GRANT FUNDS TO THE POLICE DEPARTMENT (F: 82.15)

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Nguyen that:

The Agreement with the County of Orange for the 2022 Edward Byrne Memorial Justice Assistance Grant (JAG) program in the amount of \$35,000, be approved;

JAG grant funds be allocated to the Police Department's FY 2022-23 budget; and

The City Manager be authorized to execute the agreement with the County of Orange and make minor changes or modifications thereto as needed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen, Brietigam, Jones  
Noes: (0) None

WARRANTS

It was moved by Mayor Pro Tem Brietigam, seconded by Council Member Nguyen that:

Demands covered by Wire numbers 00001338 through 00001354, EFT numbers 00030214 through 00030248, and check numbers 00683088 through 00683168 inclusive as listed on this register and have been verified by the Finance Division as properly issued and bear all proper signatures;

Demands covered by Wire numbers 00001355 through 00001368 EFT numbers 00030249 through 00030269, and check numbers 00683169 through 00683285 inclusive as listed on this register and have been verified by the Finance Division as properly issued and bear all proper signatures;

Demands covered by Wire numbers 00001369 through 00001376, EFT numbers 00030270 through 00030290, and check numbers 00683286 through 00683339 inclusive as listed on this register and have been verified by the Finance Division as properly issued and bear all proper signatures;

Demands covered EFT numbers 00030291 through 00031307, and check numbers 00683340 through 00683554 inclusive as listed on this register and have been verified by the Finance Division as properly issued and bear all proper signatures;

Demands covered by Wire numbers 00001377 through 00001381 EFT numbers 00031308 through 00031331, and check numbers 00683555 through 00683660 inclusive as listed on this register and have been verified by the Finance Division as properly issued and bear all proper signatures;

Demands covered by Wire numbers 00001382 through 00001393, EFT numbers 00031332 through 00031373, and check numbers 00683661 through 00683848 inclusive as listed on this register and have been verified by the Finance Division as properly issued and bear all proper signatures; and

Payroll deposits 00016437 through 00010757 and check numbers 00185252 through 00185261 inclusive have been verified by the Finance Division as properly issued and bear all proper signatures, be received and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

CONSIDERATION OF APPOINTMENTS TO THE AUDIT COMMITTEE AND OUTSIDE COMMITTEES (F: 122.1) (VIP)

Following City Council discussion, it was moved by Mayor Jones, seconded by Mayor Pro Tem Brietigam that:

Representatives of the Audit Committee be as follows: Mayor Jones, Council Member Nguyen, and Council Member O'Neill.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

Following City Council discussion, it was moved by Mayor Pro Tem Brietigam, seconded by Council Member DoVinh that:

The Alternative Representative for the League of California Cities (LOCC) – OC Division be Council Member DoVinh.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

Following City Council discussion, it was moved by Mayor Jones, seconded by Mayor Pro Tem Brietigam that:

Council Member O'Neill be reappointed as Representative for the Orange County Fire Authority.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

Following City Council discussion, it was moved by Council Member O'Neill, seconded by Council Member Brietigam that:

The Representative for the Orange County Public Library Advisory Board be Council Member Tran; and the Alternate Representative be Council Member Klopfenstein.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

Following City Council discussion, it was moved by Council Member O'Neill, seconded by Mayor Jones that:

The Orange County Sanitation District Board Representative be Mayor Jones, and the Alternate be Council Member O'Neill.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

Following City Council discussion, it was moved by Mayor Pro Tem Brietigam, seconded by Council Member O'Neill that:

The Sanitary District Liaison Committee Representatives be Mayor Pro Tem Brietigam and Council Member Tran.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

Following City Council discussion, it was moved by Council Member O'Neill, seconded by Mayor Pro Tem Brietigam that:

The Santa Ana River Flood Protection Agency Representative be Council Member DoVinh.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

Following City Council discussion, it was moved by Council Member O'Neill, seconded by Mayor Pro Tem Brietigam that:

The Southern California Association of Governments (SCAG) Regional General Assembly Representative be Council Member Nugyen; and

The Alternate be Council Member Tran.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

Following City Council discussion, it was moved by Mayor Jones, seconded by Council Member Klopfenstein that:

The West Orange County Water Board (WOCWB) Representative be Mayor Pro Tem Brietigam, and the Alternate be Council Member O'Neill.

The motion carried by a 7-0 vote as follows:

Ayes: (7) O'Neill, Tran, DoVinh, Klopfenstein, Nguyen,  
Brietigam, Jones  
Noes: (0) None

#### MATTERS FROM THE MAYOR, CITY COUNCIL MEMBERS, AND CITY MANAGER

In response to a resident who spoke about the safety concerns for his children walking to school near Palm and Harbor, Council Member Nguyen noted that this area, including Trask and Harbor near the freeway ramps and an empty lot presents issues that she has addressed with both the Police Department and Cal Trans. She expressed assurance that she is working diligently on the safety concerns and issues in this neighborhood to get the situation under control. She is optimistic that the Navigation Center will make a notable difference. She noted that with the new campaign laws and with serving on outside committees, an additional support staff to the council is something that she would like considered.

Council Member Klopfenstein commented that she has served on the Vector Control Board since she was elected to the City Council, which has provided the opportunity to acquire a lot of information. A key component to Vector Control's success is outreach and education, and she stressed the necessity for dumping and draining standing water, a critical preventative measure for mosquito breeding and the West Nile Virus. She commented on the numerous resident complaints she has received regarding graffiti and that she is proactive with reporting problem areas. She thanked staff for the timely response to remove graffiti from public property, as well as notifying property owners. She noted the increase of graffiti in District 5 primarily along the Harbor Corridor, and that this is not going unnoticed by her or by the City staff.

Council Member DoVinh thanked Council Member Nguyen for bringing up the public safety issues affecting her district noting that it has been a problem for some time; and he thanked Council Member Klopfenstein for addressing graffiti issues, and agreed graffiti is on the rise in his district too, and he has heard from his neighbors. He recognized the challenge of staying ahead of graffiti and suggested allocating additional resources. He commended a recent assault victim for her bravery, which expedited the arrest thereby preventing further attacks. He recommended that the City reach out to her for well-deserved recognition. He encouraged people to reach out when they become a victim and to be aware of the registered sex offenders in their neighborhoods to foster safety. He questioned the credibility of the organization putting on a flower event on Main Street, and noted the City approved a permit. He expressed support for cultural and economically beneficial events; however, concerned residents have contacted him prompting him to request the city learn

about whether the organizers are in compliance with regulations for non-native flowers. There is also expressed concern that the purpose of this event is for spreading communist propaganda that is vehemently objected to by many in the Community. He also raised the alarm for possible protest at this event, and he is not in favor of using the City's police to control a potential situation at the expense of the tax payers.

Council Member Brietigam commented that the City Council is to provide oversight and to ensure that the community is being well served. He praised the performance of the city staff, notably the Police and Public Works Departments; however, there is at issue the length of time it takes to get a building permit. But, he is proud to report recent improvements made to facilitate fast-tracking building permits and the process is now at nine days. He noted that with 100 to 110 inspections a day, a building staff of seven full-time and one part-time with one supervisor, three full-time inspectors and a few contract inspectors, he is happy with the improvements to date with the goal to be in line with other cities in Orange County. He gave kudos to staff for focusing on making improvements, and is cautiously optimistic that this issue is finally being resolved. He announced the Organics Recycling Event hosted by the Garden Grove Neighborhood Association and Republic Services at Eastgate Park on January 12, 2023, at 6:00 p.m. He has heard from some older residents that having to pick up the food waste pail in Anaheim is difficult for them, and this event gives an opportunity to pick up a free organics pail. He thanked Maureen Blackmun and Republic Services for putting this event together.

In response to the speaker who brought a petition to the meeting requesting street lights to be installed on Acacia Avenue, Council Member O'Neill stated that this is a community decision that would require a public hearing with a minimum 51% voting to approve street lighting. The cost for installing and maintaining street lighting would be an additional assessment reflected on the property tax. He further noted that he did receive an email about this and that staff responded by providing information on the process. He commented on the Brown Descents, a non-profit organization that raises money for scholarships, which held a toy drive on December 17, 2022, that turned out to be a great event. He met with the Waymakers OC to learn about smoke free environments for multi-family residential properties, which is not for the purpose of discriminating against people who smoke but to protect the health of people and children living in multi-family apartment units. Many cities are taking this issue seriously and he plans on learning more and having conversations on this issue. His father passed away from congestive heart failure from smoking and he believes this is a conversation that needs to happen.

Council Member Tran thanked both City Manager Stiles and Assistant City Manager Stipe for their guidance as a new council member. She stated she would like to learn more about the Waymakers OC smoke free plan for multi-residential housing. She noted she has been contacted by concerned residents about unkempt properties, and she would like to promote neighborhood beautification. She suggested that Council Member Klopfenstein's revival of the Garden Grove Pride now known as Garden Grove

GEMS that takes place in the spring be extended to the Holiday Season with residents participating with a Christmas or Holiday theme. She encouraged the residents to contact the City Council with their ideas to promote neighborhood pride. And, in the spirit of neighborhood beautification, she announced the Bulky Item Pick Up event taking place in her district at Garden Grove Park on Saturday, February 11, 2023, from 9:00 a.m. to 11:00 a.m. This is a free event for Garden Grove residents.

City Manager Stiles thanked Mayor Pro Tem Brietigam for recognizing the improved timeline for permitting, noting that Assistant City Manager, Lisa Kim, has been working very hard to make those improvements by utilizing contract staff and allowing more overtime. He noted that the flower event on Main Street is not a city event, but the organizers did get a street closure permit from the City. He commented that the businesses on Main Street were supportive, and if there is any more information to please notify the City Manager's Office. Police Chief El Farra was very pleased with the recent sexual assault victim who bravely fought and was able to provide law enforcement with information to arrest the attacker. He stated that the Chief will make the determination based on the victim's wishes for recognition. He noted that there is an encampment resolution funding program that Assistant City Manager, Lisa Kim's staff will be exploring with a potential for two or three million dollars to be used for homelessness efforts. He noted that he is staying up with information on the storm surges and localized flooding, which has hit Northern California the hardest. The Police Department, Public Works, and the Orange County Fire Authority are all on alert for any weather issues, and he will keep the City Council updated. He noted that the Governor issued a State of Emergency that does include Orange County and the City's EOC Manager is keeping up with any expenses that would be incurred as a result of localized flooding. He commented that last year's bulky item pick up events held in each district was very successful, and this year should prove equally successful. The City's webpage at <https://ggcity.org/pw/clean-up-days> provides for the dates, times, and locations for the bulky item events.

Council Member DoVinh expressed that he would also like to be involved with discussions about smoke free multi-residential policies. He noted the limited staffing affects the time frame for building permits, as well as a competitive job market for building inspectors and suggested providing incentives to retain a high level workforce. He stated that he has ideas he would like to share and suggested that improvements to the ordinances and proactively communicating through the permitting process would be helpful. In response to tonight's young speaker, he expressed the need to move forward with green energy policies. Lastly, he encouraged residents to apply as a commissioner, and expressed the need to find the best people possible to serve.

City Attorney Sandoval announced that during closed session, the City Council unanimously approved commencement of receivership proceedings for the property located at 12109 Stonegate Lane.

Mayor Jones closed the meeting in memory of long-time resident Clyde Craycraft who passed away unexpectedly on December 14, 2022. Clyde was known for his Christmas displays and his heart of gold.

ADJOURNMENT

At 8:23 p.m., Mayor Jones adjourned the meeting in memory of Clyde Craycraft. The next Regular City Council Meeting is scheduled for Tuesday, January 24, 2023, at 5:30 p.m. in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

Teresa Pomeroy  
City Clerk



**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To: Scott C. Stiles                      From: Patricia Song  
Dept.: City Manager                      Dept.: Finance  
Subject: Receive and file warrants.      Date: 2/14/2023  
            (*Action Item*)

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Attached are the warrants recommended to be received and filed.

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
Warrants	2/9/2023	Warrants	01262023PR.pdf

**CITY OF GARDEN GROVE**  
**GGFEFM002 Warrant Register Payroll**

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**PY - Payroll**

**Check Type: CHK**

Check	Vendor #	Vendor Name	Issue Date	Check Amount
00185281	E05067	SANCHEZ, MARTIN	01/26/2023	\$786.09
00185273	E04994	GREENUP, BREANNA C	01/26/2023	\$789.36
00185276	E04824	PACHECO, LAURA M	01/26/2023	\$160.25
00185279	E05086	SEELY, BRITTANY L	01/26/2023	\$480.74
00185282	E05089	STAIR, DEAN T	01/26/2023	\$665.73
00185274	E05079	TRAN, CINDY NGOC	01/26/2023	\$555.10
00185278	E04444	JULIENNE, PATRICK R	01/26/2023	\$3,358.77
00185283	E03446	JIMENEZ, VIDAL	01/26/2023	\$1,873.83
00185275	E00977	BELAIR, DIANE	01/26/2023	\$2,453.28
00185280	E03529	ROCHA, MICHAEL F	01/26/2023	\$2,170.46
00185277	E05045	VIRAMONTES, KATE E	01/26/2023	\$145.68
<b>CHK - Total</b>				<b>\$13,439.29</b>

**Check Type: EFT**

Check	Vendor #	Vendor Name	Issue Date	Check Amount
00018074	E05049	RAMOS, DAVID N	01/26/2023	\$2,682.77
00018055	E05054	NUNEZ, BREANNE S	01/26/2023	\$2,356.05
00017728	E05055	GAMINO, LINDA M	01/26/2023	\$1,411.24
00017700	E05057	SATO, MICH L	01/26/2023	\$2,763.02
00017888	E05062	BAEZ, JASMIN	01/26/2023	\$546.94
00018185	E05065	LOMELI, JONATHAN	01/26/2023	\$975.17
00017674	E02788	DAVIS, JEFFREY P	01/26/2023	\$1,733.97
00017677	E04750	HO, VY D	01/26/2023	\$1,879.10
00017680	E04131	KIM, NOELLE N	01/26/2023	\$3,080.09
00017682	E04536	KLOPFENSTEIN, STEPHANIE L	01/26/2023	\$474.67
00017687	E02787	MORAN, MARIE L	01/26/2023	\$2,850.07
00017688	E04948	NGUYEN, HOAI THUONG H	01/26/2023	\$1,524.77
00017666	E05053	VU, VINNY X	01/12/2023	\$785.23
00017671	E03973	AVILA, VERONICA	01/26/2023	\$2,520.80
00017673	E01338	CARRENO, SHAUNA J	01/26/2023	\$3,788.26
00017676	E00803	HADDAD, PAMELA M	01/26/2023	\$3,276.50
00017679	E03612	JONES, STEVEN R	01/26/2023	\$306.56
00017681	E02612	KLOESS, VILMA C	01/26/2023	\$2,867.45
00017689	E04537	NGUYEN, KIM B	01/26/2023	\$596.79

**CITY OF GARDEN GROVE**  
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Check	Vendor #	Vendor Name	Issue Date	Check Amount
00017691	E02560	NGUYEN, QUANG	01/26/2023	\$2,760.47
00017693	E04534	ONEILL, JOHN R	01/26/2023	\$645.85
00017694	E04528	PARK, SHAWN S	01/26/2023	\$2,797.17
00017701	E04387	STILES, SCOTT C	01/26/2023	\$5,811.58
00017709	E02562	VO, THANH-NGUYEN	01/26/2023	\$1,873.62
00017715	E01985	LEE, JANY H	01/26/2023	\$4,291.29
00017727	E04960	FUKAZAWA, KEISUKE	01/26/2023	\$2,103.91
00017729	E03134	GARCIA, SYLVIA	01/26/2023	\$2,636.45
00017734	E04968	HONG, SEUNGBUM	01/26/2023	\$1,721.66
00017739	E03628	MENDOZA, CHRISTI C	01/26/2023	\$1,964.89
00017740	E04958	NGO, TINA	01/26/2023	\$2,687.13
00017742	E01362	PETERSON, JENNIFER L	01/26/2023	\$3,258.24
00017749	E04859	VO, MY TRA	01/26/2023	\$2,990.26
00017750	E03433	WESTON, RETA J	01/26/2023	\$1,758.64
00017753	E04493	ANDREWS, STEVEN F	01/26/2023	\$2,648.19
00017756	E04523	GALLO, CESAR	01/26/2023	\$3,112.17
00017759	E02617	KLOESS, GEOFFREY A	01/26/2023	\$4,941.93
00017762	E01277	PROFFITT, NOEL J	01/26/2023	\$3,675.77
00017763	E01901	RAO, ANAND V	01/26/2023	\$5,916.45
00017768	E00809	VICTORIA, ROD T	01/26/2023	\$2,415.27
00017769	E03014	WILDER, CANDY G	01/26/2023	\$2,286.64
00017771	E03725	ABU HAMDIYYAH, AMEENAH	01/26/2023	\$2,099.21
00017775	E03808	CHENG, ALANA R	01/26/2023	\$2,814.25
00017776	E03601	CHUNG, CHRISTOPHER	01/26/2023	\$3,110.51
00017783	E03600	HARTWIG, TODD C	01/26/2023	\$2,821.18
00017786	E03410	HODSON, AARON J	01/26/2023	\$2,365.94
00017789	E05081	LAGURA, NICK C	01/26/2023	\$3,182.52
00017794	E02895	MOURE, SVETLANA	01/26/2023	\$2,486.82
00017796	E02842	PARRA, MARIA C	01/26/2023	\$4,191.88
00017799	E04862	TRAN, JAKE P	01/26/2023	\$1,980.76
00017801	E05053	VU, VINNY X	01/26/2023	\$1,757.22
00017806	E04771	BAILOR, REBECCA J	01/26/2023	\$285.03
00017808	E04262	BEARD, ALEX C	01/26/2023	\$382.51
00017811	E01902	CASILLAS, VICTORIA M	01/26/2023	\$2,599.90
00017814	E04688	DELGADO CHAVEZ, MARLY	01/26/2023	\$71.70
00017817	E05013	DINH, TIFFANY	01/26/2023	\$521.53

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Check	Vendor #	Vendor Name	Issue Date	Check Amount
00017821	E04481	GARCIA, JARED D	01/26/2023	\$478.27
00017822	E04253	GARCIA, VANESSA L	01/26/2023	\$174.82
00017827	E04967	HASHEMI, SETAREH	01/26/2023	\$513.87
00017832	E01552	MEDINA, JESUS	01/26/2023	\$1,829.06
00017833	E00455	MEDINA, JUAN	01/26/2023	\$7,785.71
00017838	E04947	NGUYEN, ALEXANDER H	01/26/2023	\$284.08
00017839	E04391	NICHOLAS, NOEL N	01/26/2023	\$1,290.93
00017844	E04777	PHAN, EDOUARD T	01/26/2023	\$528.38
00017847	E03362	ROMERO, MARINA Y	01/26/2023	\$1,985.75
00017852	E01893	SAUCEDO, DANA MARIE	01/26/2023	\$2,534.36
00017857	E03895	SMITH, REBECCA S	01/26/2023	\$494.81
00017862	E05046	VARGAS-CABRERA, ARMANDO	01/26/2023	\$458.89
00017863	E05017	VARGAS-SERNA, KELLY	01/26/2023	\$349.63
00017865	E03085	VICTORIA, PAUL E	01/26/2023	\$1,506.57
00017870	E05076	XU, CHARLIE	01/26/2023	\$87.41
00017873	E05029	ALARID, DAVID M	01/26/2023	\$2,275.72
00017874	E03616	ALCARAZ, MARIA A	01/26/2023	\$2,409.25
00017876	E04873	ALVARADO, MADELINE M	01/26/2023	\$1,842.08
00017893	E05041	BARRIOS-ROA, JAYDE D.	01/26/2023	\$2,746.91
00017896	E03006	BELTHIUS, LISA A	01/26/2023	\$232.17
00017899	E03296	BERESFORD, EVAN S	01/26/2023	\$4,365.79
00017903	E03363	BOWEN, GENA M	01/26/2023	\$1,842.81
00017905	E04963	BOYENS III, ROBERT	01/26/2023	\$2,829.18
00017906	E00946	BROME, KAREN D	01/26/2023	\$2,196.29
00017908	E05083	BRITTON, CODY W	01/26/2023	\$1,832.76
00017910	E03968	BRUNICK, CARISSA L	01/26/2023	\$1,680.13
00017915	E03964	CAMARA, DANIEL A	01/26/2023	\$2,346.26
00017916	E04074	CAMPOS, JESENIA	01/26/2023	\$2,884.08
00017920	E03607	CHANG, DAVID Y H	01/26/2023	\$3,433.64
00017923	E04498	CHEATHAM, JEROME L	01/26/2023	\$2,909.40
00017926	E00003	CIBOSKY, COURTNEY P	01/26/2023	\$4,759.40
00017931	E01875	COUGHRAN, ADAM B	01/26/2023	\$0.00
00017934	E01364	DALTON, BRIAN D	01/26/2023	\$4,669.16
00017937	E04431	DE ALMEIDA LOPES, NICHOLAS A	01/26/2023	\$323.85
00017941	E05088	DOAN, THOMMY	01/26/2023	\$1,896.46
00017946	E04720	DUDLEY, BROC D	01/26/2023	\$4,305.68

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Check	Vendor #	Vendor Name	Issue Date	Check Amount
00017947	E03625	EARLE, CHRISTOPHER M	01/26/2023	\$3,457.27
00017956	E02724	ESTLOW, STEPHEN C	01/26/2023	\$3,260.61
00017957	E04358	ESTRADA MONSANTO, MICHELLE N	01/26/2023	\$2,695.24
00017967	E00903	FRUTOS, VERONICA	01/26/2023	\$2,674.92
00017972	E04351	GERDIN, MICHAEL E	01/26/2023	\$2,999.80
00017975	E04401	GLEASON, SEAN M	01/26/2023	\$3,639.09
00017981	E03527	HALLER, TROY	01/26/2023	\$4,534.95
00017982	E03402	HEINE, STEVEN H	01/26/2023	\$4,807.80
00017998	E03831	JORDAN, GERALD F	01/26/2023	\$3,828.94
00018000	E04559	KELLEY, KRISTOFER D	01/26/2023	\$7,043.59
00018001	E04353	KEUILIAN, SHELBY	01/26/2023	\$2,186.55
00018006	E03389	KOLANO, JOSEPH L	01/26/2023	\$2,986.55
00018013	E03511	LAZENBY, NICHOLAS A	01/26/2023	\$4,527.34
00018016	E04970	LEIVA, EDUARDO C	01/26/2023	\$6,911.74
00018018	E04541	LINK, DEREK M	01/26/2023	\$4,014.97
00018021	E02645	LOPEZ, DAVID	01/26/2023	\$3,668.10
00018023	E04581	LOWEN, BRADLEY A	01/26/2023	\$3,186.79
00018026	E04048	LUX, ROBERT D	01/26/2023	\$2,346.66
00018029	E04661	MACHUCA, ROBERTO	01/26/2023	\$3,219.29
00018035	E02792	MATA, RAQUEL D	01/26/2023	\$963.17
00018036	E04656	MAZON, JORGE L	01/26/2023	\$2,830.08
00018041	E04402	MERRILL, KENNETH E	01/26/2023	\$622.70
00018047	E03929	MURILLO JR, RAUL	01/26/2023	\$5,443.50
00018048	E04626	MURO, JASON M	01/26/2023	\$4,020.71
00018058	E03427	PANELLA, JOSEPH N	01/26/2023	\$2,363.17
00018061	E02995	PAYAN, CRISTINA V	01/26/2023	\$2,921.85
00018064	E00145	PERKINS, JASON S	01/26/2023	\$4,016.64
00018071	E04955	RAMIREZ, KAYLYN C	01/26/2023	\$1,883.84
00018080	E04911	RICHARDS, BRYANT D	01/26/2023	\$2,286.13
00018081	E04437	RICHMOND, RYAN R	01/26/2023	\$3,043.70
00018086	E04438	ROGERS, CHRISTIN E	01/26/2023	\$3,243.55
00018091	E04845	SALGADO JR., ALFREDO	01/26/2023	\$2,600.80
00018094	E03035	SEYMOUR, SUSAN A I	01/26/2023	\$3,058.17
00018099	E04576	SIMONS, SHAYLEN L	01/26/2023	\$2,720.32
00018105	E03761	STEPHENSON III, ROBERT M	01/26/2023	\$5,218.27
00018106	E04584	STROUD, BRIAN T	01/26/2023	\$4,001.84

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Check	Vendor #	Vendor Name	Issue Date	Check Amount
00018113	E04434	VELLANOWETH, KIMBRA S	01/26/2023	\$2,660.55
00018114	E04903	VIGIL, DANIEL C	01/26/2023	\$2,573.76
00018116	E04730	VU, TYLER D	01/26/2023	\$1,700.47
00018120	E04758	WEYKER, CHRYSTAL L	01/26/2023	\$2,967.64
00018123	E04762	WREN, DANIELLE E	01/26/2023	\$2,785.67
00018128	E04722	YNIGUEZ, COLE A	01/26/2023	\$3,221.74
00018131	E01626	AGUIRRE, ANSELMO	01/26/2023	\$2,140.99
00018144	E03811	CARRISOZA, ALBERT J	01/26/2023	\$2,113.53
00018145	E00916	CARTER, PHILLIP J	01/26/2023	\$3,457.11
00018152	E04514	ESPINOZA, ERIC M	01/26/2023	\$2,156.34
00018154	E05957	FERNANDEZ, ARYANA C	01/26/2023	\$1,007.86
00018155	E03405	FERNANDEZ, CECELIA A	01/26/2023	\$1,301.54
00018157	E04990	FLORES, MITCHELL C	01/26/2023	\$695.24
00018162	E04677	GIROUARD, CASEY G	01/26/2023	\$1,855.47
00018164	E03341	GONZALEZ, JORGE	01/26/2023	\$1,255.97
00018169	E03523	HARO, GLORIA A	01/26/2023	\$1,267.53
00018172	E02874	HOLMON III, ALBERT J	01/26/2023	\$3,836.68
00018174	E03588	HUYNH, HUY HOA	01/26/2023	\$2,399.32
00018177	E04296	JOHNSON, ERIC W	01/26/2023	\$1,835.77
00018180	E04728	KHALIL, MARK M	01/26/2023	\$2,172.90
00018184	E03301	LEYVA, RAUL	01/26/2023	\$3,164.38
00018190	E04998	MENDOZA, LAURA	01/26/2023	\$1,014.27
00018200	E04567	POWELL, AUSTIN H	01/26/2023	\$2,720.78
00018206	E04563	RODRIGUEZ, ADRIANNA M	01/26/2023	\$1,245.58
00018209	E04505	SANTOS, MICHAEL F	01/26/2023	\$3,427.03
00018211	E03091	SUDDUTH, STEPHEN D	01/26/2023	\$2,940.54
00018214	E03239	TAUANU U, STEVE J	01/26/2023	\$2,116.28
00018223	E01580	VU, DAI C	01/26/2023	\$4,417.36
00018224	E04362	VU, KHANG L	01/26/2023	\$3,786.04
00018232	E04063	BERGER, JAN	01/26/2023	\$2,537.10
00018236	E04365	DAN, CARINA M	01/26/2023	\$2,516.27
00018237	E04440	DAVIS, RYAN H	01/26/2023	\$2,154.09
00018241	E03688	GLENN, JEREMY J	01/26/2023	\$1,728.40
00018245	E04828	GUERRERO, MICHAEL V	01/26/2023	\$3,731.50
00018248	E03701	HAYES, WALTER B	01/26/2023	\$3,614.19
00018250	E03406	HUY, EDWARD A	01/26/2023	\$2,331.07

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Check	Vendor #	Vendor Name	Issue Date	Check Amount
00018254	E02852	LADNEY, MARK W	01/26/2023	\$3,015.75
00018259	E02124	MEISLAHN, TYLER	01/26/2023	\$1,407.54
00018261	E04707	MORRIS, JUSTIN M	01/26/2023	\$1,855.77
00018264	E03144	NATLAND, KIRK L	01/26/2023	\$1,552.74
00018265	E04291	NGUYEN, DUC TRUNG	01/26/2023	\$2,383.36
00018267	E03221	NICOLAE, CORNELIU	01/26/2023	\$3,127.47
00018274	E04805	POLIDORI, JESSICA J	01/26/2023	\$3,613.40
00018281	E04301	TALAMANTES JR, ALBERT	01/26/2023	\$2,394.09
00018286	E09940	YERGENSEN, VICTOR K	01/26/2023	\$2,263.05
00017669	E04156	YERGLER, JOHN J	01/12/2023	\$779.31
00017672	E04755	BRIETIGAM III, GEORGE S	01/26/2023	\$632.18
00017685	E05072	LOPEZ, CARLOS	01/26/2023	\$1,122.71
00017686	E05828	MIDDENDORF, LINDA	01/26/2023	\$3,342.45
00017690	E03255	NGUYEN, PHUONG VIEN T	01/26/2023	\$2,260.99
00017695	E03541	PHI, THYANA T	01/26/2023	\$2,727.47
00017697	E06945	POMEROY, TERESA L	01/26/2023	\$4,077.07
00017698	E01964	PULIDO, ANA E	01/26/2023	\$4,393.10
00017702	E00564	STIPE, MARIA A	01/26/2023	\$7,632.03
00017705	E01971	TRAN, CUONG K	01/26/2023	\$2,500.42
00017708	E04971	VITAL, ANDREA	01/26/2023	\$1,789.03
00017711	E04764	BRADLEY, JANNA K	01/26/2023	\$2,737.75
00017716	E03420	PROCTOR, SHERRILL A	01/26/2023	\$2,500.69
00017723	E04961	CHAO, VICTORIA	01/26/2023	\$1,601.21
00017725	E03760	CHUNG, JANET J	01/26/2023	\$3,685.00
00017726	E04957	CURTSEIT, MARIA	01/26/2023	\$2,010.94
00017731	E03429	GULLEY, SUSAN J	01/26/2023	\$1,196.33
00017738	E01393	MENDEZ, ANGELA M	01/26/2023	\$2,128.97
00017741	E04838	NIGATU, SELAMAWIT	01/26/2023	\$3,112.78
00017744	E03610	RAMIREZ, EVA	01/26/2023	\$2,105.07
00017746	E04973	RAMOS, NANCY	01/26/2023	\$2,823.61
00017754	E00845	CHANG, TERENCE S	01/26/2023	\$3,148.51
00017757	E04415	GOLD, ANNA L	01/26/2023	\$2,187.01
00017766	E04395	SWANSON, MATTHEW T	01/26/2023	\$1,976.31
00017767	E01674	VALENZUELA, ANTHONY	01/26/2023	\$1,749.94
00017770	E03509	WINSTON, TERREL KEITH	01/26/2023	\$3,208.95
00017772	E02996	ASHLEIGH, JULIE A	01/26/2023	\$2,124.16

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00017777	E03353	COVARRUBIAS, MONICA	01/26/2023	\$3,708.42
00017780	E04879	DAKE, RYAN J	01/26/2023	\$1,666.44
00017782	E03697	GUERRERO, PAUL	01/26/2023	\$2,972.57
00017785	E04855	HERRERA JR, ARMANDO	01/26/2023	\$614.28
00017795	E04635	NGUYEN, PHU T	01/26/2023	\$4,000.71
00017802	E03643	ALVARADO, YOLANDA A	01/26/2023	\$1,895.72
00017807	E04988	BAUTISTA, BRENDA	01/26/2023	\$2,036.59
00017815	E04653	DIAZ, GABRIELA	01/26/2023	\$687.81
00017818	E05090	ESCARENO, MELISSA	01/26/2023	\$313.21
00017825	E04982	GONZALEZ, KATHERYN	01/26/2023	\$454.11
00017826	E00940	GRANT, JACOB R	01/26/2023	\$2,556.52
00017830	E04682	LOPEZ, KALYSTA N	01/26/2023	\$87.41
00017837	E05044	NADEAU, RYANN E	01/26/2023	\$94.69
00017843	E03361	PELAYO, JANET E	01/26/2023	\$3,922.19
00017846	E02754	REYNOSO, SUGEIRY	01/26/2023	\$2,663.10
00017851	E04620	SALDIVAR, DIANA	01/26/2023	\$478.27
00017856	E04795	SIEVE, MYCHAELLA J	01/26/2023	\$236.14
00017866	E05018	VILLEGAS, MIA A	01/26/2023	\$174.82
00017867	E04609	VIRAMONTES, JACOB D	01/26/2023	\$216.51
00017869	E05070	XOOL VARGAS, RUDY G	01/26/2023	\$94.69
00017877	E04080	ALVAREZ BROWN, RICHARD A	01/26/2023	\$3,516.15
00017878	E05028	AMAYA, JOSE J	01/26/2023	\$2,847.67
00017880	E05040	ARCHULETA, ANDREW M	01/26/2023	\$2,042.12
00017884	E03397	ASHBY, PAUL W	01/26/2023	\$3,251.94
00017886	E04613	AVALOS JR, FRANCISCO	01/26/2023	\$2,708.64
00017889	E04209	BAINTO, JUDY A	01/26/2023	\$578.01
00017892	E04645	BARRAZA, RENE	01/26/2023	\$3,457.64
00017902	E04149	BOGUE, SUMMER A	01/26/2023	\$2,631.57
00017909	E03380	BROWN, JEFFREY A	01/26/2023	\$4,943.96
00017914	E05077	CAGLE, RONALD L	01/26/2023	\$2,175.47
00017919	E02372	CENTENO, JUAN C	01/26/2023	\$4,766.31
00017924	E01541	CHO, HAN J	01/26/2023	\$3,615.25
00017927	E04539	CLASBY JR, BRIAN M	01/26/2023	\$341.10
00017930	E04666	CORTEZ, JULIO C	01/26/2023	\$3,144.30
00017933	E04555	CRUZ, REYNA	01/26/2023	\$1,906.31
00017942	E02313	DOSCHER, RONALD A	01/26/2023	\$3,083.42



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00017943	E04586	DOVEAS, CHRISTOPHER C	01/26/2023	\$215.15
00017949	E03927	ELHAMI, MICHAEL K	01/26/2023	\$3,333.81
00017950	E03933	ELIZONDO, BENJAMIN M	01/26/2023	\$3,353.65
00017952	E01598	ELSOUSOU, HELENA	01/26/2023	\$3,059.29
00017953	E02708	ENRIQUEZ, JOHN G	01/26/2023	\$1,128.45
00017955	E04334	ESCOBEDO, JOSHUA N	01/26/2023	\$3,427.57
00017959	E04303	FERREIRA JR, HECTOR	01/26/2023	\$2,617.97
00017963	E02887	FOSTER, VICTORIA M	01/26/2023	\$1,536.44
00017965	E02963	FRANKS, JAMES D	01/26/2023	\$4,177.05
00017968	E04729	GARCIA, JOSEPH A	01/26/2023	\$2,405.48
00017970	E03659	GARNER, AMANDA B	01/26/2023	\$978.40
00017974	E04658	GIRGENTI, BRIAN C	01/26/2023	\$3,487.27
00017976	E04917	GOMEZ, JESUS	01/26/2023	\$2,199.44
00017979	E04732	HADDEN, TRAVIS J	01/26/2023	\$2,516.01
00017980	E04787	HALEY, KYLE N	01/26/2023	\$2,157.71
00017983	E02469	HERRERA, JOSE D	01/26/2023	\$4,042.70
00017984	E04244	HINGCO, PINKY C	01/26/2023	\$3,204.44
00017986	E04739	HOWARD, JASON A	01/26/2023	\$4,328.68
00017993	E02935	JENSEN, NICKOLAS K	01/26/2023	\$3,898.73
00017994	E04587	JIMENEZ JR, EFRAIN A	01/26/2023	\$3,090.52
00017999	E04460	KAISER, GEORGE R	01/26/2023	\$1,041.77
00018005	E03932	KIVLER, ROBERT J	01/26/2023	\$2,923.41
00018007	E03294	KOVACS, LEA K	01/26/2023	\$4,034.73
00018012	E04857	LANG, MICHAEL J	01/26/2023	\$3,456.97
00018015	E04021	LEE, RAPHAEL M	01/26/2023	\$3,144.69
00018019	E00030	LOERA JR, RAFAEL	01/26/2023	\$4,055.92
00018020	E05033	LOFFLER, CHARLES H	01/26/2023	\$5,011.98
00018027	E03663	LUX, RYAN M	01/26/2023	\$3,801.38
00018030	E03752	MACY, TAYLOR A	01/26/2023	\$3,285.42
00018039	E03826	MEERS, BRYAN J	01/26/2023	\$4,216.44
00018043	E04865	MORIN, LINDA M	01/26/2023	\$3,785.13
00018044	E04352	MORSE, JEREMY N	01/26/2023	\$3,399.43
00018046	E04454	MOSER, MICHAEL A	01/26/2023	\$1,891.40
00018054	E04540	NIKOLIC, ADAM C	01/26/2023	\$4,561.45
00018056	E03350	OLIVO, JOSHUA T	01/26/2023	\$4,059.34
00018059	E04910	PAQUA, BRANDON J	01/26/2023	\$2,249.79

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00018063	E04843	PEREZ, EMMANUEL	01/26/2023	\$2,675.42
00018065	E04429	PHAM, PHILLIP H	01/26/2023	\$3,022.74
00018068	E05050	QUANG, DENNIS	01/26/2023	\$2,425.45
00018072	E03390	RAMIREZ, LUIS F	01/26/2023	\$3,987.08
00018073	E05021	RAMIREZ, TERRA M	01/26/2023	\$3,073.29
00018075	E04914	RAMOS, RODOLFO B	01/26/2023	\$480.74
00018079	E03486	REYES, RON A	01/26/2023	\$3,287.45
00018084	E04082	RODRIGUEZ, JENNIFER M	01/26/2023	\$2,543.50
00018085	E05001	RODRIGUEZ, RYAN ELIJAH	01/26/2023	\$2,144.00
00018092	E03297	SAMOFF, TANYA L	01/26/2023	\$3,305.84
00018095	E04282	SHELGREN, CHRISTOPHER M	01/26/2023	\$2,965.62
00018098	E04864	SILVA, LEVI JOENIEL	01/26/2023	\$2,453.03
00018101	E02587	SOSEBEE, DANNY J	01/26/2023	\$2,051.30
00018104	E03218	STARNES, CHARLES W	01/26/2023	\$3,893.54
00018107	E02979	TESSIER, PAUL M	01/26/2023	\$3,789.93
00018108	E04449	TRAN, SPENCER T	01/26/2023	\$2,729.98
00018110	E03053	VALENCIA, EDGAR	01/26/2023	\$3,784.93
00018119	E03213	WARDLE, SANTA	01/26/2023	\$2,685.45
00018122	E03305	WIMMER, ROYCE C	01/26/2023	\$3,900.06
00018126	E03543	YELENSKY, SHANNON M	01/26/2023	\$1,879.53
00018129	E01978	ZMIJA, ADAM D	01/26/2023	\$4,113.20
00018132	E04451	AGUIRRE, ANTHONY U	01/26/2023	\$194.94
00018133	E05087	ALVAREZ, CARLOS J	01/26/2023	\$1,550.92
00018136	E04336	BECERRA, RODOLPHO M	01/26/2023	\$3,050.60
00018139	E04650	BUCHLER, RAYMOND A	01/26/2023	\$2,023.87
00018142	E03828	CANTRELL, JEFFREY G	01/26/2023	\$2,238.69
00018149	E03807	DE LA ROSA, VINCENT L	01/26/2023	\$3,245.26
00018158	E05064	FOX, LUCAS	01/26/2023	\$398.81
00018161	E04754	GARCIA, ALICIA R	01/26/2023	\$1,760.04
00018168	E04299	HANSEN, AARON R	01/26/2023	\$2,061.85
00018170	E03759	HERNANDEZ, HERMILO	01/26/2023	\$0.00
00018173	E04347	HSIEH, NICOLAS C	01/26/2023	\$3,686.06
00018176	E01907	JACOT, ROSEMARIE	01/26/2023	\$2,317.96
00018178	E04979	JURADO, MICHAEL	01/26/2023	\$1,243.63
00018183	E03813	LEWIS, SHAN L	01/26/2023	\$3,162.41
00018187	E05364	MARU, NAVIN B	01/26/2023	\$3,507.99

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00018193	E04222	MOSS, DANIEL C	01/26/2023	\$1,587.44
00018197	E03378	ORTIZ, STEVEN T	01/26/2023	\$2,997.53
00018198	E04999	ORTUNO, ANIBAL	01/26/2023	\$2,040.04
00018204	E02058	REYES, DELFRADO C	01/26/2023	\$1,320.07
00018215	E04773	THURMAN JR, EDWIN O	01/26/2023	\$1,079.03
00018217	E04825	TRUJILLO, JOSEPH E	01/26/2023	\$1,602.83
00018229	E03917	ALLEN, CHRISTOPHER L	01/26/2023	\$72.59
00018230	E04163	AMBRIZ GARCIA, EDWARD D	01/26/2023	\$1,469.90
00018231	E04784	BANUELOS, ALEJANDRO	01/26/2023	\$2,933.10
00018233	E00651	BERMUDEZ, ROBERT P	01/26/2023	\$3,527.79
00018238	E03145	DE LA ROSA, FRANK X	01/26/2023	\$5,086.67
00018242	E01618	GOMEZ, JOSE	01/26/2023	\$2,180.44
00018244	E03763	GRIFFIN, LARRY	01/26/2023	\$4,117.95
00018247	E03575	HART, RYAN S	01/26/2023	\$2,307.33
00018255	E03988	LI, REBECCA PIK KWAN	01/26/2023	\$4,113.06
00018257	E03249	MANSON, RAQUEL K	01/26/2023	\$2,844.13
00018262	E03590	MOYA JR, STEVEN J	01/26/2023	\$2,104.32
00018263	E03519	MURAD, BASIL G	01/26/2023	\$2,994.65
00018270	E03582	ORTEGA, DAVID A	01/26/2023	\$2,811.13
00018277	E03926	RUIZ, JONATHAN	01/26/2023	\$7,465.18
00018282	E04121	TRAN, MINH K	01/26/2023	\$2,440.17
00017668	E04729	GARCIA, JOSEPH A	01/12/2023	\$206.95
00017823	E05069	GARCIA, VERONICA	01/26/2023	\$159.33
00017761	E05071	OCHOA, NICOLAS E	01/26/2023	\$2,677.28
00017911	E05074	BUJANONDA, CHANON	01/26/2023	\$3,259.56
00017675	E05080	DOVINH, JOSEPH T	01/26/2023	\$551.29
00018051	E05084	NAKANO HITZKE, SARAH V	01/26/2023	\$2,017.68
00018276	E07590	RUITENSCHILD, LES A	01/26/2023	\$5,337.83
00018278	E07690	SANTOS, ALEXIS	01/26/2023	\$2,164.11
00018216	E08679	THURMAN, RODERICK	01/26/2023	\$1,946.43
00018283	E08881	VALENZUELA, ALEJANDRO N	01/26/2023	\$6,711.45
00017696	E04443	POLLOCK, AMANDA M	01/26/2023	\$2,027.58
00017704	E02543	TO, TANYA L	01/26/2023	\$1,696.07
00017707	E03983	VASQUEZ, LIZABETH C	01/26/2023	\$2,477.51
00017712	E03766	CERDA, MARY C	01/26/2023	\$2,290.07
00017714	E04363	KWAN, LIANE Y	01/26/2023	\$3,656.74

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00017717	E05078	SANCHEZ, GIOVANNI P	01/26/2023	\$2,982.38
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00017721	E03313	BUI, AI N	01/26/2023	\$1,715.59
00017722	E05068	CASTELLON, ALVARO A	01/26/2023	\$4,228.41
00017724	E03686	CHAVEZ, JAIME F	01/26/2023	\$1,682.30
00017730	E03877	GOMEZ, STEVEN E	01/26/2023	\$1,840.47
00017732	E03016	HERNANDEZ, GARY F	01/26/2023	\$1,819.24
00017733	E04569	HOFFMAN, CORINNE L	01/26/2023	\$2,454.22
00017735	E04959	LE, KENNETH H	01/26/2023	\$1,488.66
00017743	E02429	PHAM, ANH	01/26/2023	\$1,858.09
00017745	E05008	RAMOS, ASHLEY	01/26/2023	\$1,533.99
00017748	E04780	SONG, YUAN	01/26/2023	\$6,648.94
00017752	E04527	YOO, MEENA	01/26/2023	\$2,410.40
00017755	E03498	ESPINOZA, VERNA L	01/26/2023	\$2,661.12
00017758	E04713	HINGCO, ERNIE E	01/26/2023	\$2,059.62
00017764	E05027	SANCHEZ MENDOZA, ALFREDO	01/26/2023	\$2,352.44
00017765	E05073	SEYMOUR, DAVID M	01/26/2023	\$810.80
00017773	E03161	AUSTIN, MICHAEL G	01/26/2023	\$2,932.44
00017774	E00740	BLODGETT, GREG	01/26/2023	\$4,158.64
00017779	E04394	DAHLHEIMER, BRYSON T	01/26/2023	\$2,467.26
00017784	E03531	HERNANDEZ, RALPH V	01/26/2023	\$2,392.94
00017787	E04716	KASKLA, PRIIT J	01/26/2023	\$2,252.21
00017790	E03617	LEE, GRACE E	01/26/2023	\$2,878.17
00017793	E03044	MOORE, JUDITH A	01/26/2023	\$2,237.85
00017798	E04408	THRONE, TIMOTHY E	01/26/2023	\$2,302.83
00017800	E05048	TUONG, NGHIA T	01/26/2023	\$2,172.11
00017803	E05009	ALVAREZ, CYNTHIA	01/26/2023	\$726.45
00017805	E04978	AVINA, MIKAYLA M	01/26/2023	\$563.70
00017812	E03304	CHUMACERO, DEANNA M	01/26/2023	\$1,324.04
00017820	E05019	FUENTES, DIANA	01/26/2023	\$298.64
00017828	E01687	HOLER, KIMBERLY K	01/26/2023	\$315.99
00017834	E04925	MENDOZA, JESSICA	01/26/2023	\$364.20
00017835	E05038	MILLER, RUBY C	01/26/2023	\$145.68
00017840	E04931	NODAL, NATALIE	01/26/2023	\$287.72
00017841	E00785	OCADIZ HERNANDEZ, GABRIELA	01/26/2023	\$3,429.15
00017849	E04614	ROSAS, TANYA	01/26/2023	\$270.88

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Check	Vendor #	Vendor Name	Issue Date	Check Amount
00017853	E00925	SCHLUMPBERGER, EMERON J	01/26/2023	\$1,079.81
00017855	E05016	SIERRA, AILEEN S	01/26/2023	\$480.74
00017858	E04376	SMITH, SARAH L	01/26/2023	\$89.62
00017861	E04687	VARGAS, SAMANTHA B	01/26/2023	\$340.85
00017868	E04274	WILMES, DAVID M	01/26/2023	\$416.80
00017871	E03819	ALAMILLO, MARCOS R	01/26/2023	\$5,197.37
00017875	E00121	ALLISON, WILLIAM	01/26/2023	\$5,927.82
00017881	E01234	ARELLANO, PEDRO R	01/26/2023	\$4,245.64
00017882	E04875	ARROYO, SANDRA M	01/26/2023	\$2,064.77
00017885	E04719	ATWOOD, MARIA S	01/26/2023	\$2,399.14
00017887	E04550	BAEK, SHARON S	01/26/2023	\$2,366.91
00017890	E04778	BAKER, COLLIN E	01/26/2023	\$2,536.08
00017894	E04432	BEHZAD, JOSHUA K	01/26/2023	\$2,383.54
00017897	E04976	BELTHIUS, TYLER E	01/26/2023	\$576.79
00017900	E01604	BERLETH, RYAN S	01/26/2023	\$2,223.50
00017907	E04803	BRANTNER, BRITTANEE N	01/26/2023	\$1,682.11
00017913	E03972	BUSTILLOS, RYAN V	01/26/2023	\$3,923.41
00017921	E04867	CHAPPELL, SHYLER R.D.	01/26/2023	\$2,198.38
00017929	E04832	CORTEZ JR, DARRYL B	01/26/2023	\$2,948.77
00017936	E04503	DAVILA, ISAAC	01/26/2023	\$2,504.12
00017939	E03691	DELGADO JR, JUAN L	01/26/2023	\$4,239.98
00017940	E03395	DIX, JENNIFER A	01/26/2023	\$3,173.19
00017948	E03740	EL FARRA, AMIR A	01/26/2023	\$5,441.37
00017954	E02734	ESCALANTE, OTTO J	01/26/2023	\$6,380.55
00017960	E01663	FERRIN, KORY C	01/26/2023	\$4,188.25
00017962	E04774	FLINN, PATRICIA C	01/26/2023	\$2,873.77
00017969	E03086	GARCIA, PETE	01/26/2023	\$4,181.75
00017971	E02606	GEORGE, DAVID L	01/26/2023	\$2,292.23
00017977	E04863	GONZALEZ JR, GONZALO	01/26/2023	\$2,668.80
00017989	E03815	HUYNH, AI KELLY	01/26/2023	\$2,388.78
00017991	E04915	ITURRALDE, JENNIFER L	01/26/2023	\$1,153.31
00017995	E04781	JIMENEZ TAVAREZ, SERGIO J	01/26/2023	\$2,134.27
00017996	E04655	JOHNSON, CODY M	01/26/2023	\$2,423.06
00018004	E04538	KIMBERLY, ALLYSON L	01/26/2023	\$1,789.35
00018008	E05000	KOVACS, TIMOTHY M	01/26/2023	\$2,344.83
00018009	E04669	KOVACS, TIMOTHY P	01/26/2023	\$5,053.66

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Check	Vendor #	Vendor Name	Issue Date	Check Amount
00018011	E04804	LADD, LAUREN M	01/26/2023	\$4,360.61
00018014	E04877	LE, BAO TINH THI	01/26/2023	\$1,988.70
00018022	E05066	LORD, MARK A	01/26/2023	\$4,343.89
00018025	E00027	LUKAS, STEVEN W	01/26/2023	\$2,316.08
00018028	E04772	LY, LINDALINH THU	01/26/2023	\$1,814.90
00018032	E04435	MARCHAND, MATTHEW P	01/26/2023	\$4,890.27
00018037	E02796	MCFARLANE, MARIA C	01/26/2023	\$2,596.11
00018038	E06761	MEEKS, REBECCA S	01/26/2023	\$4,068.21
00018040	E02655	MENDOZA CAMPOS, MELISSA	01/26/2023	\$2,490.31
00018045	E01940	MORTON, NATHAN D	01/26/2023	\$4,190.34
00018050	E03422	NADOLSKI, THOMAS R	01/26/2023	\$1,893.93
00018053	E02813	NGUYEN, TRINA T	01/26/2023	\$2,012.64
00018066	E06938	PLUARD, DOUGLAS A	01/26/2023	\$5,264.79
00018070	E03967	RAMIREZ OROZCO, SINDY	01/26/2023	\$3,162.97
00018078	E04659	REED, THOMAS S	01/26/2023	\$3,231.41
00018087	E04385	ROJAS, ASHLEY C	01/26/2023	\$2,336.28
00018097	E02937	SHORROW, NICOLE D	01/26/2023	\$2,563.05
00018103	E04500	STAAL, GAREY D	01/26/2023	\$3,650.89
00018109	E02982	VAICARO, VINCENTE J	01/26/2023	\$4,799.94
00018115	E03022	VU, TUONG-VAN NGUYEN	01/26/2023	\$2,527.83
00018117	E01905	WAINWRIGHT, JONATHAN B	01/26/2023	\$4,221.12
00018118	E03220	WARDLE, DENNIS	01/26/2023	\$3,563.70
00018125	E04856	XU, DUO	01/26/2023	\$3,065.69
00018127	E04156	YERGLER, JOHN J	01/26/2023	\$4,684.51
00018135	E04678	BABINSKI IV, SYLVESTER A	01/26/2023	\$2,552.17
00018138	E01255	BOS, MICHAEL C	01/26/2023	\$2,256.72
00018143	E05063	CARRILLO, GEORGE	01/26/2023	\$2,425.96
00018148	E03518	COTTON, JULIE T	01/26/2023	\$1,821.60
00018156	E04997	FLORES, ANTHONY	01/26/2023	\$681.28
00018159	E05037	GAINES, JEFFREY S	01/26/2023	\$724.06
00018163	E04629	GOMEZ, DIANA	01/26/2023	\$1,011.41
00018166	E03400	GREENE, MICHAEL R	01/26/2023	\$2,711.51
00018175	E04831	ILFELD, MATTHEW D	01/26/2023	\$1,728.19
00018189	E03493	MENDEZ, RIGOBERTO	01/26/2023	\$2,179.21
00018191	E04724	MOORE, DOUGLAS A	01/26/2023	\$2,432.37
00018192	E04827	MORELAND, ANDREW J	01/26/2023	\$1,670.59

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00018195	E04634	NAVARRO, JUAN C	01/26/2023	\$3,253.08
00018196	E04969	ORNELLAS, MICHAEL	01/26/2023	\$1,684.71
00018201	E03799	QUIROZ, ROLANDO	01/26/2023	\$2,460.85
00018203	E04572	REED, MELVIN P	01/26/2023	\$1,947.49
00018207	E05004	RUELAS, SERGIO	01/26/2023	\$707.08
00018210	E04836	SOTO, WILLIAM A	01/26/2023	\$2,111.19
00018213	E04756	TARIN, ALEXIS P	01/26/2023	\$2,212.66
00018218	E02482	UPHUS, MARK P	01/26/2023	\$4,572.48
00018220	E02942	VERA, EVARISTO	01/26/2023	\$1,979.56
00018225	E03414	WILLIAMS, HILLARD J	01/26/2023	\$680.30
00018227	E05023	YNIGUEZ, KARISSA N	01/26/2023	\$2,364.94
00018228	E03436	ZIEGLER, RICK S	01/26/2023	\$720.57
00018234	E03495	BLAS, VICTOR T	01/26/2023	\$2,719.09
00018235	E00070	CANNON, TIM P	01/26/2023	\$5,040.12
00018243	E02701	GONZALEZ, ALEJANDRO	01/26/2023	\$2,835.40
00018246	E04018	HAENDIGES, ROBERT A	01/26/2023	\$2,732.15
00018249	E03399	HOWENSTEIN, FRANK D	01/26/2023	\$2,573.05
00018252	E03534	KIM, SAMUEL K	01/26/2023	\$4,037.42
00018253	E03254	KIRZHNER, ALLEN G	01/26/2023	\$3,586.76
00018256	E02063	MA AE, DAVID	01/26/2023	\$2,203.50
00018258	E04837	MARTINEZ, ALFREDO	01/26/2023	\$2,058.49
00018260	E04403	MONTGOMERY, JESSE K	01/26/2023	\$3,142.99
00018266	E04904	NGUYEN, LISA	01/26/2023	\$732.03
00018268	E04210	NUNES, BRANDON S	01/26/2023	\$1,942.88
00018269	E03923	ORNELAS, ANDREW I	01/26/2023	\$2,645.34
00018271	E03578	PASILLAS, CELESTINO J	01/26/2023	\$3,139.53
00018272	E03170	PEARSON, WILLIAM F	01/26/2023	\$3,191.43
00018279	E07692	SARMIENTO, ADRIAN M	01/26/2023	\$4,592.04
00018284	E01882	VIRAMONTES, JESSE	01/26/2023	\$2,271.26
00018287	E09954	ZAVALA, JOHN	01/26/2023	\$2,972.33
00017667	E04431	DE ALMEIDA LOPES, NICHOLAS A	01/12/2023	\$2,984.44
00017670	E04678	BABINSKI IV, SYLVESTER A	01/12/2023	\$613.65
00017860	E00015	VAN SICKLE, JEFFREY	01/26/2023	\$2,660.19
00017736	E00057	MANALANSAN, NEAL M	01/26/2023	\$2,135.42
00017778	E00128	CRAMER, RITA M	01/26/2023	\$2,774.11
00018062	E00824	PAYAN, LUIS A	01/26/2023	\$5,337.68

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00018194	E01243	MURRAY JR, WILLIAM E	01/26/2023	\$6,834.37
00017684	E01280	LE, TAMMY	01/26/2023	\$1,840.74
00017692	E01286	NGUYEN, TINA T	01/26/2023	\$4,428.15
00018251	E04782	JIN, LIYAN	01/26/2023	\$2,637.59
00018069	E04788	QUIROZ, LUIS A	01/26/2023	\$1,853.79
00017945	E04844	DUARTE, TAYLOR M	01/26/2023	\$2,493.01
00018082	E04860	ROCHA, RUDY A	01/26/2023	\$537.53
00018146	E04869	CHAVEZ, DAMIAN JESUS	01/26/2023	\$758.43
00017928	E04872	CORNETT, KRISTINA L	01/26/2023	\$1,757.05
00017935	E04874	DANG, JOHN	01/26/2023	\$1,067.56
00017854	E04926	SERNA, SAMANTHA M	01/26/2023	\$451.93
00018100	E04934	SLETTVET, HEATHER P	01/26/2023	\$2,096.59
00017699	E01356	RAMOS, MARIA	01/26/2023	\$2,636.74
00018033	E01359	MARTINEZ JR, MARIO	01/26/2023	\$5,091.83
00017859	E01396	VALDIVIA, CLAUDIA	01/26/2023	\$3,496.96
00018140	E01584	CANDELARIA, DANIEL J	01/26/2023	\$4,557.76
00017810	E01588	CAMARENA, RENE	01/26/2023	\$2,698.02
00018212	E01625	TAPIA, LUIS A	01/26/2023	\$3,144.10
00017737	E01668	MAY, ROBERT W	01/26/2023	\$1,689.56
00017932	E01796	COULTER, GARY L	01/26/2023	\$3,388.96
00018060	E01948	PARK, BRANDY J	01/26/2023	\$2,899.75
00017683	E01949	LE, IVY	01/26/2023	\$1,632.88
00017912	E02031	BURILLO, RICHARD O	01/26/2023	\$6,265.62
00017706	E02056	TRUONG, ELAINE	01/26/2023	\$1,884.09
00018275	E02500	PORRAS, STEPHEN	01/26/2023	\$3,898.83
00018151	E02515	DUVALL, RICK L	01/26/2023	\$2,652.92
00018093	E02646	SANTANA, LINO G	01/26/2023	\$8,453.29
00017809	E02658	CAMARENA, RACHEL M	01/26/2023	\$2,270.65
00018240	E02718	ESCOBAR, CHRIS N	01/26/2023	\$2,939.13
00017836	E02808	MONTANCHEZ, JOHN A	01/26/2023	\$5,704.21
00018090	E02845	SALAZAR, SEAN M	01/26/2023	\$3,023.29
00017891	E03005	BANKSON, JOHN F	01/26/2023	\$4,041.99
00017879	E03011	ANDERSON, BOBBY B	01/26/2023	\$3,398.17
00018239	E03051	DIEMERT, RONALD W	01/26/2023	\$2,314.17
00018076	E03217	RANEY, JOHN E	01/26/2023	\$5,579.44
00018067	E03299	POLOPEK, COREY T	01/26/2023	\$3,815.66



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00017824	E03337	GODDARD, JENNIFER DANIELLE	01/26/2023	\$2,766.79
00017997	E03368	JOHNSON, JASON L	01/26/2023	\$4,507.03
00017925	E03423	CHOWDHURY, JACINTA F	01/26/2023	\$1,830.97
00017901	E03443	BLUM, JAMES A	01/26/2023	\$3,838.87
00017922	E03481	CHAURAN HAIRGROVE, TAMMY L	01/26/2023	\$2,206.86
00018010	E03484	KUNKEL, PETER M	01/26/2023	\$3,513.04
00018017	E03488	LEYVA, ERICK	01/26/2023	\$4,281.13
00017747	E03539	SEGAWA, SANDRA E	01/26/2023	\$3,823.72
00017990	E03559	HUYNH, THI A	01/26/2023	\$3,052.36
00018102	E03563	SPELLMAN, MARSHA D	01/26/2023	\$2,586.24
00017760	E03571	MORAGRAAN, RACHOT	01/26/2023	\$4,121.47
00017831	E03603	MA AE, ELAINE M	01/26/2023	\$3,132.36
00018222	E03670	VITALI, SUSAN	01/26/2023	\$463.53
00018219	E03681	VASQUEZ, JOSE A	01/26/2023	\$3,368.24
00018167	E03685	GUZMAN, JESSE	01/26/2023	\$2,408.70
00017872	E03712	ALARCON, CLAUDIA	01/26/2023	\$3,575.20
00017985	E03713	HOLLOWAY, WILLIAM T	01/26/2023	\$4,411.47
00017703	E03715	THAI, KRISTY H	01/26/2023	\$2,521.37
00018221	E03727	VERGARA NEAL, ANA G	01/26/2023	\$2,978.88
00018153	E03733	ESPINOZA, JULIA	01/26/2023	\$1,326.70
00018150	E03736	DIBAJ, KAMYAR	01/26/2023	\$3,694.82
00017917	E03739	CAPPS, THOMAS A	01/26/2023	\$2,786.60
00018199	E03754	PINKSTON, RICHARD L	01/26/2023	\$2,478.54
00018121	E03930	WHITNEY, CHERYL L	01/26/2023	\$2,323.16
00018042	E03965	MIHALIK, DANNY J	01/26/2023	\$3,073.65
00017961	E03976	FIGUEREDO, GEORGE R	01/26/2023	\$3,182.89
00018226	E04006	WILLIAMS, RICHARD L	01/26/2023	\$2,503.48
00017951	E04016	ELIZONDO, FLOR DE LIS	01/26/2023	\$2,639.83
00017964	E04033	FRANCISCO, KATHERINE M	01/26/2023	\$2,621.34
00018057	E04035	ORTIZ, STEVEN TRUJILLO	01/26/2023	\$2,985.35
00017988	E04089	HUTCHINS, DONALD J	01/26/2023	\$3,679.87
00017678	E04096	HUYNH, DANNY	01/26/2023	\$4,174.40
00018052	E04111	NEELY, JACOB J	01/26/2023	\$2,080.96
00017864	E04118	VENCES, DAISY O	01/26/2023	\$103.57
00017792	E04194	MARTINEZ, MARIA L	01/26/2023	\$2,594.89
00018285	E04195	WOLLAND, RONALD J	01/26/2023	\$1,793.76

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00017944	E04281	DRISCOLL, RUSSELL B	01/26/2023	\$1,961.06
00018208	E04289	SALDIVAR, RICARDO	01/26/2023	\$1,651.53
00018205	E04295	ROBLES, RAFAEL	01/26/2023	\$2,152.20
00018141	E04300	CANO, EDGAR A	01/26/2023	\$2,583.20
00018181	E04382	KWIATKOWSKI, BRYAN D	01/26/2023	\$2,197.49
00017804	E04390	AMBRIZ, STEPHANIE	01/26/2023	\$554.58
00017718	E04417	STEPHENSON, CAITLYN M	01/26/2023	\$2,192.15
00017788	E04442	KIM, LISA L	01/26/2023	\$5,467.46
00017720	E04445	BROWN, KAREN J	01/26/2023	\$1,027.74
00017845	E04463	PUAILOA, SHADY S	01/26/2023	\$562.20
00018179	E04470	KAYLOR, BRENT	01/26/2023	\$3,177.33
00018165	E04473	GOUNTOUMA, SOUMELIA K	01/26/2023	\$6,212.03
00017791	E04490	LY, HUONG Q	01/26/2023	\$2,276.74
00017883	E04497	ASHBAUGH, TIMOTHY R	01/26/2023	\$2,893.75
00018088	E04507	ROMBOUGH, JENNIFER V	01/26/2023	\$2,005.68
00018130	E04517	AGUIRRE, ALFRED J	01/26/2023	\$4,436.32
00018031	E04532	MANIACI, GIANLUCA F	01/26/2023	\$3,638.41
00017973	E04542	GIFFORD, ROBERT J	01/26/2023	\$3,649.24
00018147	E04551	CONTRERAS, GABRIELA R	01/26/2023	\$3,107.96
00018089	E04552	RUZIECKI, ERIC T	01/26/2023	\$3,484.54
00018049	E04577	MUSCHETTO, PATRICK J	01/26/2023	\$2,419.95
00017781	E04578	DENT, DAVID A	01/26/2023	\$4,636.21
00017992	E04583	JENSEN, MICHAEL J	01/26/2023	\$3,623.43
00017813	E04611	CROSS, AMANDA D	01/26/2023	\$1,947.02
00018096	E04616	SHIPLEY, AARON T	01/26/2023	\$2,435.78
00018171	E04622	HOFFER, ALICIA M	01/26/2023	\$2,086.88
00018134	E04631	ANDREI, IOAN	01/26/2023	\$1,114.91
00018003	E04641	KIM, EDWARD K	01/26/2023	\$233.16
00017987	E04654	HURLEY, KIRK P	01/26/2023	\$2,868.67
00018002	E04663	KIM, CHAD B	01/26/2023	\$2,547.70
00018188	E04665	MEJIA, DIEGO A	01/26/2023	\$2,137.25
00018111	E04667	VAUGHN, CALEB I	01/26/2023	\$497.90
00017713	E04673	HART, BRANDI M	01/26/2023	\$1,009.34
00017751	E04674	WHITTAKER DEGEN, HELEN E	01/26/2023	\$817.58
00017819	E04679	FREEMAN, MARK C	01/26/2023	\$3,646.73
00017848	E04684	ROSALES, MARIA D	01/26/2023	\$399.55

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00017938	E04731	DE PADUA, TANNER C	01/26/2023	\$3,385.89
00018083	E04738	RODRIGUEZ, DANIEL	01/26/2023	\$4,586.92
00017966	E04747	FRESENIUS, ROBERT D	01/26/2023	\$2,505.51
00017958	E04748	FAJARDO, JESUS	01/26/2023	\$0.00
00017898	E04753	BERENGER, BEAU A	01/26/2023	\$4,653.90
00018024	E04761	LUCATERO, JESSE A	01/26/2023	\$2,519.17
00018124	E04763	WRIGHT, SARAH A	01/26/2023	\$2,593.72
00017904	E04767	BOWMAN, TROY F	01/26/2023	\$2,992.91
00018182	E04769	LAMAS, LEONEL A	01/26/2023	\$1,095.17
00018077	E04941	RASMUSSEN, TRENTON L	01/26/2023	\$2,027.95
00017710	E04944	ANDERSON CAMBA, ASHLEIGH R	01/26/2023	\$2,195.88
00018273	E04950	PHAM ADA, DYLLAN TUAN ANH	01/26/2023	\$1,097.55
00017895	E04951	BELLO, ANGELICA	01/26/2023	\$1,930.92
00018280	E04956	SON, TOMMY T	01/26/2023	\$2,300.64
00017842	E04965	ORDUNO, SAMANTHA	01/26/2023	\$458.89
00018137	E04972	BECERRA-SAMANIEGO JR, GABRIEL	01/26/2023	\$1,586.95
00018034	E04974	MARTINEZ, JUANITA PATRICIA	01/26/2023	\$2,076.61
00018112	E04977	VAZQUEZ, BRIAN M	01/26/2023	\$502.60
00017797	E04992	ROBLES, ALFONSO	01/26/2023	\$2,487.44
00017918	E05002	CARBALLO, MILTON A	01/26/2023	\$2,488.44
00017978	E05003	HA, DANNY	01/26/2023	\$2,927.09
00018186	E05006	MARQUEZ, STEVEN ADAM	01/26/2023	\$912.40
00018160	E05010	GALVAN, EDGAR	01/26/2023	\$967.08
00017850	E05025	SABGA, INGRID D	01/26/2023	\$881.53
00018202	E05031	RAMIREZ, AACIN	01/26/2023	\$2,059.82
00017829	E05032	LEE, JASON J	01/26/2023	\$414.27
00017816	E05036	DINH, NGUYEN KHOA	01/26/2023	\$393.34
			<b>EFT - Total</b>	<b>\$1,599,716.56</b>
			<b>Overall - Total</b>	<b>\$1,613,155.85</b>



**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To: Scott C. Stiles From: Teresa Pomeroy  
Dept.: City Manager Dept.: City Clerk  
Subject: Consideration to appoint to the City's Commissions,  
Committee, and Board (Action Item continued from  
the January 24, 2023,  
meeting.) Date: 2/14/2023

---

Attached for consideration is a list of recent applicants for the biannual appointment period for the Administrative Board of Appeals, Downtown Commission, Measure O Citizens' Oversight Committee, Neighborhood Improvement and Conservation Commission, Parks, Recreation and Arts Commission, Planning Commission, and Traffic Commission. Pursuant to Municipal Code Section 2.21.010 and pursuant to Government Code Section 40605 the Mayor, with the approval of the City Council, shall make all appointments to boards, commissions, and committees unless otherwise specifically provided by statute.

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
Commission Application List	2/9/2023	Backup Material	2023_GARDEN_GROVE_COMMISSION_APPLICANTS_GROUPED.pdf

## **2023 GARDEN GROVE COMMISSION APPLICANTS**

### **ADMINISTRATIVE APPEALS**

Calvin Van  
Dalia Paz G  
Jessica Knight  
Judy Bainto  
Julian De La O  
Rowenda Facundo  
Kathleen Ladd\*

### **PARKS RECREATION AND ARTS**

Alan Strickland\*  
Andrea Perez\*  
Cameron Mangels  
Daniel Gonzalez\*  
Dolores "Rubi" Garcia  
Donald Taylor  
James Kester\*  
Jessica Knight  
Johnny Nguyen  
Julian De La O  
Michael Maher  
Nicholas Dibs  
Ramiro Landeros  
Sarah Slegers  
Ted Stevens\*  
William Tocki  
Linda Zamora  
Christian Jose Lopez  
Christopher Bianco

### **NEIGHBORHOOD IMPROVEMENT AND CONSERVATION**

Andrew Nguyen  
Charlene Cuellar  
Dalia Paz G  
Donald Taylor  
James Kester\*  
Jared Wallace  
Johnny Nguyen  
Julian De La O  
Kay Kearney  
Maureen Blackmun\*  
Michael Maher  
Nicole Jaimes  
Roselyn Rubin\*  
Rowenda Facundo  
Tuan Tran\*  
Tracie Pham  
Zandra Munoz  
Yvette "Velvet" Victorian  
Andy Ngo

### **DOWNTOWN**

Andrew Nguyen  
Charlene Cuellar  
Jennifer Stewart\*  
Marilyn Tortolano\*  
Rebecca Weimer\*  
Viet Tran  
Zandra Munoz  
Katherine Amoukhteh

### **TRAFFIC**

Dale Gilbert  
Duy Nguyen  
James Webb\*  
Jeffrey Sanders\*  
Joseph Laricchia\*  
Judy Bainto  
Julian De La O  
Lyle Flatebo  
Randy Arbgast\*  
Ricardo Cepeda\*  
Timothy Brady  
William Tocki  
Tracie Pham  
Joshua McNeill  
Minh-Tri Vu

### **MEASURE O**

Kris Beard\*  
Leslie Malo\*  
Robert Sanders\*  
Duy Nguyen  
Sandy Thomas\*  
Timothy Brady  
Claire Bischoff\*  
Mark Mackanic\*

### **PLANNING**

Asia Cunningham\*  
Calvin Van  
Daisy Perez Castellanos\*  
Dale Gilbert  
Duy Nguyen  
James Webb\*  
John Ramirez\*  
Josh Lindsay\*  
Julian De La O  
Kris Beard\*  
Michael Maher  
Ramiro Landeros  
Randy Arbgast\*  
Roger Flanders\*  
Linda Zamora  
Christian Jose Lopez  
Reza Geramy  
Minh-Tri vu

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Scott C. Stiles	From:	Patricia Song
Dept.:	City Manager	Dept.:	Finance
Subject:	Receive and file the annual financial reports and auditor's communication related to Fiscal Year 2021-22 annual audit, and approve additional appropriation for Fiscal Year 2022-23. ( <i>Action Item</i> )		
		Date:	2/14/2023

---

**OBJECTIVE**

For the City Council to receive and file the annual financial reports and auditor's communication related to Fiscal Year 2021-22 annual audit, and approve additional appropriation using audited Fiscal Year 2021-22 General Fund surplus.

**BACKGROUND**

The City's Municipal Code requires a complete financial statement and report be submitted to the City Council after the close of each fiscal year. In order to ensure the reliability of the information contained within the financial statements, the City contracted with an independent audit firm, Davis Farr LLP, to perform the annual financial audit. The goal of the audit is to provide reasonable assurance that the City's financial statements are free from material misstatement. Davis Farr LLP issued an unmodified, or clean opinion for the City's financial statements for the fiscal year ended June 30, 2022.

**DISCUSSION**

The annual audits of the financial statements of the City and its component units were completed on January 31, 2023. The financial statements were prepared in accordance with all applicable accounting standards in order to conform to Governmental Accounting Standards Board requirements. The independent auditor has issued an unmodified opinion of the City's financial statements for the fiscal year ended June 30, 2022. An unmodified opinion concludes that the financial statements of the City are presented fairly, in all material respects, in accordance with generally accepted accounting principles.

In addition to reviewing and examining the City's financial records, the auditors also reviewed the internal control framework of the City. Internal control is a set of activities, rules, and procedures implemented by the City to ensure the integrity of financial and accounting information, promote accountability, and prevent fraud. Internal control mechanism is embedded in the normal operating procedures, designed with the intent of safeguarding assets, minimizing errors, and ensuring that operations are conducted in an approved manner. There was no material weakness cited by the auditors during their review of the City internal control over its financial reporting. However, the auditors pointed out that multiple adjustments were made to the accounting records during the audit. This was due to the implementation of a new accounting standard on leases, as well as the conversion of the payroll system in January 2022. Staff acknowledges the deficiency addressed in the management letter, and has started implementing the recommended action accordingly.

The audited financials show that for Fiscal Year 2021-22, the City overall had a positive operating result of \$71.1 million, due to a combination of higher tax revenues and the receipt of the second tranche of the State and Local Fiscal Recovery Funds (SLFRF) in the amount of \$24.2 million. The City has programmed the SLFRF money in our fiscal year 2021 to 2023 biennial budget, to fund for essential government services including public safety, public works, and community services. This much needed one-time funding also enabled the City to plan for two major infrastructure-based programs that will support the long-term growth of the community. They are the Pavement Management Acceleration Plan, and Public Facilities and Infrastructure Program. Both programs were included in the adopted fiscal years 2021-23 biennial budget for a total of \$35.0 million.

The General Fund is the primary operating fund of the City. For Fiscal Year 2021-22, revenue exceeded expenditures by \$49.2 million in the General Fund. While expenditures had a mild increase of \$5.3 million, revenues enjoyed a \$25.0 million boost. The largest increase was in TOT, in the amount of \$16.3 million, followed by sales tax with an increase of \$10.4 million. Property taxes remained the largest revenue in the General Fund, closed the year with \$59.8 million. Sales tax reached \$58.8 million, and TOT was \$23.4 million, nearly at the pre-pandemic level. Total taxes amounted to \$147.4 million, representing 80.3% of overall General Fund revenue. Combined with the \$24.2 million SLFRF funds received in June 2022, Fiscal Year 2021-22 enjoyed a surplus of \$49.2 million.

In June 2022, when amending the City's continuation year budget for the fiscal years 2021-23 budget cycle, anticipating the positive operating results of the fiscal year, additional appropriations of \$23.6 million was adopted in the amended Fiscal Year 2022-23 budget. In addition to the labor cost increases caused by new Memoranda of Understanding and pension liability, these additional appropriations were planned to fund for several major initiatives, including \$7.0 million for a navigation center, and an additional \$8.3 million for the Civic Center/Public Safety Facility project. At the close of the year, audited financials showed higher revenue amounts in the General Fund, staff is recommending the City Council to appropriate an additional \$1.1 million for Fiscal Year 2022-23 for the following items:

1. The City acquired the Purcell Building in October 2022 for \$8.0 million as part

of the strategic plan for the Civic Center. Additional tenant improvements are needed to relocate certain Police workforce as well as the Garden Grove Housing Authority and the Information Technology laboratory. Total additional appropriation needed for the tenant improvement including a space utilization study is \$1.0 million.

2. The City received cost estimate in the amount of \$218,000 from the County regarding the 2022 Statewide General Election. The cost has doubled due to legislative changes in regards to election process and voting center configuration. The City originally budgeted \$112,000 for the election. An additional \$106,000 was necessary to cover cost increase.
3. The City started using Amazon Web Services (AWS), a cloud-based solution to host data and store critical backups this year. The fee structure is tiered based on service needs. Original purchase orders issued for AWS totaled \$35,000, an additional \$24,000 is necessary to cover service needs for the remainder of the year.

The City strives to develop a budget that accurately aligns available resources and operational needs. Therefore, all budget variances are carefully reviewed and analyzed. A budget variance is the difference between the budgeted amount of expense or revenue and the actual amount. The budget variance is favorable when the actual revenue is higher than budgeted or when the actual expense is less than budgeted. Budget variances can occur for a variety of controllable and uncontrollable reasons, such as personnel savings due to vacancies, increases or decreases in development related activities, unspent funding in the current year due to projects crossing over fiscal years, implementation of technology to reduce cost, and the identification of additional revenue sources during the year.

Comparing to the budgeted amounts, the General Fund had a net favorable budget variance of \$51.5 million for the fiscal year ended June 30, 2022. The majority of the variance was unspent funds on major capital projects, including the Civic Center/Public Safety Facility Project (\$19.9 million), and the Pavement Acceleration Program (\$17.5 million). The total unspent capital budget in the amount of \$37.4 million were carried over into the next year to complete these projects. Personnel cost savings due to vacancy totaled about \$3.3 million, and the remaining balance were for unspent contract amount as of June 30, 2022. These funds were encumbered and re-appropriated in Fiscal Year 2022-23.

### FINANCIAL IMPACT

There is no fiscal impact to receive and file the auditor's reports related to Fiscal Year 2021-22 annual financial audit. The fees for auditing services were provided for in the annual operating budgets.

### RECOMMENDATION

It is recommended that the City Council receive and file the following reports and documentations:

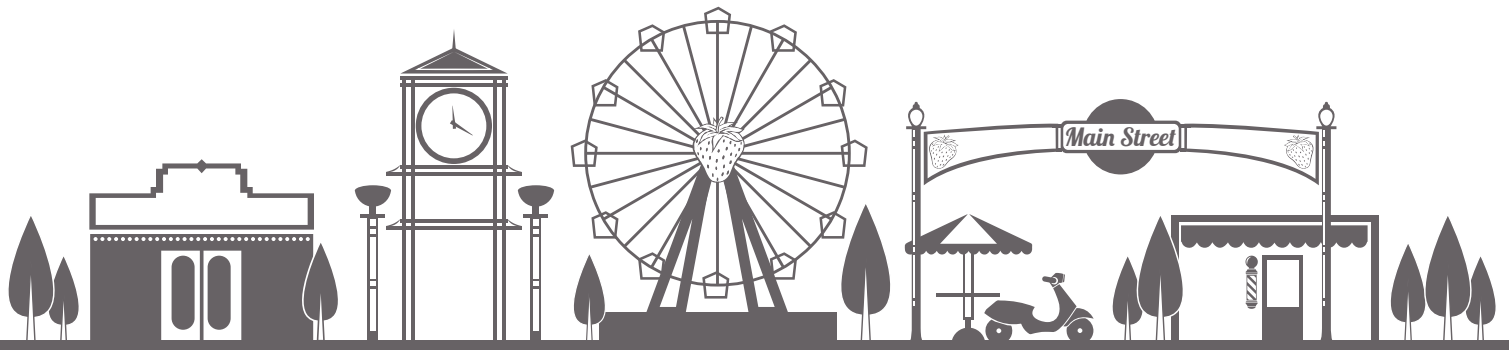
- City of Garden Grove Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2021-22 (Attachment 1)
- Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets – City



- of Garden Grove (Attachment 2)
- Report on Internal Control and Compliance of the Air Quality Improvement Fund (Attachment 3)
- Auditor Communications to the City Council (Attachment 4)
- Management Letter to the City Council (Attachment 5)
- Approve an additional appropriation for the tenant improvement and space study of the Purcell Building in the amount of \$1.0 million
- Approve an additional appropriation for the 2022 Statewide General Election in the amount of \$106,000
- Approve an additional appropriation for a cloud-based data hosting service in the amount of \$24,000

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
Attachment 1 - Annual Comprehensive Financial Report	2/7/2023	Exhibit	1-City_of_Garden_Grove_2022_Final_ACFR.pdf
Attachment 2 - Report on Appropriation Limit Worksheets	2/7/2023	Exhibit	2-AUP_Report_GANN_Letter-City.pdf
Attachment 3 - Report on Internal Control of the AQMD Fund	2/7/2023	Exhibit	3-AQMD_Opinion_2022.pdf
Attachment 4 - Auditor Communication Letter	2/7/2023	Exhibit	4- Communication_with_those_charged_with_governance.pdf
Attachment 5 - Management Letter	2/7/2023	Exhibit	5-ManagementLetterOnInternal_Control_2022.pdf



City of Garden Grove, California



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

JULY 1, 2021 - JUNE 30, 2022

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City of Garden Grove

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended  
**June 30, 2022**

## Finance Department

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Patricia Song  
*Finance Director*

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# CITY OF GARDEN GROVE

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

### FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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# CITY OF GARDEN GROVE

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

### FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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# Introductory Section



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## CITY OF GARDEN GROVE, CA

January 31, 2023

To the Honorable Mayor, City Council, and Citizens of the City Garden Grove:

It is with great pleasure that we present to you the City of Garden Grove's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. The ACFR is published to serve two purposes. First, it outlines accountability for public tax dollars and the services that are funded by these resources. Second, it communicates the results of operations and the City's financial position to its constituents, and provides a vital framework for future decisions about programs and services.

In order to ensure the reliability of the information contained herein, the City contracted with an independent audit firm, Davis Farr LLP, to perform the annual financial audit. The goal of the audit is to provide reasonable assurance that the City's financial statements are free from material misstatement. Davis Farr LLP issued an unmodified opinion for the City's financial statements for the fiscal year ended June 30, 2022.

Management is responsible for both the accuracy of the financial report and the completeness and fairness of the presentation. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects, including all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial activities.

The ACFR is prepared using the financial reporting requirements outlined by the Governmental Accounting Standards Board (GASB) statements. Three sections are presented: the *Introductory Section*, the *Financial Section*, and the *Statistical Section*. This transmittal letter is included in the *Introductory Section*, and is designed to complement and should be read in conjunction with the Management's Discussion and Analysis (MD&A), which is included in the *Financial Section*. The MD&A provides an overview of the City's operations and how we performed financially. The auditor's opinion letter and a complete set of financial statements are presented in the *Financial Section*. The *Statistical Section* presents historical

information about the City's finances and operations, as well as demographic and economic data.

The independent audit of the financial statements of the City of Garden Grove was part of a broader, federally mandated audit of state and local governments (the "Single Audit") designed to meet the special needs of federal granting agencies. The standards governing the Single Audit require the auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements. These reports are available in the City of Garden Grove's separately issued Single Audit Report.

The ACFR is a required component of continuing disclosure to the bond holders as covenanted by certain City bond issues.

### **Community Profile**

The City of Garden Grove incorporated on June 18, 1956. It is located in central Orange County approximately 25 miles southeast of downtown Los Angeles. With a current population of approximately 170,488, it is the fifth largest city in Orange County and the 31<sup>st</sup> largest in the State of California.

The City spans an area of 17.9 square miles and is a general law city in the State of California. It has a Council-Manager form of government. On May 10, 2016, the City of Garden Grove adopted Ordinance No. 2866 changing the City's at-large system of electing City Council members to a By-District election system and established the boundary lines of the six districts. While the Mayor continues to be elected at-large for a two-year term, the six City Council members are elected by districts for four-year staggered terms. The City Council engages the City Manager and City Attorney. The City Manager has the responsibility for hiring the department directors and for administering the City's programs in accordance with the policies adopted by the City Council.

### **City Service and Budgetary Control**

Garden Grove is a full service city. The services provided by the City include police safety, street and park maintenance, water, sewer, recreation, traffic/transportation, public improvements, planning, zoning, code enforcement, business license, and other general municipal services. The City began contracting with Orange County Fire Authority to provide fire protection and paramedic services since August 16, 2019. Also included in the City's overall operations are the Garden Grove Housing Authority, the Garden Grove Sanitary District, Garden Grove Successor Agency, and the Garden Grove Public Financing Authority. Additional information on these component units is available in the *Notes to the Basic Financial Statements*.

A key element of the City's financial management process is the development and approval of a biennial budget. Garden Grove Municipal Code requires the City Manager to prepare and submit the proposed budget and salary plan to the City Council for approval. The City Council conducts multiple public budget review

sessions to obtain taxpayer input, prior to adopting the budget at a public meeting. The legal level of budgetary control is at the fund level. The City Council may amend the budget to increase or decrease appropriations or move appropriations between funds. The City Manager is authorized to transfer appropriations within a fund between various programs and/or departments.

### **Demographic and Economic Information**

Demographically, the City of Garden Grove has one of the highest population density in the County. The community is highly diversified with a median age of 40.1 years. With a 2021 population of 170,488, the City is the 31<sup>st</sup> largest city in California and the 154<sup>th</sup> largest city in the United States. The City's median household income in 2021 was \$78,046, slightly above the national average. The City is benefiting from higher education levels of its residents. In 2021, 75.3% of the population completed high school, and 23.0% received bachelor's degree or higher. This is an increase of 43.2% comparing to 2000.

Between 2015 and 2020, total jobs in the City grew 5.4% to 85,517. The City's largest employment sector is in Manufacturing, which accounts for 16.9% of total jobs, followed by Health Care and Social Assistance (11.9%), Retail Trade (11.2%), and Accommodation and Food Services (8.49%).

With limited opportunities for large-scale new development, Garden Grove continues to facilitate reinvestment of underutilized commercial properties. Through its ongoing commitment to stimulate the local economy, improve essential services, and expand its public safety labor force, the City of Garden Grove will continue to provide excellent services to its constituents and neighboring communities.

### **Financial Condition of the City**

The City's underlying credit rating was upgraded by two notches to AA by Standard & Poor's (S&P) in September 2021. The two-notch upgrade is a reflection of the City's "very strong" (S&P's highest qualitative category) financial management, liquidity, budgetary flexibility and debt and contingent liabilities. The City has taken active steps to strengthen our financial management practices and enhance budget performance in the recent years. Efforts have been invested in reducing unfunded pension liability, funding for infrastructure gap, improving operational efficiency, and promoting transparency. To accomplish these, an Internal Revenue Code Section 115 Trust was created to accumulate funds necessary to pay down our pension liability; an Infrastructure Funding Policy was established to comprehensively address our infrastructure deficit situation; and an Enterprise Resources Planning (ERP) system was implemented to improve internal control and process efficiency.

The financial condition of the City continues to improve along with the overall economic expansion. After a stronger than expected recovery from the pandemic, economy nationwide has slowed down as financial conditions tighten. Economists believe the economy is not at imminent risk of sliding into a recession in the short term, however, cities across the State are taking precautionary steps to carefully plan

for their spending. Despite the fact that local agencies nationwide had received significant resources from the federal government during the pandemic, high inflation and large infrastructure deficit is still threatening the fiscal health of municipalities. Garden Grove is no exception. While we applied the American Rescue Plan Act funds strategically to address both acute and long-standing challenges, the City took the opportunity further to plan for several major capital initiatives including the acquisition of a navigation center, the construction of a public safety facility, and the launch of another important fiscal policy to address the deferred maintenance issue across all City facilities.

The strong economy boosted all three primary revenue sources for the City. Sales tax has increased by 21.4% from last fiscal year as a result of robust consumer spending. The high inflation in the past 18 months has also contributed to the higher than budgeted sales tax revenue. During Fiscal Year 2021-22, home prices have continued to climb. As a result, property tax, the largest revenue source for the City, showed an 8.4% increase over the previous year, reaching nearly \$60.0 million. Tourism has also seen promising recovery from the pandemic. The City received \$23.4 million in Transient Occupancy Tax, tripled from the prior year, and is only \$2.9 million less than our peak in 2019.

Budget wise, due to the strong revenue growth, we were able to amend our continuation year budget to provide funding for several new initiatives. A total of \$23.6 million additional funding was infused into the Fiscal Year 2022-23 amended budget, among which \$15.2 million was to invest in infrastructure. Additionally, \$3.2 million was added to the General Fund Stability Reserve to keep the reserve at the policy level, and \$3.0 million was allocated to a newly established Building and Structures Rehabilitation internal service fund. These additional funding were critical for carrying out the promises made to our community for a fiscally and operationally resilient city.

As a commitment to fiscal stewardship, following the establishment of the Garden Grove Pension Funding Policy in 2019, General Fund Reserve Policy in 2020, and the Infrastructure Funding Policy 2021, a Capital Asset Renewal and Replacement Policy was approved by the City Council in June 2022. The new policy will require continuous allocation of funding needed for preventative maintenance to maximize the useful lives of City owned capital assets.

The City continues its efforts in improving fiscal policy and standard setting, applying best financial management practices, and managing spending in a prudent manner to ensure efficient use of resources.

### **Long-term Financial Planning**

The City has consistently demonstrated responsible fiscal management practices. In accordance with the provisions of the City's municipal code, a five-year forecast covering operating revenue and expenditures, labor usage, and capital improvement plan is incorporated in the biennial budget process. The forecast includes analysis of key revenue and expenditure components, and proposed measures to address any

anticipated funding gaps. The City's biennial budget is developed in the context of the five-year financial forecast.

To foster a culture of long-term fiscal sustainability, the City has started the process of adopting a series of important fiscal policies in recent years. These policies set a framework to ensure a balanced budget, maintain healthy reserves, appropriately fund the City's pension liabilities, as well as planning for future infrastructure needs. In August 2019, the City adopted the Pension Funding Policy, formally committing to proactively addressing its unfunded pension liability. With the close of Fiscal Year 2018-19, a General Fund reserve policy was added, setting a standard for a contingency reserve. During the adoption of fiscal years 2021-23 biennial budget, an Infrastructure Funding Policy was formally adopted by the City Council, establishing a framework to address the City's infrastructure needs and enable strategic investments to accommodate future growth. Subsequently, a Capital Asset Renewal and Replacement Reserves Policy was approved by the City Council while amending the Fiscal Year 2022-23 budget.

Together, these important policies will guide the City in formulating its budget responsibly and standardizing practices to achieve best use of City resources. In the future, policies on user fees and cost recovery and cost allocation for administrative and support functions, will also be developed and incorporated into the comprehensive financial policy framework.

### **Financial Policies and Practices**

The City adopted various critical financial policies and practices with the goal of building a fiscally resilient government over the long-term.

#### Capital Asset Renewal and Replacement Reserves Policy

The purpose of the Capital Asset Renewal and Replacement Reserves Policy is to ensure adequate funding for the renewal and replacement of the City's capital assets to protect the public investment and achieve the assets' maximum useful life. The Policy is intended to promote proactive financial management by increasing awareness of the ongoing need for capital replacement and encouraging long-term capital planning.

#### Infrastructure Funding Policy

The Infrastructure Funding Policy sets a framework for policy standards and provides direction to systematically address the infrastructure deficit. It calls out several critical fiscal and asset planning or management practices to be developed over the next few years, including a Capital Replacement Reserves Policy, asset management plans for each major infrastructure type, and a comprehensive infrastructure plan.

Pension Funding Policy

The purpose of the Pension Funding Policy is to establish a systematic and disciplined method to accumulate resources to be used towards funding pension liability and future benefit payments, and to provide reasonable assurance that the cost of pension benefits will be funded in an equitable and sustainable manner.

General Fund Reserve Policy

The City is committed to prudent fiscal practices and maintaining adequate General Fund reserves to ensure consistent, uninterrupted municipal services in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures, as well as the credit worthiness of the City. In December 2019 the City Council adopted the General Fund Reserve Policy, which established the appropriate level of unassigned fund balance in the General Fund, set conditions warranting its use, and outlined the plan to replenish it if the balance fell below the policy level.

Enterprise Fund Business Principles

The City maintains a set of business principles for managing its enterprise fund operations. These principles are to ensure the funds break even and operate efficiently, maintain two months cash flow and \$500,000 in reserves for contingencies, approach 5 percent of system value for replacement sinking funds, and maintain system and facilities up to industry standards by adequately funding new Capital Improvement Programs.

Investment Policy

The City maintains an investment policy that is updated annually and reviewed and approved by the City Council. The City's investment objectives as outlined in the policy are in the following order: safety of principal, liquidity, and yield. To meet these objectives, the City attempts to obtain the highest yield on its investments consistent with the preservation of principal and liquidity. The yield benchmark for the City is the 24-month moving average of the 2-year Constant Maturity Treasury. The Investment Policy was certified by the California Municipal Treasurer's Association in November 2020.

Purchasing Policy

The purpose for the City's centralized purchasing policy is to procure needed supplies, services, and equipment at the utmost quality, within the required time, and at the best price for the City, in a manner consistent with legal requirements, good business practice, and proper fiscal control. The goal is to serve the public with integrity while maximizing the value of the tax dollar.

Debt Management Policy

On January 24, 2017, the City Council adopted a debt management policy in compliance with Senate Bill 1029 to improve public debt financial transparency. The objective of the debt policy is to achieve sound administration of City debt by minimizing debt service and issuance costs, maintaining the highest reasonable credit rating, and ensuring complete financial disclosure and compliance with State and Federal laws.

**Major Initiatives**

The City's 2021 Economic Development Strategic Plan identified key priorities and activities that focused its momentum on economic recovery and sustainability. The Garden Grove Office of Economic Development was accredited by the International Economic Development Council for its many achievements in these areas. The City was the first agency to receive this prestigious recognition in the State of California.

The City continued to advance its economic development initiatives in areas of local investment, job creation and retention, and small business sustainability. With the help of the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, the City launched JOBS 1st Grant and Loan programs, Micro Business Grant program, D1 Small Business Grants, and the JOBS 1st To-Go Program that resulted in nearly 100 jobs created or retained in the past year. Small business retention efforts continued to the second phase with the launch of the Foods of Garden Grove program, which supported over 150 local businesses on several social media platforms. Quite a few new businesses opened during this reporting period from coffee shops to indoor playground.

The City's housing initiatives are anchored with programs and services designed to improve neighborhoods by leveraging funds from the federal and state programs including Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grants, and the CARES Act funds. One of the City's key initiatives during the year was the identification and acquisition of the Navigation Center site, which is a critical step towards the implementation of the 2021 Comprehensive Strategic Plan to End Homelessness. The City also continues to offer several housing programs that have shown much success in the past, including the First-time Homebuyer Program, the Home Repair Program, Re-Roof Grant Program, and the Homeless Emergency Assistance and Rental Transition (HEART) Program. In areas of affordable housing production, the Garden Brook Senior Village welcomed over 100 senior residents in 2022 and anticipates full occupancy by June 2023. Additionally, the City's first permanent supportive housing project by American Family Housing is near completion.

In 2022, the City launched its Civic Center Community Engagement project that focused efforts on public outreach and community engagement for civic center area improvement. City staff worked hand-in-hand with Garden Grove residents to explore opportunities in the civic center area to improve public amenities and evaluate the need to replace and modernize the public safety facilities.



Simultaneously, Re-Imagine Garden Grove continued its Phase 1 construction of the Cottage Industries, an adaptive reuse of the twelve residential properties in the civic center area for retail, restaurants, and outdoor entertainment.

The City's industrial area observed unprecedented demand with transactions yielding record sales resulting in less than 2% vacancy rates. Prologis secured project approvals for the construction of a new 148,284 square foot industrial building. Rexford Industrial is adding another project for a new 97,470 square foot industrial building along with associated site improvements.

To attract and retain vital businesses and create more jobs within the City, several tax abatement agreements were entered. One of the agreements was with the California Fuels and Lubricants (CFL) in July 2016. The City was able to retain CFL and continue to leverage the revenue source it created to promote economic development in the area. In order to diversify the City's sales tax base, an agreement was entered with Garden Grove Automotive in 2017. This agreement ensured the establishment of an automobile dealership within the City. The Successor Agency for the Garden Grove Agency for Community Development also have similar agreements to facilitate the development of hotel establishments. These tax abatement agreements were part of the City's long-range strategic plan to promote and expand our local economy.

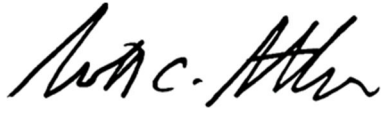
### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Garden Grove for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the 37th consecutive year that the City has received this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the award program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The preparation of the ACFR on a timely basis was made possible by the efficient and dedicated service of the staff in Finance. Staff members have our sincere appreciation for their contributions to this report. We also acknowledge the assistance of Davis Farr LLP, in completing the ACFR.

We thank the Mayor, City Council, and the City's executive management team for their strong leadership and support of the financial operations of the City and for maintaining the highest standards of professionalism in managing the City's finances for the best interest of the citizens of Garden Grove.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott C. Stiles". The signature is fluid and cursive, with the first name being the most prominent.

---

Scott C. Stiles, City Manager

A handwritten signature in black ink, appearing to read "Patricia Song". The signature is cursive and includes a long, horizontal flourish at the end.

---

Patricia Song, Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Garden Grove  
California**

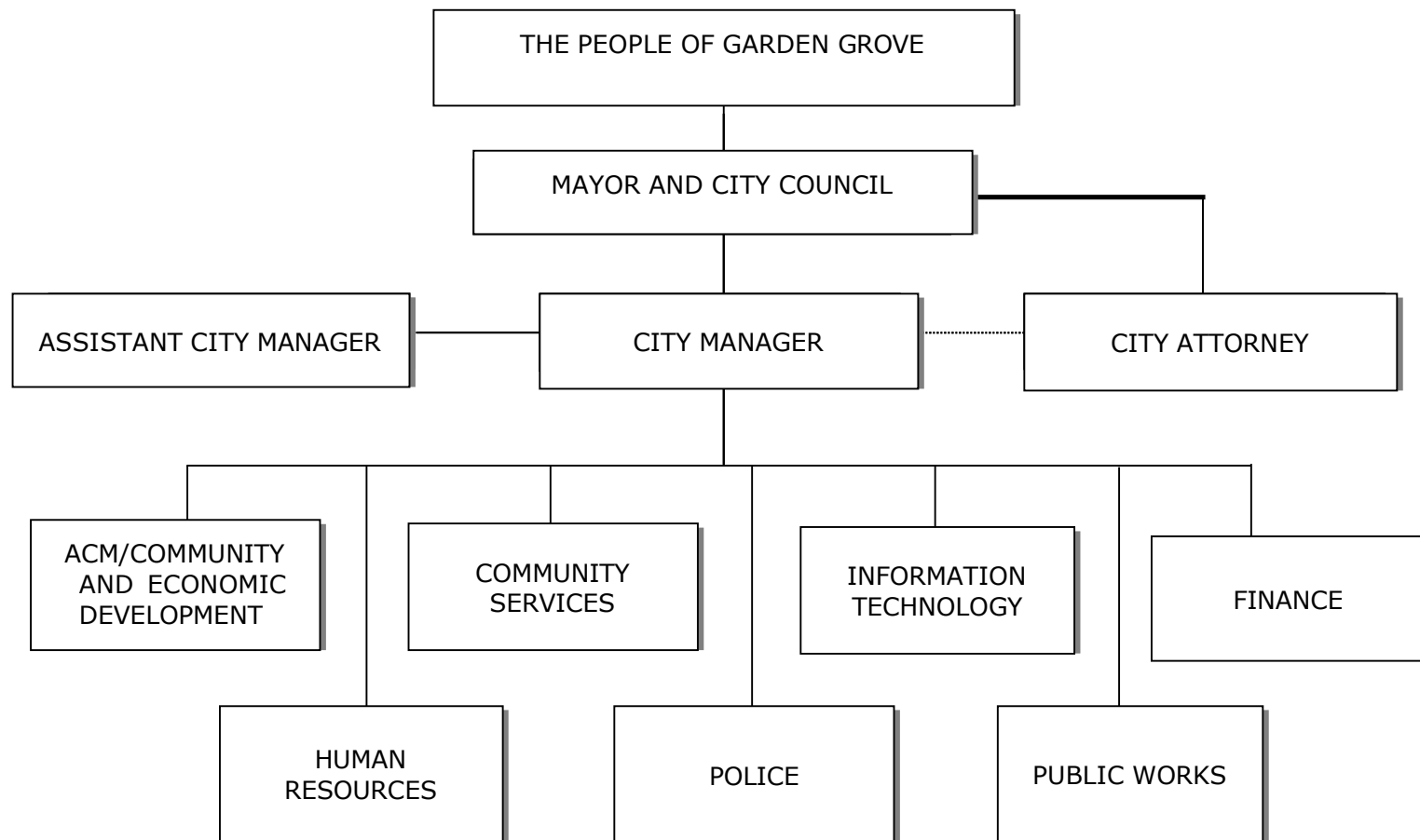
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# City of Garden Grove



# CITY OF GARDEN GROVE

## City Council

Steve Jones  
*Mayor*

Diedre Thu-Ha Nguyen  
*Mayor Pro Tem - District 3*

George S. Brietigam III  
*Council Member - District 1*

John R. O'Neill  
*Council Member - District 2*

Patrick Phat Bui  
*Council Member - District 4*

Stephanie Klopfenstein  
*Council Member - District 5*

Kim B. Nguyen  
*Council Member - District 6*

## City Officials

Scott Stiles  
*City Manager*

Maria Stipe  
*Assistant City Manager*

Lisa Kim  
*Assistant City Manager/ Community  
& Economic Development Director*

Omar Sandoval  
*City Attorney*

Anand Rao  
*Information Technology Director*

Laura Stover  
*Human Resources Director*

John Montanchez  
*Community Services Director*

Patricia Song  
*Finance Director*

William Murray  
*Public Works Director*

Tom DaRé  
*Police Chief*



# Financial Section

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## **Independent Auditor's Report**

City Council  
City of Garden Grove  
Garden Grove, CA

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden Grove, California (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden Grove, California, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Garden Grove and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matters***

During the year ended June 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87: Leases. Additionally, the financial statements for the fiscal year ended June 30, 2022 reflect certain prior period adjustments as described further in note 17 to the financial statements. Our opinion is not modified with respect to these matters.

#### ***Responsibilities of Management for the Financial Statements***

The City of Garden Grove's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and



maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, certain budgetary comparison information, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Pension Contributions and the Schedule of Changes in Total OPEB liability and Related Ratios* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of

financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Garden Grove's basic financial statements. The *combining and individual nonmajor fund financial statements* and certain *budgetary comparison schedules* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining and individual nonmajor fund financial statements* and certain *budgetary comparison schedules* are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *combining and individual nonmajor fund financial statements* and certain *budgetary comparison schedules* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises *introductory section* and *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023 on our consideration of the City of Garden Grove's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Garden Grove's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
January 31, 2023



### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### Fiscal Year Ended June 30, 2022

The City of Garden Grove's Finance team has prepared this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022, to assist users of this report to gain a better understanding of the City's financial health and history. The information presented here should be considered in conjunction with additional information furnished in the letter of transmittal and the accompanying financial statements.

#### FINANCIAL HIGHLIGHTS

The City of Garden Grove's financial statements prepared for the fiscal year ended June 30, 2022 comply with all applicable statements issued by the Governmental Accounting Standards Board (GASB). GASB Statement No. 84, Fiduciary Activities, was implemented by the City during the fiscal year ended June 30, 2022. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of this Statement will improve consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship.

#### Government-Wide

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2022 by \$853.5 million (*net position*).
- The overall City's net position increased by \$71.1 million from the previous fiscal year due to positive operating results including higher tax revenues and the receipt of the second tranche of the State and Local Fiscal Recovery Funds (SLFRF) in the amount of \$24.2 million.
- Total expenses for governmental activities were \$148.8 million for fiscal year ended June 30, 2022. The sources for these expenses came from program revenues of \$66.0 million, taxes in the amount of \$151.9 million, other income of \$0.3 million, and net against an unrealized investment loss of \$8.0 million. For the current year, revenues from governmental activities exceeded expenses by \$61.4 million, result in the net position for governmental activities increased to \$659.8 million at June 30, 2022.

## **CITY OF GARDEN GROVE**

### **Management's Discussion and Analysis (continued)**

**June 30, 2022**

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- For business-type activities, program revenues exceeded expenses by \$12.8 million. Among the total program revenue of \$104.4 million, \$61.0 million was from charges for services, and \$43.4 million from operating grants and contributions. Combined with unrealized investment loss of \$3.1 million, net position for business-type activities increased by \$9.7 million from the previous year to \$193.7 million at June 30, 2022.

### **Fund Based**

- As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$235.8 million, an increase of \$53.9 million from the previous year. The net increase was primarily due to higher tax revenues reported for the year, the one-time SLFRF allocation to the City as well as other financial aides provided related to the COVID-19 pandemic from the federal and state governments.
- Among the total fund balance of \$235.8 million reported at the close of the fiscal year, \$90.3 million, or 38.3% are either non-spendable or restricted for specific purposes. The City also committed \$22.5 million as Stability Reserves in the General Fund. Please refer to *Notes to Basic Financial Statements (Note 1)* for additional information on the categorization of the governmental funds' fund balances.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to give users a broad overview of the City's finances, similar to a private-sector business. They present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting.

There are two statements in the government-wide financial statements, the statement of net position, and the statement of activities. The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The net difference between the total of assets and deferred outflows and the total of liabilities and deferred inflows is reported as net position. Increases or decreases in net position over time may serve as a useful indicator of whether the City's financial position is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's infrastructure assets. The statement of activities shows how the City's net position changed during the fiscal year.

Both government-wide financial statements distinguish between functions that are primarily supported by taxes and intergovernmental revenues, and functions that are intended to recover all or a significant portion of their costs through user fees and charges. The first function is identified in the statements as governmental activities, while the latter is reported as business-type activities.

## **CITY OF GARDEN GROVE**

### Management's Discussion and Analysis (continued)

June 30, 2022

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Most of the City's basic services are reported in the governmental activities category, including fire, police, traffic safety, public right of way, community buildings, community services, economic development, parks and greenbelts, community planning and development, and municipal support functions. Property and sales taxes, transient occupancy tax, business licenses and permits, investment income, and state and federal grants finance these activities. The City operates its sewer utility through its component unit, the Garden Grove Sanitary District, and federal Section 8 housing program through another component unit, the Garden Grove Housing Authority. These activities are reported in the business-type activities category along with water utility and solid waste disposal services.

The government-wide financial statements can be found on the pages immediately following this discussion in the Basic Financial Statements section.

### **Fund Financial Statements**

A fund is a set of related accounts that is used to control resources that have been segregated to carry on specific activities or to attain certain objectives in accordance with special regulations, restrictions, or limitations. The City, like the state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds are divided into one of three categories: governmental funds, proprietary funds, or fiduciary funds.

The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary and fiduciary activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help manage and report money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

### **Governmental funds**

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement. The governmental fund financial statements can be found in the *Basic Financial Statements* section of this report.

## **CITY OF GARDEN GROVE**

Management's Discussion and Analysis (continued)

June 30, 2022

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### **Proprietary funds**

When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of revenues, expenses and changes in fund net position. The City's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the City's self-insured worker's compensation and risk management, fleet management, employee benefits, information systems, warehouse operation, and communication replacement funds. The internal service funds are reported with governmental activities in the government-wide financial statements. The proprietary fund financial statements can be found in the *Basic Financial Statements* section of this report.

### **Fiduciary funds**

The City is the trustee, or fiduciary, for certain funds held to account for activities reported in this category which includes the Successor Agency. The City's fiduciary activities are reported in separate *statements of fiduciary net position* and *statement of changes in fiduciary net position*.

### **Notes to Basic Financial Statements**

*Notes to basic financial statements* provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. They are presented immediately following the *Basic Financial Statements* section of this report.

### **Other Information**

In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* on the City's budget process and the General Fund budgetary comparison schedule, the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

Combining and individual statements for non-major governmental and proprietary funds, internal service funds and the agency fiduciary fund are also presented in the *Supplementary Information* section of this report.

## CITY OF GARDEN GROVE

### Management's Discussion and Analysis (continued)

June 30, 2022

## GOVERNMENT- WIDE FINANCIAL ANALYSIS

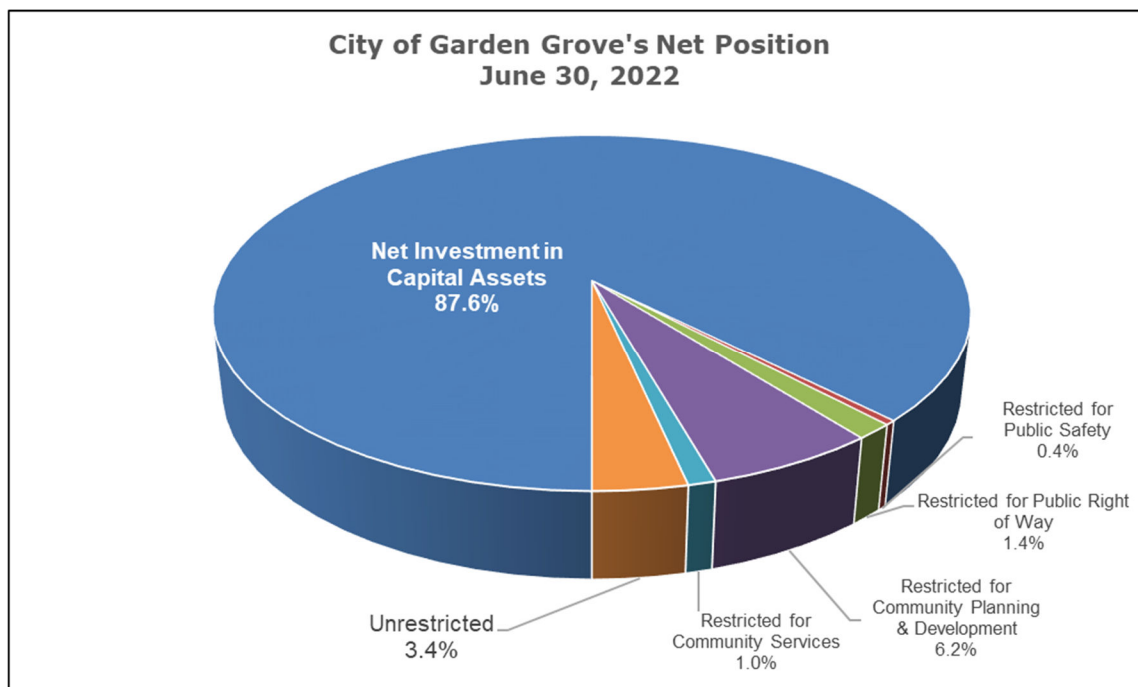
The government-wide financial analysis focus on the City's net position and changes in net position of the governmental and business-type activities during the fiscal year.

As noted earlier, the City's net position as a whole increased by \$71.1 million from the previous year. Revenues from governmental activities, primarily taxes increased by \$34.3 million. Transient Occupancy Tax (TOT) alone enjoyed an increase of \$17.4 million, and sale and use tax, including Measure O had an increase of \$10.4 million from the previous year. The second tranche of the SLFRF in the amount of \$24.4 million received in June 2022 also contributed to the overall enhancement of the net position for fiscal year ended June 30, 2022.

Among the total net position, \$747.2 million represented net investment in capital assets. These capital assets are essential for City operations, which include land, buildings, machinery and equipment, and infrastructure. Net position invested in capital assets is not available for spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay for the liabilities.

The remaining \$106.2 million of government-wide net position are composed of \$77.4 million in restricted funds and \$28.8 million unrestricted. Net position may be restricted for capital projects, debt payments, and/or special programs such as public safety and public right of way.

The graph below illustrates the various components of the City's net position at fiscal year ended June 30, 2022.





# CITY OF GARDEN GROVE

## Management's Discussion and Analysis (continued)

June 30, 2022

The schedule below is a condensed version of the City's statement of net position for fiscal year ended June 30, 2022 with comparative data from the previous fiscal year:

### City of Garden Grove's Net Position (in millions)

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 366.9	\$ 314.9	\$ 107.7	\$ 104.4	\$ 474.6	\$ 419.3
Capital assets	639.4	638.9	171.3	164.1	810.7	803.0
<b>Total assets</b>	<b>1,006.3</b>	<b>953.8</b>	<b>279.0</b>	<b>268.5</b>	<b>1,285.3</b>	<b>1,222.3</b>
Deferred unamortized loss on refunding	-	-	0.1	0.1	0.1	0.1
Deferred OPEB related items	25.4	26.2	4.0	3.4	29.4	29.6
Deferred pension related items	28.9	32.0	4.3	4.4	33.2	36.4
<b>Total deferred outflows</b>	<b>54.3</b>	<b>58.2</b>	<b>8.4</b>	<b>7.9</b>	<b>62.7</b>	<b>66.1</b>
Long-term debt	77.0	73.9	43.2	44.5	120.2	118.4
Net OPEB liability	42.1	48.9	6.6	6.3	48.7	55.2
Net pension liability	195.8	277.3	21.6	32.0	217.4	309.3
Other liabilities	14.3	11.0	11.4	8.9	25.7	19.9
<b>Total liabilities</b>	<b>329.2</b>	<b>411.1</b>	<b>82.8</b>	<b>91.7</b>	<b>412.0</b>	<b>502.8</b>
Deferred unamortized gain on refunding	-	-	0.2	0.2	0.2	0.2
Deferred leased related items	2.6	-	-	-	2.6	-
Deferred OPEB related items	9.7	0.8	1.5	0.1	11.2	0.9
Deferred pension related items	59.4	1.8	9.1	0.3	68.5	2.1
<b>Total deferred inflows</b>	<b>71.7</b>	<b>2.6</b>	<b>10.8</b>	<b>0.6</b>	<b>82.5</b>	<b>3.2</b>
Net investment in capital assets	618.1	617.3	129.2	120.4	747.3	737.7
Restricted	77.4	75.6	-	-	77.4	75.6
Unrestricted	(35.7)	(94.6)	64.5	63.7	28.8	(30.9)
<b>Total net position</b>	<b>\$ 659.8</b>	<b>\$ 598.3</b>	<b>\$ 193.7</b>	<b>\$ 184.1</b>	<b>\$ 853.5</b>	<b>\$ 782.4</b>

A condensed statement of change in net position with comparative amounts on revenues and expenses for the current and prior year is presented on the following page.

# CITY OF GARDEN GROVE

## Management's Discussion and Analysis (continued)

June 30, 2022

### City of Garden Grove's Changes in Net Position (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 13.3	\$ 14.7	\$ 61.0	\$ 58.0	\$ 74.3	\$ 72.7
Operating contributions and grants	49.3	49.7	43.4	41.2	92.7	90.9
Capital contributions and grants	3.4	1.9	-	-	3.4	1.9
General revenues:						
Taxes:						
Property taxes	59.5	55.0	-	-	59.5	55.0
Sales and use taxes	59.7	49.3	-	-	59.7	49.3
Transient occupancy taxes	24.5	7.1	-	-	24.5	7.1
Other taxes	8.2	6.0	-	-	8.2	6.0
Investment earnings	(8.0)	1.7	(3.1)	0.3	(11.1)	2.0
Other income	0.3	0.2	-	0.8	0.3	1.0
Total revenues	210.2	185.6	101.3	100.3	311.5	285.9
<b>Expenses:</b>						
Public safety - Fire	27.0	29.8	-	-	27.0	29.8
Public safety - Police	64.2	78.7	-	-	64.2	78.7
Traffic safety	5.8	5.9	-	-	5.8	5.9
Public right of way	16.6	18.4	-	-	16.6	18.4
Community buildings & drainage	6.4	6.5	-	-	6.4	6.5
Parks & community services	7.4	7.4	-	-	7.4	7.4
Community & economic development	12.8	13.1	-	-	12.8	13.1
Municipal support	7.6	9.4	-	-	7.6	9.4
Water utility	-	-	35.9	36.2	35.9	36.2
Sewer utility	-	-	8.5	6.6	8.5	6.6
Solid waste disposal	-	-	1.9	2.4	1.9	2.4
Housing program	-	-	43.5	39.6	43.5	39.6
Golf course	-	-	1.8	1.6	1.8	1.6
Interest on long-term debt	1.0	1.1	-	-	1.0	1.1
Total Expenses	148.8	170.3	91.6	86.4	240.4	256.7
Income (loss) before transfers	61.5	15.3	9.6	13.9	71.1	29.2
Transfers	-	0.2	-	(0.2)	-	-
Change in net position	61.5	15.5	9.6	13.7	71.1	29.2
Net position - beginning of year	598.3	582.8	184.1	170.3	782.4	753.1
Restatement	-	-	-	-	-	-
Net position - end of year	\$ 659.8	\$ 598.3	\$ 193.7	\$ 184.1	\$ 853.5	\$ 782.3

## CITY OF GARDEN GROVE

### Management's Discussion and Analysis (continued)

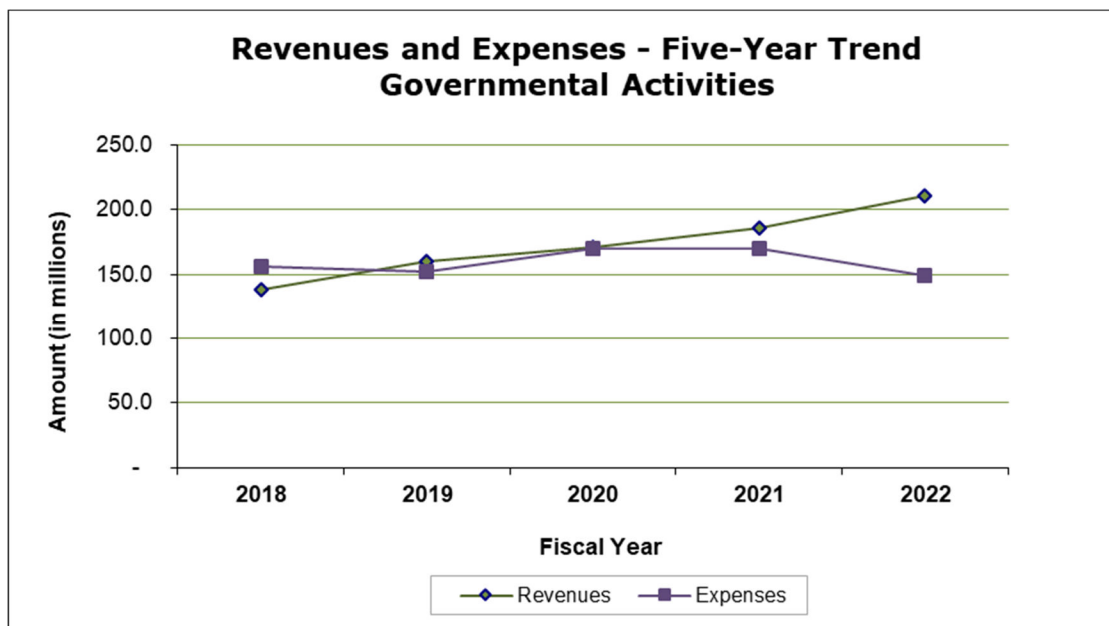
June 30, 2022

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#### **Governmental Activities**

Total resources available during the year to finance governmental operations were \$808.6 million. This amount consists of the beginning net position of \$598.4 million, program revenues of \$66.0 million and general revenues of \$144.2 million. With a total expenses of \$148.8 million, net position for governmental activities increased by \$61.4 million and ended at \$659.8 million as of June 30, 2022.

The chart below presents governmental activity revenues and expenses for the past five years. Transfers and extraordinary items were not included in the revenues and expenses.



Total revenues from governmental activities was \$61.4 million higher than total expenses for the year. Revenues from taxes totaled \$151.9 million, representing an increase of \$34.5 million from the previous fiscal year. The strong performance in revenues was largely due to the robust economy, enabled by the infusion of record high amount of federal funds. In June 2022, the City received the second tranche of the COVID-19 relief funds in the amount of \$24.2 million. Total SLFRF received to date was \$48.4 million. The City strategically programmed several critical infrastructure initiative leveraging the current year's positive performance, and set aside additional reserves to prepare for the possible slowdown of the economy.

Total cost of governmental activities for fiscal year ended June 30, 2022 was \$148.8 million, a drop of 12.6% from the previous year. This was primarily due to an accounting adjustment to the safety pension plan cost caused by the contribution date falling outside of the measurement date. A total of \$91.2 million was spent on public safety, representing 61.3% of overall expenses in governmental activities.

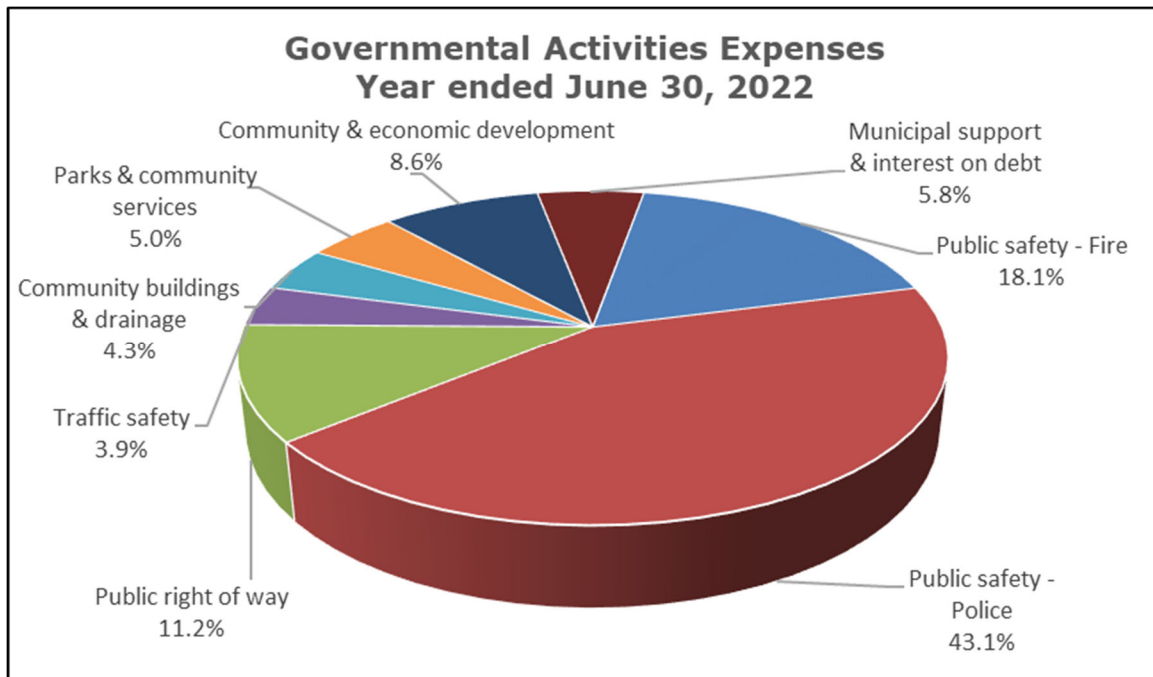
## CITY OF GARDEN GROVE

### Management's Discussion and Analysis (continued)

June 30, 2022

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The chart below shows a breakdown of the cost of each major municipal function.



The public safety function (police and fire) is primarily funded by property taxes, sales tax, transient occupancy tax, and other general revenues. Traffic safety, public right of way, community buildings and drainage programs are responsible for maintenance and construction of transportation system as well as city facilities, with funding provided by gas tax, Measure M2, various federal, state and local grants, special assessment, as well as other general revenues. The funding source for parks and community services is primarily general revenues and some program fees. Community and economic development functions are funded by development related revenues as well as general revenues such as taxes, fees and investment income. Municipal support services (administration, legal, human resources, financial, and information technology) are primarily funded by charges to the direct operating functions they support through a cost allocation program.

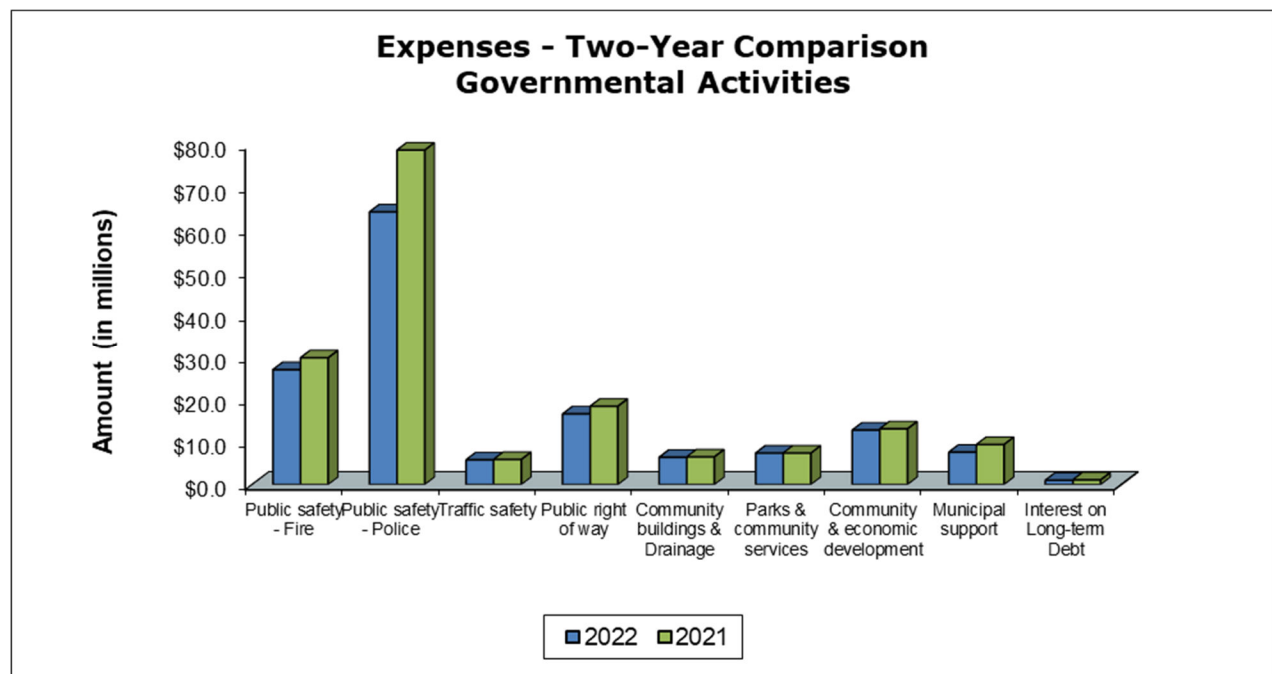
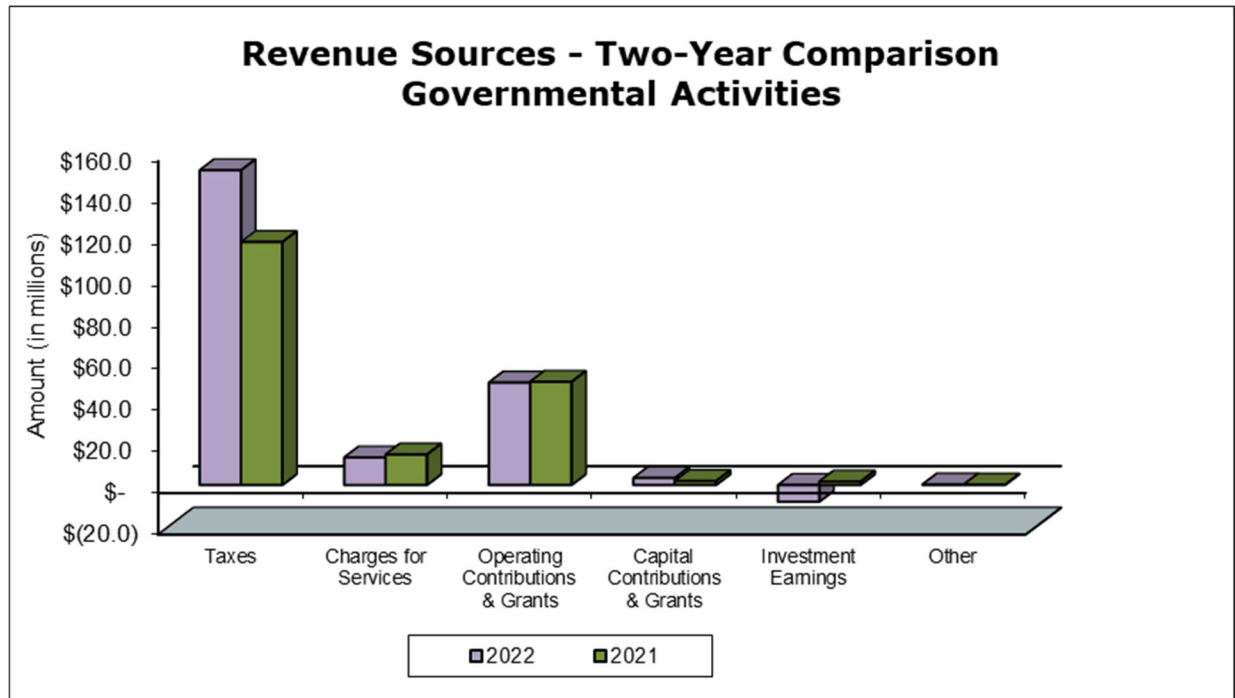
Of the total cost of the governmental activities, the amount the taxpayers ultimately funded was \$151.9 million, the remaining balance was paid by various program revenues, including \$13.3 million by those who directly benefited from the programs, \$49.3 million from other governments and organizations that subsidized certain programs with operating grants and contributions, and \$3.4 million from capital grants and contributions.

## CITY OF GARDEN GROVE

### Management's Discussion and Analysis (continued)

June 30, 2022

The following two charts illustrate the total revenue and expense for the governmental activities, excluding transfers for the fiscal years ended June 30, 2022 and June 30, 2021 respectively.



## **CITY OF GARDEN GROVE**

### **Management's Discussion and Analysis (continued)**

**June 30, 2022**

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Highlights of the major revenue sources and expenses for governmental activities are listed below:

- Program revenues represent 31.4% of total revenues generated by governmental activities. Total program revenues for governmental activities in the current year were \$66.0 million, a slight decrease of \$0.3 million from the previous year. Both years' program revenue amounts include the SLFRF of \$24.2 million each year. These funds were programed to pay for public safety personnel cost, Category E1.9 outlined in the Treasury's SLFRF reporting guidelines as well as other general governmental activities including the cost of implementing homeless prevention programs, support provided for local businesses and the operation of emergency operations center.
- Taxes comprised 72.3% of the total revenues from governmental activities. Total tax revenues were \$151.9 million for the current year, an increase of \$34.5 million from the prior year. As economy continue to recover from the pandemic, tourism industry saw significant improvement during 2022. TOT revenue totaled 24.5 million, almost reached to the pre-pandemic level. Sales tax saw a 21.1% increase from last year, supported by strong consumer spending as well as the high inflation. Property tax revenue represents 39.2% of total taxes, was the second largest general revenue source for the City. Other taxes also saw 36.7% increase from the previous year. They included franchise tax, business operations tax, and motor vehicle taxes.
- Total governmental expenses was \$148.8 million, a 12.6% decline from the prior year due to an accounting adjustment on safety pension plan costs. Cost for Fire protection and emergency medical response services totaled \$27.0 million, representing 18.1% of total governmental expenses. Cost to provide police services was \$64.2 million, or 43.1% of overall expenses for governmental activities.

### **Business-Type Activities**

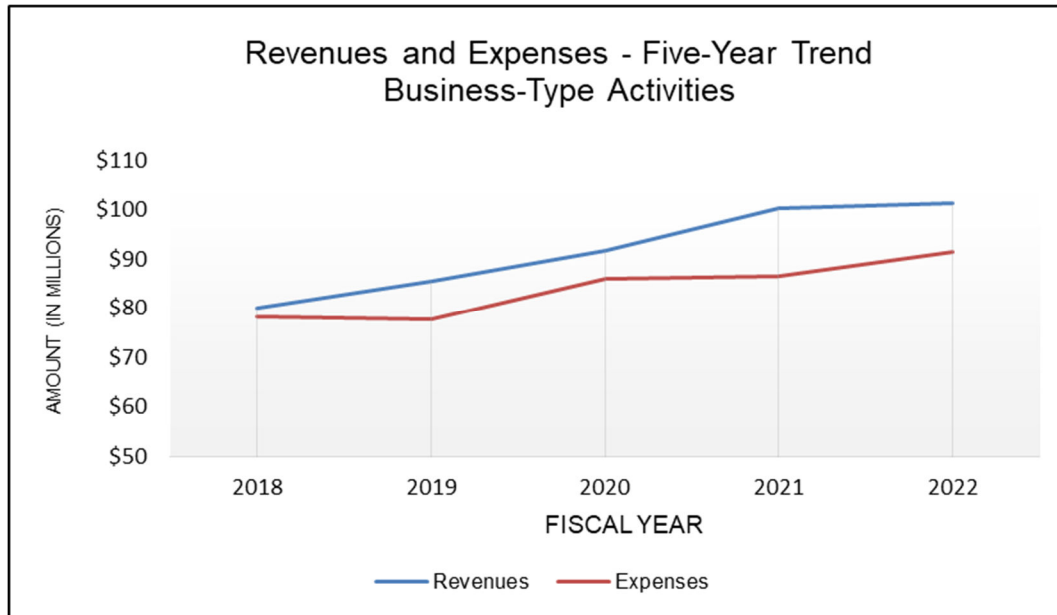
The City's net position in the business-type activities increased by \$9.7 million, \$3.0 million was attributable to the increase in charges for services, which was a direct reflection of the scheduled rate increase in Water and Sewer utilities. Additional funding of \$3.8 million was allocated to the various housing program from the federal and state level, resulting in overall net position of \$193.7 million for the business-type activities as of June 30, 2022.

## CITY OF GARDEN GROVE

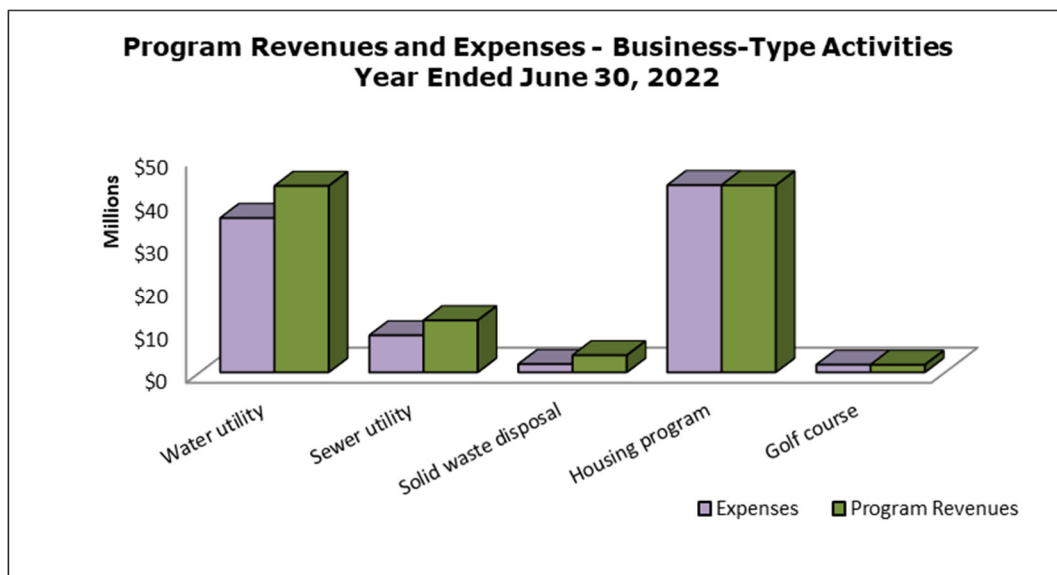
### Management's Discussion and Analysis (continued)

June 30, 2022

The chart below presents revenues and expenses in the business-type activities for the past five years, excluding transfers and extraordinary items.



The graph below shows the expenses of each business-type function compared to the program revenues generated specifically from its operations.



Total expenses of all business-type activities for the fiscal year ended June 30, 2022 were \$91.6 million, a 5.9% increase from the prior year, primarily due to the increase in various Housing programs. These costs were offset by the additional funding allocated to the Garden Grove Housing Authority by the federal and state agencies.

## CITY OF GARDEN GROVE

### Management's Discussion and Analysis (continued)

June 30, 2022

As shown in the statement of activities, the amount paid by users of the systems was \$61.0 million, reported as charge for services. Revenues from operating grants and contributions were \$43.4 million, for the City's Housing Section 8 program. Total program revenue reported for the year was \$104.4 million.

Total resources available during the year to finance business type activities were \$285.3 million. This amount consists of net position at July 1, 2021 in the amount of \$184.0 million, and total revenues of \$101.3 million. After funding total expenses of \$91.6 million, net position for business-type activities increased by \$9.7 million to \$193.7 million at June 30, 2022.

## FUND FINANCIAL ANALYSIS

### General Fund

The General Fund is the primary operating fund of the City. Fund balance increased by \$49.8 million for the fiscal year ended June 30, 2022, with an ending balance of \$162.2 million.

Below is a three-year trend analysis on the fund balance of the General Fund. For additional information, please refer to the *Notes to Basic Financial Statements*.

#### **City of Garden Grove's General Fund Fund Balance Three-Year Trend Information (in millions)**

	<u>FY 2021-22</u>	<u>FY 2020-21</u>	<u>FY 2019-20</u>
Fund Balances:			
Nonspendable	\$ 10.6	\$ 11.3	\$ 14.4
Restricted	6.2	6.0	5.0
Committed	22.5	22.5	22.5
Assigned	2.7	2.7	3.2
Unassigned	120.2	69.9	37.2
Total Fund Balance	<u>\$ 162.2</u>	<u>\$ 112.4</u>	<u>\$ 82.3</u>
Fund Balance - Beginning	\$ 112.4	\$ 82.3	\$ 67.1
Excess revenues over expenditures	49.2	29.5	15.2
Transfers	0.6	0.6	(0.9)
Gain on sale of capital assets	-	-	0.9
Fund Balance - Ending	<u>\$ 162.2</u>	<u>\$ 112.4</u>	<u>\$ 82.3</u>

For fiscal year ended June 30, 2022, revenues exceeded expenditures by \$49.2 million. While expenditures had a mild increase of \$5.3 million, revenues enjoyed a \$25.0 million boost. The largest increase was in TOT, in the amount of \$16.3 million, second by sales tax increase of \$10.4 million. For the General Fund, property taxes remained the largest revenue, closed the year at \$59.8 million, followed by sales tax in the amount of \$58.8 million, and TOT of \$23.4 million. Total taxes amounted to \$147.4 million, representing 80.3% of overall General Fund revenue.

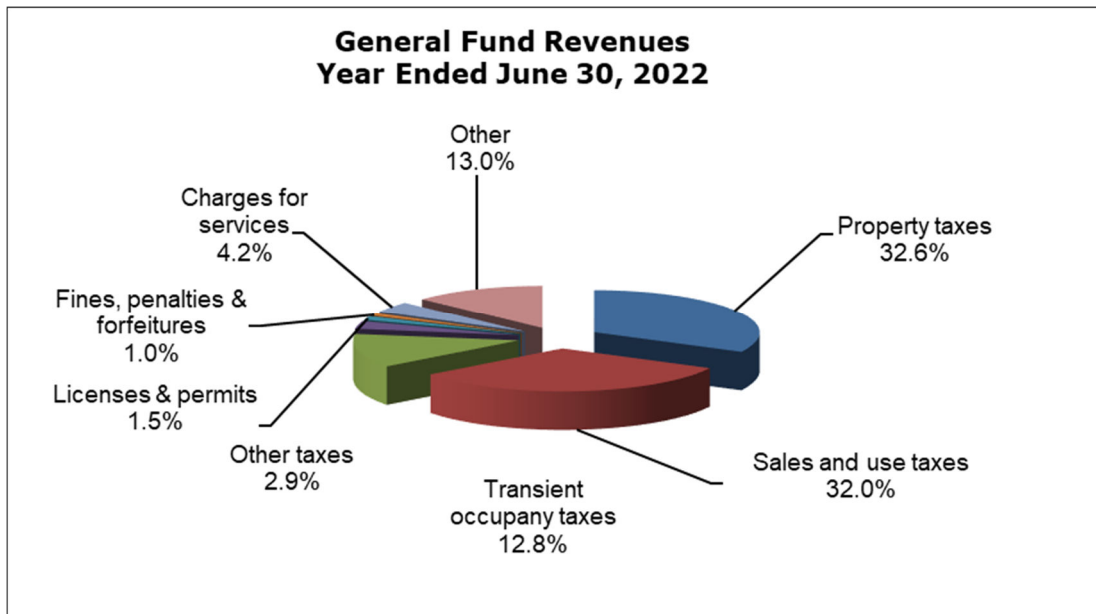


## CITY OF GARDEN GROVE

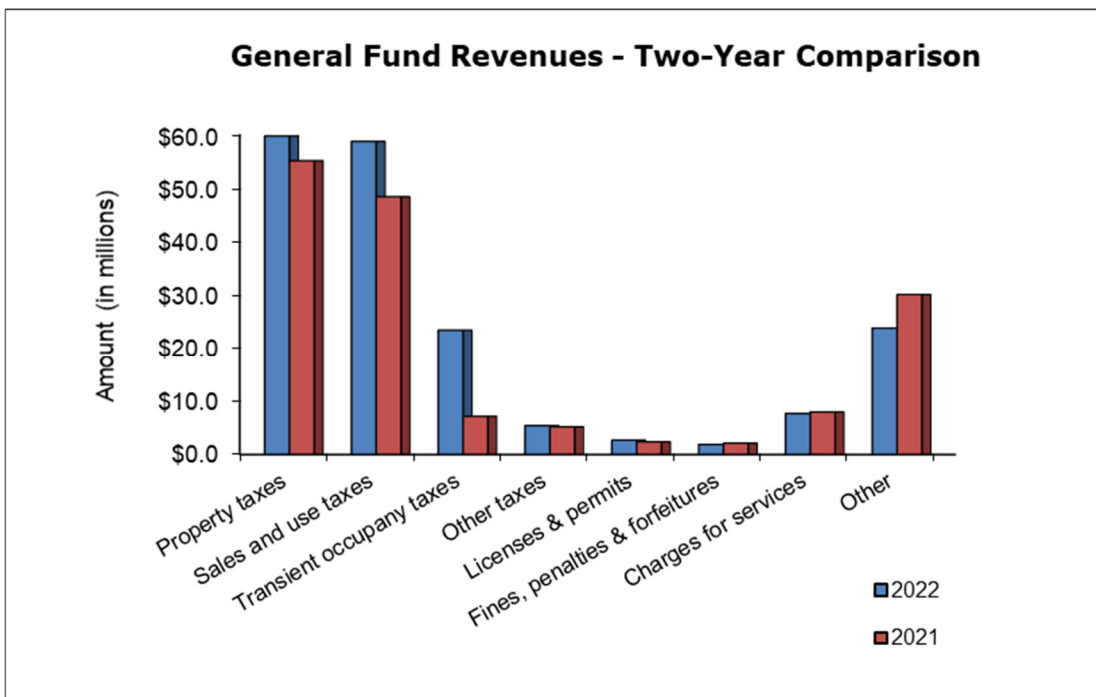
### Management's Discussion and Analysis (continued)

June 30, 2022

The graph below illustrates General Fund revenues by major sources:



A two-year comparison of each General Fund revenue source for the fiscal years ended June 30, 2022 and June 30, 2021 is presented below:



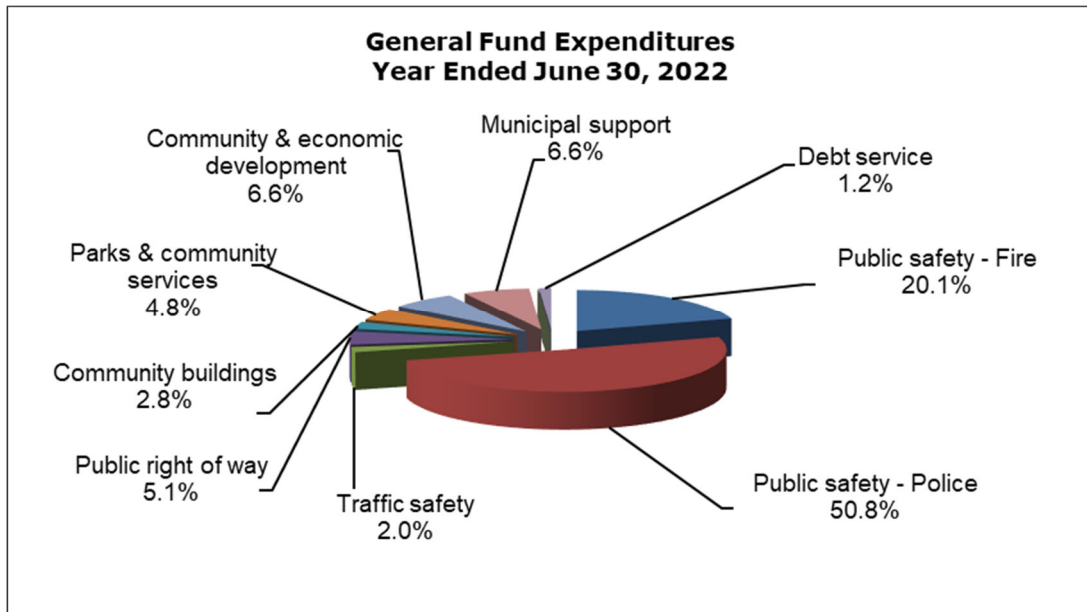
## CITY OF GARDEN GROVE

### Management's Discussion and Analysis (continued)

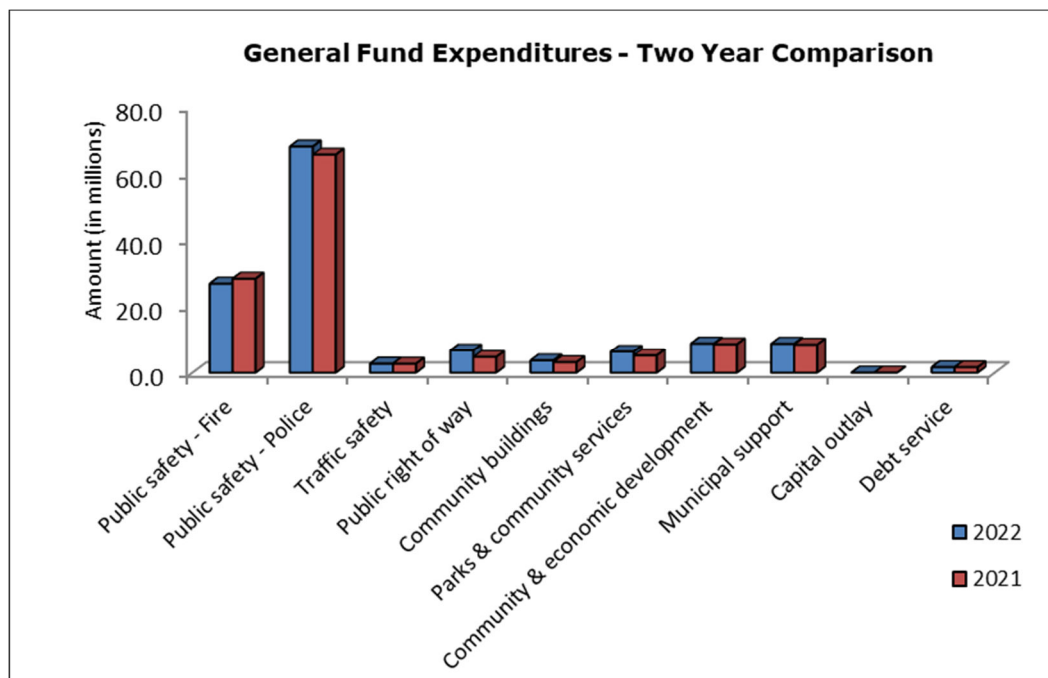
June 30, 2022

Overall General Fund expenditures increased by \$5.3 million compared to the previous year. The largest increase was in the Public Safety – Police (\$2.5 million) and Public Right of Way (\$2.0 million). Both functional areas had devoted significant amount of resources during the post-pandemic to maintain safety, provide assistance and support local businesses.

The graph below illustrates General Fund expenditures by category:



A two-year comparison of each General Fund expenditure category is shown below:



## CITY OF GARDEN GROVE

### Management's Discussion and Analysis (continued)

June 30, 2022

## CAPITAL ASSETS

The capital assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets, buildings and facilities, furniture, machinery and equipment, land, and construction in progress. At June 30, 2022, net capital assets totaled \$639.4 million for the governmental activities, and \$171.3 million for the business-type activities respectively. Depreciation on capital assets is recognized in the government-wide financial statements. Please refer to *Notes to Basic Financial Statements (Note 8)* for additional information.

The table below presents comparative summary information on the City's capital assets:

**City of Garden Grove's Capital Assets  
Net of Depreciation (in millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Land	\$ 413.0	\$ 413.0	\$ 5.1	\$ 5.1	\$ 418.1	\$ 418.1
Streets	154.7	155.9	-	-	154.7	155.9
Storm drainage	23.6	25.1	-	-	23.6	25.1
Water system	-	-	85.7	89.5	85.7	89.5
Sewer system	-	-	65.3	67.2	65.3	67.2
Buildings and improvements	23.6	25.1	0.2	0.3	23.8	25.4
Furniture, machinery & equipment	17.1	16.7	0.2	0.3	17.3	17.0
Construction in progress	7.3	3.1	14.4	1.7	21.7	4.8
Right to use assets	0.1	-	0.4	-	0.5	-
Total Capital Assets	<u>\$ 639.4</u>	<u>\$ 638.9</u>	<u>\$ 171.3</u>	<u>\$ 164.1</u>	<u>\$ 810.7</u>	<u>\$ 803.0</u>

## DEBT ADMINISTRATION

The City continued its efforts to reduce its long-term debt obligation. In addition to steadily paying down its outstanding long term obligations, the City implemented a Pension Funding Policy in August 2019 to proactively and effectively manage its unfunded pension liability. An IRC Section 115 Trust was established in November 2019 accordingly.

In November 2020, the City refunded its 2010 Water Revenues Bonds, and realized a net present value savings of \$1.6 million, or 15.3% of the refunded debt.

The schedule of outstanding long-term debt with comparative amounts for the previous fiscal year is presented below. For additional information on the City's long-term debt, please refer to *Notes to Basic Financial Statements (Note 9)*.

**CITY OF GARDEN GROVE**

## Management's Discussion and Analysis (continued)

June 30, 2022

**City of Garden Grove's Outstanding Debt  
(in millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Lease revenue bonds	\$ 21.2	\$ 21.8	\$ -	\$ -	\$ 21.2	\$ 21.8
Capital leases payable	0.2	0.1	0.4	0.1	0.6	0.2
Revenue bonds	-	-	35.8	36.4	35.8	36.4
Certificates of participation	-	-	1.9	2.9	1.9	2.9
Unamortized bond premium	1.2	1.3	4.2	4.4	5.4	5.7
Total Outstanding Debt	<u>\$ 22.6</u>	<u>\$ 23.2</u>	<u>\$ 42.3</u>	<u>\$ 43.8</u>	<u>\$ 64.9</u>	<u>\$ 67.0</u>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund appropriations were originally adopted for \$178.4 million for Fiscal Year 2021-22. Final appropriations were increased by \$3.0 million to \$181.4 million. The additional appropriation was to fund for the civic center capital improvement project, a development and disposition agreement, and certain mandated programs.

Below is a summary of changes made to the adopted budget:

Original Budget	\$ 178,443,843
Supplemental Changes	3,010,941
Final Budget	<u>\$ 181,454,784</u>

At June 30, 2022, the City's General Fund concluded the year with a net favorable variance of \$51.5 million. Although the City strives to develop a budget that accurately aligns available resources and operational needs, many unforeseen situations arise during the year. Therefore, at the end of each year, budget variances were carefully reviewed and analyzed. The majority of the \$51.5 million favorable variance was unspent funds on major capital projects, including the Civic Center/Public Safety Facility Project (\$19.9 million), and the Pavement Acceleration Program (\$17.5 million). The total unspent capital budget in the amount of \$37.4 million were carried over into the next year to complete these projects. Personnel cost savings due to vacancy totaled about \$3.3 million, and the remaining balance were for unspent contract amount as of June 30, 2022. These funds were encumbered and re-appropriated in Fiscal Year 2022-23.

## CITY OF GARDEN GROVE

### Management's Discussion and Analysis (continued)

June 30, 2022

Table below shows the budget variance in each category, revenue, expenditure and transfers:

<b>City of Garden Grove Budget to Actual Comparison</b>				
<b>(in millions)</b>				
	Revenue	Expenditure	Transfer & Other Sources	Budget Variance
Final Budget	\$ 178.4	\$ 179.9	\$ (0.2)	
Actual	183.4	134.2	0.6	
Favorable/(Unfavorable)				
Budget Variance	<u>\$ 5.0</u>	<u>\$ 45.7</u>	<u>\$ 0.8</u>	<u>\$ 51.5</u>

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact the City of Garden Grove's Finance Department at 11222 Acacia Parkway, Garden Grove, California, 92840, phone number 714-741-5060, or e-mail [finance@ggcity.gov](mailto:finance@ggcity.gov).



# Basic Financial Statements

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**CITY OF GARDEN GROVE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Cash and investments	\$ 286,770,406	\$ 95,216,788	\$ 381,987,194
Cash and investments with fiscal agents	1,343,911	11,471,505	12,815,416
Cash and investments with pension trust	2,129,403	-	2,129,403
Taxes receivable	15,961,683	423,132	16,384,815
Accounts receivable	1,528,775	8,197,298	9,726,073
Interest receivable	179,782	60,617	240,399
Intergovernmental receivable	6,572,956	20,952	6,593,908
Internal balances	7,888,182	(7,888,182)	-
Inventory	476,028	12,589	488,617
Deposits and prepaid items	335,480	137,943	473,423
Notes receivable, net	32,225,690	2,488	32,228,178
Leases receivable	2,587,837	-	2,587,837
Due from Successor Agency	6,054,260	-	6,054,260
Land held for resale	2,819,063	-	2,819,063
Prepaid bond insurance costs	94,719	-	94,719
Capital assets:			
Land	412,953,682	5,142,500	418,096,182
Construction in progress	7,287,900	14,368,174	21,656,074
Depreciable capital assets, net	219,139,949	151,799,157	370,939,106
Total assets	1,006,349,706	278,964,961	1,285,314,667
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding of debt	-	82,876	82,876
OPEB related items	25,367,894	4,007,290	29,375,184
Pension related items	28,951,113	4,295,810	33,246,923
Total deferred outflows	54,319,007	8,385,976	62,704,983
<b>LIABILITIES</b>			
Accounts payable	7,905,202	8,868,063	16,773,265
Accrued liabilities	2,678,980	678,253	3,357,233
Refundable deposits	3,406,875	1,740,812	5,147,687
Interest payable	322,317	59,875	382,192
Unearned revenue	2,628	-	2,628
Noncurrent liabilities:			
Due within one year	15,696,972	3,453,915	19,150,887
Due in more than one year	61,350,270	39,784,871	101,135,141
OPEB liability	42,063,674	6,644,673	48,708,347
Net pension liability	195,757,920	21,586,020	217,343,940
Total liabilities	329,184,838	82,816,482	412,001,320
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unamortized gain on refunding of debt	-	150,244	150,244
Lease related	2,567,704	-	2,567,704
OPEB related items	9,758,409	1,541,508	11,299,917
Pension related items	59,400,736	9,107,212	68,507,948
Total deferred inflows	71,726,849	10,798,964	82,525,813
<b>NET POSITION</b>			
Net investment in capital assets	618,070,155	129,172,972	747,243,127
Restricted for:			
Public safety	3,601,071	-	3,601,071
Public right of way	12,287,620	-	12,287,620
Drainage	106,625	-	106,625
Community planning and development	53,021,485	-	53,021,485
Community services	8,342,610	-	8,342,610
Unrestricted	(35,672,540)	64,562,519	28,889,979
Total net position	\$ 659,757,026	\$ 193,735,491	\$ 853,492,517

The notes to basic financial statements are an integral part of this statement.



**CITY OF GARDEN GROVE  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program Revenue</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
Fire	\$ 27,034,678	\$ 740,428	\$ 1,561,904
Police	64,171,942	2,889,425	25,611,843
Traffic safety	5,839,345	1,364,858	258,366
Public right of way	16,553,055	429,175	13,145,718
Drainage	1,588,857	-	-
Community buildings	4,780,358	443,749	35,258
Community services	5,089,557	967,702	-
Economic development	3,595,413	-	59,390
Parks and greenbelts	2,294,418	576,528	80,305
Community planning and development	9,248,379	4,118,449	8,117,394
Municipal support	7,595,103	1,806,305	371,423
Interest on long term debt	1,058,117	-	-
Total governmental activities	148,849,222	13,336,619	49,241,601
Business-type activities:			
Water utility	35,861,720	43,256,322	-
Sewage collection	8,538,953	12,025,031	-
Housing authority	43,523,883	-	43,400,170
Solid waste disposal	1,885,527	3,940,690	-
Golf course	1,763,158	1,744,025	-
Total business-type activities	91,573,241	60,966,068	43,400,170
Total	\$ 240,422,463	\$ 74,302,687	\$ 92,641,771

General revenues:

Taxes:

Sales taxes

Property taxes, levied for general purposes

Franchise taxes

Business operation taxes

Transient occupancy taxes

Motor vehicle taxes, unrestricted

Investment income (loss)

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated

Net position, end of year

*The notes to basic financial statements are an integral part of this statement.*

Net (Expense) Revenue and Changes in Net Position			
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ -	\$ (24,732,346)	\$ -	\$ (24,732,346)
-	(35,670,674)	-	(35,670,674)
468,117	(3,748,004)	-	(3,748,004)
-	(2,978,162)	-	(2,978,162)
130,118	(1,458,739)	-	(1,458,739)
-	(4,301,351)	-	(4,301,351)
-	(4,121,855)	-	(4,121,855)
-	(3,536,023)	-	(3,536,023)
2,844,075	1,206,490	-	1,206,490
-	2,987,464	-	2,987,464
-	(5,417,375)	-	(5,417,375)
-	(1,058,117)	-	(1,058,117)
3,442,310	(82,828,692)	-	(82,828,692)
-	-	7,394,602	7,394,602
-	-	3,486,078	3,486,078
-	-	(123,713)	(123,713)
-	-	2,055,163	2,055,163
-	-	(19,133)	(19,133)
-	-	12,792,997	12,792,997
\$ 3,442,310	\$ (82,828,692)	\$ 12,792,997	\$ (70,035,695)
	59,702,605	-	59,702,605
	59,508,746	-	59,508,746
	2,538,622	-	2,538,622
	5,489,432	-	5,489,432
	24,508,840	-	24,508,840
	199,254	-	199,254
	(8,007,185)	(3,072,219)	(11,079,404)
	242,297	-	242,297
	38,554	(38,554)	-
	144,221,165	(3,110,773)	141,110,392
	61,392,473	9,682,224	71,074,697
	598,364,553	184,053,267	782,417,820
\$ 659,757,026	\$ 193,735,491	\$ 853,492,517	

**CITY OF GARDEN GROVE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	General Fund	Other Grants and Contributions	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash investments	\$ 138,234,243	\$ 2,815,075	\$ 33,256,848	\$ 174,306,166
Cash and cash investments with fiscal agents	42	-	1,343,869	1,343,911
Cash and investments with pension trust	2,129,403	-	-	2,129,403
Taxes receivable	14,534,466	-	1,427,217	15,961,683
Accounts receivable	1,421,326	73,060	8,024	1,502,410
Interest receivable	82,054	2,395	21,182	105,631
Intergovernmental receivable	1,470,406	3,119,368	1,983,182	6,572,956
Intercity loans receivable, net	10,632,394	-	-	10,632,394
Due from other funds	244,990	-	-	244,990
Due from Successor Agency	-	-	6,054,260	6,054,260
Deposits and prepaid items	85,215	180	30,875	116,270
Notes receivable, net	2,393,824	3,691,720	26,140,146	32,225,690
Leases receivable	2,587,837	-	-	2,587,837
Land held for resale	2,300,000	-	519,063	2,819,063
Total assets	<u>\$ 176,116,200</u>	<u>\$ 9,701,798</u>	<u>\$ 70,784,666</u>	<u>\$ 256,602,664</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 2,433,646	\$ 1,798,258	\$ 2,717,618	\$ 6,949,522
Accrued liabilities	1,624,685	108,673	275,656	2,009,014
Refundable deposits	3,406,875	-	-	3,406,875
Intercity loan payable	2,435,745	-	-	2,435,745
Unearned revenue	-	2,628	-	2,628
Due to other funds	71,587	1,132	488,546	561,265
Total liabilities	<u>9,972,538</u>	<u>1,910,691</u>	<u>3,481,820</u>	<u>15,365,049</u>
Deferred inflows of resources:				
Unavailable revenue	1,310,659	814,997	740,732	2,866,388
Lease related	2,567,704	-	-	2,567,704
Total Deferred inflows	<u>3,878,363</u>	<u>814,997</u>	<u>740,732</u>	<u>5,434,092</u>
Fund balances:				
Non-Spendable:				
Intercity loan	8,196,649	-	-	8,196,649
Prepaid items	85,215	180	30,875	116,270
Land held for resale	2,300,000	-	-	2,300,000
Restricted:				
Public safety	35,426	237,735	3,444,449	3,717,610
Fire protection	55,170	-	-	55,170
Public right of way	280	1,191,456	11,154,961	12,346,697
Drainage	-	-	106,625	106,625
Community planning and development	4,260,938	4,051,408	43,894,142	52,206,488
Community services	176,535	231,264	7,934,811	8,342,610
Municipal support and services	47,566	1,264,067	-	1,311,633
Pension trust	1,634,947	-	-	1,634,947
Committed:				
Stability reserve	22,500,000	-	-	22,500,000
Assigned:				
Post-employment benefits	1,000,000	-	-	1,000,000
Building improvements	1,300,000	-	-	1,300,000
General plan	428,622	-	-	428,622
Unassigned	120,243,951	-	(3,749)	120,240,202
Total fund balances	<u>162,265,299</u>	<u>6,976,110</u>	<u>66,562,114</u>	<u>235,803,523</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 176,116,200</u>	<u>\$ 9,701,798</u>	<u>\$ 70,784,666</u>	<u>\$ 256,602,664</u>

The notes to basic financial statements are an integral part of this statement.

**CITY OF GARDEN GROVE**  
**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

**Amounts reported for governmental activities in the statement of net position are different because:**

Fund balances - total governmental funds (page 26)	\$ 235,803,523
Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the governmental funds balance sheet.	
Capital assets	983,552,177
Accumulated depreciation	(357,522,862)
Certain notes, grants, and accounts receivables are not available to pay for current period expenditures, and therefore are offset by deferred inflows of resources in the governmental funds.	2,866,388
Internal service funds are used by management to charge the costs of various city activities to individual governmental and business-like funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	62,798,700
The issuance of long term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long term debt and related items.	
Long term debt	(21,407,014)
Bond premium	(1,232,297)
Prepaid bond issuance costs	94,719
Accrued interest payable	(322,317)
The OPEB liability is not due and payable in the current period and, therefore, is not reported in the balance sheet of the governmental funds. Also, deferred inflows and outflows of resources related to OPEB costs are deferred and amortized in the statement of activities. This amount is the net effect of the treatment of OPEB liability and deferred outflows of resources from OPEB contributions.	(25,327,705)
The pension liability is not due and payable in the current period and, therefore, is not reported in the balance sheet of the governmental funds. Also, deferred inflows and outflows of resources related to pension costs are deferred and amortized in the statement of activities. This amount is the net effect of the treatment of net pension liability, deferred outflows of resources from pension contributions and deferred inflows of resources for the net difference between projected and actual earnings on pension plan investments.	(219,546,286)
Net position of governmental activities	<u>\$ 659,757,026</u>

*The notes to basic financial statements are an integral part of this statement.*

**CITY OF GARDEN GROVE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	General Fund	Other Grants and Contributions	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ 147,355,942	\$ -	\$ 3,513,575	\$ 150,869,517
Licenses and permits	2,704,550	-	58,149	2,762,699
Fines, forfeits and penalties	1,859,264	686,745	-	2,546,009
Investment earnings (loss)	(4,217,678)	149,151	(525,070)	(4,593,597)
Charges for current services	7,670,580	-	5,630,365	13,300,945
From other agencies	24,654,556	7,419,644	13,247,548	45,321,748
Other revenues	3,367,097	-	127,239	3,494,336
Total revenues	183,394,311	8,255,540	22,051,806	213,701,657
<b>EXPENDITURES:</b>				
Current:				
Fire	26,975,339	-	-	26,975,339
Police	68,181,105	1,001,878	1,938,307	71,121,290
Traffic safety	2,708,284	433,194	2,521,096	5,662,574
Public right of way	6,781,007	2,361,940	9,913,643	19,056,590
Community buildings	3,713,197	-	-	3,713,197
Community services	4,805,877	496,624	464,409	5,766,910
Economic development	1,778,841	-	1,812,734	3,591,575
Parks and greenbelts	1,601,155	-	1,351,336	2,952,491
Community planning and development	7,136,889	2,947,235	1,011,380	11,095,504
Municipal support	8,856,198	-	155,063	9,011,261
Debt service:				
Principal retirement	541,101	8,837	42,329	592,267
Interest	1,093,121	22	381	1,093,524
Total expenditures	134,172,114	7,249,730	19,210,678	160,632,522
Excess of revenues over expenditures	49,222,197	1,005,810	2,841,128	53,069,135
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,443,302	-	831,837	2,275,139
Transfers out	(831,837)	-	(616,344)	(1,448,181)
Total other financing (uses)	611,465	-	215,493	826,958
Net change in fund balances	49,833,662	1,005,810	3,056,621	53,896,093
Fund balances, beginning of year	112,431,637	5,970,300	63,505,493	181,907,430
Fund balances, end of year	\$ 162,265,299	\$ 6,976,110	\$ 66,562,114	\$ 235,803,523

The notes to basic financial statements are an integral part of this statement.

**CITY OF GARDEN GROVE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Amounts reported for governmental activities in the statement of activities are different because:**

Net change in fund balances - total governmental funds	\$ 53,896,093
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expenses exceeded capital outlays in the current period.

Capital outlay	12,475,990
Depreciation expense	(11,671,550)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond principal payment	592,267
Change in accrued interest	8,591
Amortization of bond premium and deferred items	50,186

Some revenues in statement of activities that do not provide current financial resources are not reported as revenues in the funds.	152,466
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Internal service funds are used by management to charge the costs of certain activities, such as workers compensation, fleet management, employee benefits, telephones, information systems, risk management and warehouse operations to individual funds. The net expenses of these internal service funds are reported with governmental activities.	(12,213,949)
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OPEB costs do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(2,804,009)
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Pension costs do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	20,906,388
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Change in net position of governmental activities	<u>\$ 61,392,473</u>
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*The notes to basic financial statements are an integral part of this statement.*

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**CITY OF GARDEN GROVE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility	Sewage Collection	Housing Authority	Total Nonmajor Funds	Total Enterprise Funds	
<b>ASSETS</b>						
Current assets:						
Cash and cash investments	\$ 33,749,549	\$ 44,704,859	\$ 3,152,832	\$ 13,609,548	\$ 95,216,788	\$ 112,464,240
Cash and cash investments with fiscal agents	11,471,505	-	-	-	11,471,505	-
Taxes receivable	-	46,332	-	376,800	423,132	-
Accounts receivable	6,010,463	1,710,354	5,566	470,915	8,197,298	26,365
Interest receivable	21,623	28,659	1,771	8,564	60,617	74,151
Intergovernmental receivable	-	-	20,952	-	20,952	-
Due from other funds	-	-	-	-	-	330,941
Inventory	-	-	-	12,589	12,589	476,028
Deposits and prepaid items	6,500	22,672	19,630	89,141	137,943	219,210
Total current assets	51,259,640	46,512,876	3,200,751	14,567,557	115,540,824	113,590,935
Noncurrent assets:						
Intercity loans receivable, net	-	-	-	-	-	4,037,769
Notes receivable	-	2,488	-	-	2,488	-
Capital assets:						
Land	1,471,805	537,984	-	3,132,711	5,142,500	-
Construction in progress	8,845,483	5,502,366	-	20,325	14,368,174	705,133
Depreciable capital assets, net	86,031,733	65,332,401	202,973	232,050	151,799,157	12,647,083
Total noncurrent assets	96,349,021	71,375,239	202,973	3,385,086	171,312,319	17,389,985
Total assets	147,608,661	117,888,115	3,403,724	17,952,643	286,853,143	130,980,920
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Unamortized loss on refunding of debt	82,876	-	-	-	82,876	-
OPEB related items	2,125,606	487,844	1,149,918	243,922	4,007,290	1,080,226
Pension related items	2,140,756	1,035,934	850,064	269,056	4,295,810	1,084,025
Total deferred outflows	4,349,238	1,523,778	1,999,982	512,978	8,385,976	2,164,251
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	7,871,579	660,698	97,008	238,778	8,868,063	955,680
Accrued liabilities	364,938	247,688	56,096	9,531	678,253	669,966
Refundable deposits	539,411	-	187,371	1,014,030	1,740,812	-
Interest payable	36,887	22,974	-	14	59,875	-
Due to other funds	8,406	2,721	1,275	87	12,489	2,177
Current portion of long-term obligations						
Leases payable	-	-	154,675	111,454	266,129	15,976
Accrued compensated absences	610,133	342,005	-	-	952,138	7,677,171
Claims payable	-	-	-	-	-	7,338,593
Long-term debt	1,518,192	717,456	-	-	2,235,648	-
Total current liabilities	10,949,546	1,993,542	496,425	1,373,894	14,813,407	16,659,563
Noncurrent liabilities:						
Noncurrent portion of long-term obligations:						
Leases payable	-	-	33,034	57,586	90,620	-
Accrued compensated absences	18,870	10,578	-	-	29,448	237,438
Claims payable	-	-	-	-	-	39,138,753
Intercity loans payable	10,632,394	-	-	-	10,632,394	1,602,024
Long-term debt	26,823,912	12,840,891	-	-	39,664,803	-
Net pension liability	10,757,088	5,205,464	4,271,484	1,351,984	21,586,020	5,447,123
OPEB liability	3,524,566	808,917	1,906,732	404,458	6,644,673	1,791,173
Total noncurrent liabilities	51,756,830	18,865,850	6,211,250	1,814,028	78,647,958	48,216,511
Total liabilities	62,706,376	20,859,392	6,707,675	3,187,922	93,461,365	64,876,074
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unamortized gain on refunding of debt	-	150,244	-	-	150,244	-
OPEB related items	817,669	187,662	442,346	93,831	1,541,508	415,537
Pension related items	4,538,450	2,196,202	1,802,154	570,406	9,107,212	2,298,159
Total deferred inflows	5,356,119	2,534,108	2,244,500	664,237	10,798,964	2,713,696
<b>NET POSITION</b>						
Net investment in capital assets	68,089,793	57,664,160	202,973	3,216,046	129,172,972	13,336,240
Unrestricted	15,805,611	38,354,233	(3,751,442)	11,397,416	61,805,818	52,219,161
Total net position	\$ 83,895,404	\$ 96,018,393	\$ (3,548,469)	\$ 14,613,462	190,978,790	\$ 65,555,401
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					2,756,701	
Net position of business-type activities					\$ 193,735,491	

The notes to basic financial statements are an integral part of this statement.



**CITY OF GARDEN GROVE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>	
	<b>Water Utility</b>	<b>Sewage Collection</b>
<b>Operating revenues:</b>		
Charges for services	\$ -	\$ -
Water sales	43,243,318	-
Section 8 grant revenue	-	-
Solid waste disposal fees	-	-
Property assessments	79	4,002,836
Sewer user fees	-	8,017,955
Other	12,925	4,240
Total operating revenues	<u>43,256,322</u>	<u>12,025,031</u>
<b>Operating expenses:</b>		
Salaries and benefits	7,365,579	3,327,382
Contractual services	7,319,358	2,499,099
Liability claims	-	-
Materials and supplies	98,052	168,104
Water production expenses	15,639,458	-
Housing	-	-
Golf course operations	-	-
Depreciation and amortization	3,869,144	1,890,796
Total operating expenses	<u>34,291,591</u>	<u>7,885,381</u>
Operating income	<u>8,964,731</u>	<u>4,139,650</u>
<b>Nonoperating revenues (expenses):</b>		
Investment income (loss)	(1,109,708)	(1,436,710)
Gain on disposal of assets	-	-
Other nonoperating revenues (expenses)	(13,581)	-
Interest expense	(1,248,369)	(497,592)
Total nonoperating (expenses) revenues	<u>(2,371,658)</u>	<u>(1,934,302)</u>
Income before transfers and capital contributions	6,593,073	2,205,348
Capital contributions	-	-
Transfers in	-	-
Transfers out	(38,554)	-
Change in net position	6,554,519	2,205,348
<b>Total net position (deficit), beginning of year</b>	<u>77,340,885</u>	<u>93,813,045</u>
<b>Total net position (deficit), end of year</b>	<u>\$ 83,895,404</u>	<u>\$ 96,018,393</u>

Adjustment to reflect the consolidation of internal service fund activities to enterprise funds.

Change in net position of business-type activities.

*The notes to basic financial statements are an integral part of this statement.*

Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Housing Authority	Total Nonmajor Funds	Total Enterprise Funds	
\$ -	\$ 1,744,025	\$ 1,744,025	\$ 41,609,367
-	-	43,243,318	-
43,355,650	-	43,355,650	-
-	2,519,405	2,519,405	-
-	502,231	4,505,146	-
-	-	8,017,955	-
44,520	919,054	980,739	-
43,400,170	5,684,715	104,366,238	41,609,367
3,414,479	606,783	14,714,223	29,715,440
244,372	1,271,073	11,333,902	3,954,971
-	-	-	13,968,854
54,608	7,671	328,435	226,517
-	-	15,639,458	-
39,647,435	-	39,647,435	-
-	1,647,260	1,647,260	-
162,728	115,522	6,038,190	2,013,626
43,523,622	3,648,309	89,348,903	49,879,408
(123,452)	2,036,406	15,017,335	(8,270,041)
(95,311)	(430,490)	(3,072,219)	(3,707,098)
-	-	-	119,416
-	-	(13,581)	-
(261)	(376)	(1,746,598)	(23,370)
(95,572)	(430,866)	(4,832,398)	(3,611,052)
(219,024)	1,605,540	10,184,937	(11,881,093)
-	-	-	519,953
-	-	-	38,554
-	-	(38,554)	(826,958)
(219,024)	1,605,540	10,146,383	(12,149,544)
(3,329,445)	13,007,922		77,704,945
\$ (3,548,469)	\$ 14,613,462		\$ 65,555,401
		(454,624)	
		\$ 9,691,759	

**CITY OF GARDEN GROVE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>	
	<b>Water Utility</b>	<b>Sewage Collection</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and user departments	\$ 44,071,285	\$ 11,742,438
Payments to suppliers	(20,964,073)	(2,745,436)
Payments to employees	(8,050,537)	(3,342,034)
Payments for employee benefits	-	-
Net cash provided by operating activities	15,056,675	5,654,968
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash received from other funds	-	-
Cash paid to other funds	(986,363)	(80,237)
Net cash (used) provided by noncapital financing activities	(986,363)	(80,237)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(8,058,873)	(4,641,246)
Proceeds from sale of capital assets	-	28,183
Principal paid on capital debt	(1,068,192)	(615,000)
Interest paid on capital debt	(1,234,317)	(582,124)
Net cash (used) by capital and related financing activities	(10,361,382)	(5,810,187)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest earnings	332,341	519,207
Increase (decrease) in fair value of investments	(1,347,001)	(1,785,352)
Net cash provided by investing activities	(1,014,660)	(1,266,145)
Net (decrease) increase in cash and cash equivalents	2,694,270	(1,501,601)
Cash and cash equivalents, beginning of year	42,526,784	46,206,460
Cash and cash equivalents, end of year	\$ 45,221,054	\$ 44,704,859

*The notes to basic financial statements are an integral part of this statement.*

Business-Type Activities - Enterprise Funds			Governmental Activities -
Housing Authority	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ 43,240,138	\$ 5,681,541	\$ 104,735,402	\$ 41,634,588
(39,872,466)	(2,926,159)	(66,508,134)	(13,696,506)
(2,798,013)	(697,484)	(14,888,068)	(14,551,017)
-	-	-	(16,109,833)
569,659	2,057,898	23,339,200	(2,722,768)
-	-	-	2,279,968
(50,407)	(21,663)	(1,138,670)	(469,080)
(50,407)	(21,663)	(1,138,670)	1,810,888
-	(56,484)	(12,756,603)	(1,443,820)
-	-	28,183	123,884
(163,237)	(111,280)	(1,957,709)	(97,063)
(261)	(362)	(1,817,064)	(23,389)
(163,498)	(168,126)	(16,503,193)	(1,440,388)
24,101	145,295	1,020,944	1,347,474
(110,171)	(533,508)	(3,776,032)	(4,619,127)
(86,070)	(388,213)	(2,755,088)	(3,271,653)
269,684	1,479,896	2,942,249	(5,623,921)
2,883,148	12,129,652	103,746,044	118,088,161
\$ 3,152,832	\$ 13,609,548	\$ 106,688,293	\$ 112,464,240

(continued)

**CITY OF GARDEN GROVE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>	
	<b>Water Utility</b>	<b>Sewage Collection</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 8,964,731	\$ 4,139,650
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	3,869,144	1,890,796
Other nonoperating revenues (expenses)	(13,581)	(28,183)
Decrease (increase) in taxes receivable	-	(8,209)
Decrease (increase) in accounts receivable	796,986	(275,937)
Decrease (increase) in intergovernmental receivable	-	-
Decrease (increase) in notes receivable	-	1,553
Decrease (increase) in inventory	-	-
Decrease (increase) in prepaid expenses	(5,313)	(9,065)
Increase (decrease) in accounts payable	1,950,285	(58,925)
Increase (decrease) in accrued compensated absences	16,009	219,565
Increase (decrease) in accrued liabilities	147,823	17,940
Increase (decrease) in refundable deposits	31,558	-
Increase (decrease) in claims payable	-	-
Increase (decrease) in OPEB liability and related changes in deferred outflows and inflows of resources	332,173	131,481
Increase (decrease) in net pension liability and related changes in deferred outflows and inflows of resources	(1,033,140)	(365,698)
Total adjustments	6,091,944	1,515,318
Net cash provided by operating activities	\$ 15,056,675	\$ 5,654,968
<b>Non-cash capital and related financing activities</b>		
Capital assets contributed from other funds	\$ -	\$ -

*The notes to basic financial statements are an integral part of this statement.*

Business-Type Activities - Enterprise Funds			Governmental Activities-
Housing Authority	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ (123,452)	\$ 2,036,406	\$ 15,017,335	\$ (8,270,041)
162,728	115,522	6,038,190	2,013,626
-	-	(41,764)	-
-	(180,925)	(189,134)	-
2,554	(281,749)	241,854	25,221
(20,952)	-	(20,952)	-
-	-	1,553	-
-	(4,918)	(4,918)	(46,193)
(6,311)	8,104	(12,585)	(118,148)
79,464	(3,341)	1,967,483	-
-	-	235,574	(387,258)
796	(14,078)	152,481	(199,438)
(141,634)	459,500	349,424	214,269
-	-	-	3,920,092
638,396	51,365	1,153,415	150,519
(21,930)	(127,988)	(1,548,756)	(25,417)
693,111	21,492	8,321,865	5,547,273
\$ 569,659	\$ 2,057,898	\$ 23,339,200	\$ (2,722,768)
\$ -	\$ -	\$ -	\$ 519,953

**CITY OF GARDEN GROVE  
STATEMENT OF FIDUCIARY NET POSITION  
CITY OF GARDEN GROVE AS SUCCESSOR AGENCY  
TO THE GARDEN GROVE REDEVELOPMENT AGENCY  
PRIVATE PURPOSE TRUST FUND  
JUNE 30, 2022**

**ASSETS**

Current assets:

Cash and cash investments	\$ 19,115,481
Cash and cash investments with fiscal agents	4,090,176
Accounts receivable	10,650
Interest receivable	12,394
Total current assets	<u>23,228,701</u>

Noncurrent assets:

Prepaid bond insurance costs	411,885
Land held for resale	25,249,639
Total noncurrent assets	<u>25,661,524</u>

Total assets	<u>48,890,225</u>
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**DEFERRED OUTFLOWS OF RESOURCES**

Unamortized loss on refunding of debt	250,822
Total deferred outflows	<u>250,822</u>

**LIABILITIES**

Current liabilities:

Accounts payable	97,840
Accrued liabilities	5,103
Interest payable	615,725
Due to other funds	41
Current portion of long-term obligations	5,876,557
Total current liabilities	<u>6,595,266</u>

Noncurrent liabilities:

Noncurrent portion of long-term obligations:	
Long-term debt	58,326,007
Total noncurrent liabilities	<u>58,326,007</u>
Total liabilities	<u>64,921,273</u>

**NET POSITION**

Held in trust for redevelopment dissolution	<u><u>\$ (15,780,226)</u></u>
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*The notes to basic financial statements are an integral part of this statement.*

**CITY OF GARDEN GROVE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CITY OF GARDEN GROVE AS SUCCESSOR AGENCY  
TO THE GARDEN GROVE REDEVELOPMENT AGENCY  
PRIVATE PURPOSE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**ADDITIONS**

Taxes	\$ 3,301,040
Investment earnings (loss)	(618,471)
Other revenues	17,250
Total additions	<u>2,699,819</u>

**DEDUCTIONS**

Program expenses	580,308
Administrative expenses	508,730
Interest and fiscal agency expenses	1,923,878
Total deductions	<u>3,012,916</u>

**CHANGE IN NET POSITION** (313,097)

**NET POSITION, BEGINNING OF YEAR** (15,467,129)

**NET POSITION, END OF YEAR** \$ (15,780,226)

*The notes to basic financial statements are an integral part of this statement.*



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**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2022**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Garden Grove (the "City") was incorporated June 18, 1956 as a general law full-service city. The City operates under a council-manager form of government and provides the following services: public safety (police, fire, and paramedics), highways and streets, social services, culture and recreation, parks, planning, zoning, housing, water, solid waste collection and disposal, sewage services and general administration. On May 10, 2016, the City of Garden Grove adopted Ordinance No. 2866 changing the City's current at-large system of electing City Council Members to a by-district system. It took effect in fiscal year 2016-2017. The Mayor is elected at-large. City Council members are elected by six districts, and he or she must reside within the designated district boundary.

**1. Reporting Entity**

Accounting principles, generally accepted in the United States of America, require that these financial statements present the City (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (e.g. the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The component units discussed in this note are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended component units:

- a. The Garden Grove Housing Authority (the "Housing Authority") was established in October 1975, pursuant to the provisions of the Housing and Community Development Act of 1974 and is reported as an enterprise fund as if it were part of the primary government because the governing board is comprised of the City Council, although acting in a different capacity, and two Housing Authority tenants. The Housing Authority governing board approves the Housing Authority budget and the City provides staffing.
- b. The Garden Grove Sanitary District (the "Sanitary District") began its operations in 1924 as a special district operating under the authority of the State of California. The Health and Safety Code of California (the Sanitary District Act of 1923) is the governing law. The Garden Grove Sanitary District provides the City of Garden Grove, a portion of the City of Santa Ana and County of Orange unincorporated areas with sewer maintenance services including cleaning of sewage collection line and inspection of sewage lines built within the district by developers. Garden Grove has an agreement with Republic Services to provide an exclusive franchise for Solid Waste Handling Services for residents and commercial establishments within the Garden Grove Sanitary District. The district became a subsidiary district and component unit of the City of Garden Grove on May 30, 1997. The Sanitary District is reported as two enterprise funds, the Sewage Collection enterprise fund and Solid Waste Disposal enterprise fund as if it were part of the primary government because the City Council, although acting in a different capacity, is the governing board. Council members approve the Sanitary District budget and the City provides staffing.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1. Reporting Entity (continued)**

- c. The Garden Grove Public Financing Authority (the "Authority") was established on June 22, 1993 as a joint powers agency organized under the laws of the State of California. The Authority was formed to assist in the financing of public and capital improvements. The Authority's financial data and transactions are included within enterprise funds. The Authority is administered by the Board who are the members of the City Council and the Mayor. Council members approve the Authority budget and the City provides staffing.

Separate reports are not issued for the Garden Grove Housing Authority, the Garden Grove Sanitary District, or the Garden Grove Public Financing Authority.

All components of the reporting entity are reported on a July 1 through June 30 fiscal year.

**2. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions that are restricted to meeting the operational requirement of a particular function or segment, and 3) capital grants and contributions that are restricted to meeting the capital requirement of a particular function or segment and other miscellaneous revenues that directly benefit a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and the fiduciary fund. Major governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Grant funds received before the revenue recognition criteria have been met are reported as unearned revenues.

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as in accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, franchise taxes, licenses, revenues from other agencies and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental and enterprise funds:

***General Fund***

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

***Other Grants and Contributions Fund***

The City is the recipient of numerous other federal, state and county grants, plus contributions from other sources. These grants and contributions are accounted for in this fund.

***Water Utility Fund***

The purpose of this fund is to account for the City's water system. Resources of the fund are applied to construction, operation, maintenance and debt service obligations of the water system. Financing is provided by revenue of the water utility.

***Sewage Collection Fund***

The Garden Grove Sanitary District comprises two funds, the Sewage Collection Fund and the Solid Waste Disposal Fund. Resources of the Sewage Collection Fund are applied to the operation and maintenance of the City's sewer system.

***Housing Authority Fund***

The Housing Authority Fund accounts for revenues and expenses pertaining to the Federal Section 8 Housing Program.

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(continued)**

Additionally, the City reports the following fund types:

***Nonmajor Enterprise Funds***

Other nonmajor enterprise funds consists of the Solid Waste Disposal Fund and the Golf Course Fund. The Solid Waste Disposal Fund accounts for the operation of trash and solid waste collections, and disposal services. The Golf Course Fund was established to account for the operations of the Willowick Golf Course.

***Internal Service Funds***

The internal service funds account for workers' compensation, fleet management, employee benefits, information systems, warehouse operations, telephone system, risk management, and communication replacement services provided to City departments on a cost reimbursement basis.

***Private-Purpose Trust Fund***

The Private-Purpose Trust Fund accounts for the fiduciary responsibilities that are assigned to the Successor Agency pursuant to the Dissolution Act.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and various other governmental funds. Elimination of these charges would distort the direct costs and program revenues reported for the function concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) fines, forfeitures and penalties; 3) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function; and 4) other miscellaneous revenues that directly benefit a particular function and do not fit into any other category. General revenues include all taxes, investment income, and gain on sale of assets.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. Assets, Liabilities, and Net Position or Fund Balance**

**a. Deposits and Investments**

The City pools idle cash from all funds in order to maximize income from investment activities. Investments are recorded on the City's books at fair value (quoted market price or best available estimate thereof). Interest income on investments is allocated to individual funds on the basis of monthly cash and investment balances except for the Employee Benefits, Warehouse Operations, and Telephone System Internal Service Funds by management decision.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City Council adopted a Pension Funding Policy in 2019. Accordingly, an Internal Revenue Services Section 115 Trust was established to prefund pension obligations. The trust is a tax-exempt irrevocable trust, trust assets are to be used exclusive for payment of pension liabilities. Assets held in the trust are reported as restricted cash investments in the General Fund.

**b. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter fund loans) or "intercity loan receivable/payable" (i.e., the non-current portion of inter fund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Intercity loans receivable, as reported in the fund financial statements, are offset by a non-spendable fund balance in applicable governmental funds to indicate that they are not in spendable form.

Utility accounts are billed on a bi-monthly basis. Receivables for water and sewer are recorded when consumption is billed. Unbilled receivables are recorded at fiscal year-end to adjust for the billing cycle and are included as accounts receivable in the Water and Sewer Funds. Sanitary refuse collection accounts are billed quarterly by the refuse hauler and payments are received by the refuse hauler.

**c. Taxes Receivable**

Property taxes in California are levied in accordance with Article 13A of the State Constitution at one percent of county-wide assessed valuations. This one percent is allocated pursuant to state law to appropriate units of local government. A voter-approved property tax of eight cents per hundred dollars actual value is levied against all property in the City for the purpose of providing emergency medical services. Furthermore, the voters approved a one-cent sale tax measure that commits 100% of the revenue to the City.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. Assets, Liabilities, and Net Position or Fund Balance (continued)**

**c. Taxes Receivable (continued)**

In the governmental fund statements, property tax revenue is recognized in the fiscal year for which taxes have been levied, provided that the revenue is collected in the current period or will be collected within 60 days thereafter.

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First Installment - November 1 Second Installment - February 1
Delinquent Date:	First Installment - After December 10 Second Installment - After April 10

**d. Inventory, Prepaid Items, and Land Held for Resale**

Inventory is valued at cost using the first in, first out (FIFO) method. Inventory in the proprietary funds consists of expendable supplies held for future consumption. The cost is recorded as an expense as inventory items are consumed.

Land held for resale is valued at lower of cost or estimated net realizable value, determined upon execution of a disposition and development agreement, at June 30, 2022 and is located in the General Fund, Housing Successor Agency Capital Projects Fund, and the Successor Agency Trust Fund.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City uses the purchase method to record prepaid items.

**e. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, sidewalks, medians, traffic signals, storm drains) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund and fiduciary fund financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are capitalized at cost. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. Assets, Liabilities, and Net Position or Fund Balance (continued)**

**e. Capital Assets (continued)**

Major outlays for capital assets and improvements are capitalized as projects when constructed. Prior to the implementation of GASB 89, the net interest costs incurred in the financing of projects during the construction period were only capitalized in the enterprise funds. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds of tax-exempt debt over the same period.

Plant, infrastructure, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u><b>Assets</b></u>	<u><b>Years</b></u>
Buildings	30
Building improvements	20
Street infrastructure:	
Pavement	30
Curbs & gutters	50
Sidewalks	50
Medians	50
Traffic signals	20
Walls	50
Driveways	50
Storm drain infrastructure	50
Water infrastructure:	
Fire hydrants	45
Pump stations	10
Reservoirs	65
Water mains	77
Water meters	25
Water pumps & meters	20
Wells	40
Sewer infrastructure	60
Vehicles	3-20
Right-to-use assets	varies
Furniture and equipment	10

**f. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future period(s) and so, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three types of items that qualify for reporting in this category. Two of the items are the deferred charge from pension-related items and deferred charges related to OPEB. The other item is the unamortized loss on refunding of debt which is reported in the government-wide statement of net position, proprietary funds' statement of net position and statement of fiduciary net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.



**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. Assets, Liabilities, and Net Position or Fund Balance (continued)**

**f. Deferred Outflows/Inflows of Resources (continued)**

In addition to liabilities, the statement of net position or balance sheet of governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to a future period(s) and so, will not be recognized as an inflow of resources (revenue) until that time. The City has five types of items which qualify for reporting in this category. Three of the items are deferred items from pension-related items, deferred charges related to OPEB and deferred items from lease-related items. The fourth item, unamortized gain on refunding of debt, is presented on the government-wide statement of net position and on the proprietary funds' statement of net position. The fifth item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from notes, accounts, and grant receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**g. Accrued Compensated Absences**

The City accounts for compensated absences (unpaid vacation, annual leave, comp time and sick leave) in an internal service (Employee Benefits) fund. A calculated fringe benefit rate, which includes accrued compensated absences, is applied to all labor charges. The resulting funds are deposited into the Employee Benefits internal service fund and are set aside for corresponding liabilities.

**h. Long-Term Obligation**

In the government-wide financial statements, proprietary fund and fiduciary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund and fiduciary fund type statements of net position. Bond premiums and discounts, as well as prepaid insurance costs related to bond issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Prepaid insurance costs related to bond issuance costs are reported as prepaid insurance costs and amortized over the term of the related debt.

**i. Fair Value Measurements**

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. Assets, Liabilities, and Net Position or Fund Balance (continued)**

**i. Fair Value Measurements (continued)**

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive; inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

**j. Classification of Net Position and Fund Balances**

**1. Government-wide Financial Statements**

In the government-wide financial statements, net position is classified in the following categories:

- Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation on these assets and the outstanding principal of related debt reduce this category.
- Restricted Net Position – This category consists of restricted assets reduced by liabilities related to those assets.
- Unrestricted Net Position – This category represents the net position of the City that are not externally restricted for any project or other purpose.

Restricted resources are used first to fund appropriations.

**2. Fund Balances**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2022, fund balance for governmental funds are made up of the followings:

- Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. Assets, Liabilities, and Net Position or Fund Balance (continued)**

**j. Classification of Net Position and Fund Balances (continued)**

**2. Fund Balances (continued)**

- Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action via an ordinance that imposed the constraint originally.
- Assigned Fund Balance – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council to which the City Council has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

**k. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**l. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. Assets, Liabilities, and Net Position or Fund Balance (continued)**

**l. Pensions (continued)**

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframe. For this report, the following timeframes are used.

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 - June 30, 2021

**m. Other Post-Employment Benefits (OPEB)**

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and fiduciary net position information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 - June 30, 2021

**n. Leases**

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. Assets, Liabilities, and Net Position or Fund Balance (continued)**

**n. Leases (continued)**

At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

The City used the estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**1. Budgetary Information**

Under Article XIII B of the California Constitution (the GANN Spending Limitation initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must be refunded to the taxpayers either through revised tax rates or revised fee schedules.

The City budget report is prepared under the direction of the City Manager in accordance with generally accepted accounting principles (GAAP) and the requirements of Municipal Code Section 2.08.150. Annual budgets are legally adopted for the General Fund, special revenue funds, and capital projects funds. These funds are budgeted based on the modified accrual basis of accounting and include proposed expenditures and the means of financing them. The City Council approves the total budgeted appropriations and any amendments to total appropriations which may be required during the year. Revenues are budgeted by source, and expenditures are budgeted by program.

The legal level of budgetary control is considered to be at the fund level since management can reassign resources within a fund without special approval from City Council. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions which alter the total appropriations of any fund must be approved by City Council. During the year ended June 30, 2022, the Street Lighting and Park Maintenance Special Revenue Funds reported expenditure in excess of appropriations of \$365,813 and \$333, respectively.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

**2. Deficit Fund Balance**

The following funds had a deficit at June 30, 2022:

<u>Fund</u>	<u>Type of Fund</u>	<u>Deficit Fund Balance</u>
Housing Authority	Enterprise	\$ (3,548,469)
Successor Redevelopment Agency	Fiduciary	\$ (15,780,226)

The Housing Authority fund, an enterprise fund, has a deficit fund balance of \$3,674,916. The deficit is due to prior period costs related to the revised allocation of the net pension liability in accordance with GASB 68 and due to prior period costs related to the revised allocation of the OPEB liability in accordance with GASB 75. Until Section 8 administrative revenue granted to the Housing Authority from the Department of Housing and Urban Development increases to enable the Housing Authority to pay down its pension and OPEB liability, there will continue to be a deficit in the Housing Authority Fund.

The City of Garden Grove as Successor Agency to the Garden Grove Redevelopment Agency Private Purpose Trust Fund (Successor Agency), a fiduciary fund, has a deficit balance of \$15,780,226. The deficit is due to covenant obligations pursuant to developer disposition agreements and Education Revenue Augmentation Fund and Supplemental Education Revenue Augmentation Fund payables to the Housing Successor Agency.

The County Auditor-Controller is charged with establishing a Redevelopment Property Tax Trust Fund (RPTTF) for each Successor Agency. The deposit in the RPTTF is used to pay Successor Agency obligations. It is expected that this deficit will be eliminated with future resources obtained from the RPTTF.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS**

**1. Cash and Investments**

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of net position	
Cash and investments	\$ 381,987,194
Cash and investments with fiscal agent	12,815,416
Cash and investments for pension trust	2,129,403
	<u>396,932,013</u>
Successor Agency (Private Purpose Trust Fund)	
Cash and investments	19,115,481
Cash and investments with fiscal agent	4,090,176
	<u>23,205,657</u>
 Total Cash and Investments	 <u>\$ 420,137,670</u>
Cash on hand	\$ 44,330
Deposits with financial institutions	10,152,857
Investments	<u>409,940,483</u>
 Total Cash and Investments	 <u>\$ 420,137,670</u>

**Investments Authorized by the City's Investment Policy**

The following table identifies the investment types that are authorized by the California Government Code and the City's investment policy. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provision of the Government Code and City's investment policy.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**1. Cash and Investments (continued)**

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage Of Portfolio*</b>	<b>Maximum Investment in One Issuer</b>
Securities of the U.S. Government or its Agencies	5 years	None	None
Federal Home Loan Bank (FHLB)	5 years	None	None
Federal National Mortgage Association (FNMA)	5 years	None	None
Federal Farm Credit Bank (FFCB)	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Certificates of Deposits (CD)	N/A	30%	5%
Bankers Acceptances	180 days	30%	10%
Negotiated Certificates of Deposit	N/A	30%	5%
Commercial Paper	10 days **	15% **	10%
Medium Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Mortgage-backed Securities	5 years	20%	None
Repurchase Agreement (Overnight)	30 days **	None	None
Passbook Savings Account	N/A	None	None

\*Excluding amounts held by bond trustee that are not subject to City's investment policy

\*\* Represents where the City's investment policy is more restrictive than the California Government Code

The City investment policy allows for other investments that are, or may become, legal investments through the California Government Code

**Investments Authorized by the Debt Agreements**

Provisions of the debt agreements, rather than the City's investment policy, govern investment of debt proceeds held by bond trustee. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Percentage of Portfolio</b>	<b>Investment in One Issuer</b>
U.S. Treasury	None	None	None
Money Market Funds	N/A	None	None
Investment Contracts	30 years	None	None
Securities of the U.S. Government or its Agencies	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.



**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**1. Cash and Investments (continued)**

<b>Authorized Investment Type</b>	<b>Amount</b>	<b>Weighted Average Maturity (in years)</b>
U.S. Treasury	\$49,575,865	2.99
U.S. Agency Securities		
FHLB	39,101,665	1.84
FFCB	53,370,300	1.60
FNMA	5,113,080	2.84
FN	2,932,230	2.01
FHMTG	2,751,870	3.24
FACMTN	3,843,775	3.85
FHLMG	6,779,111	3.71
Money Market Funds	1,867,057	0.10
Commercial Paper	30,254,122	0.10
Corporate Bonds	76,734,481	2.02
Municipal Bonds	35,307,732	2.27
Supranationals	12,302,001	3.63
Local Agency Investment Fund (LAIF)	70,972,201	0.50
Restricted cash and investments:		
Investment Pool (PARS)	2,129,403	0.10
Held by fiscal Agent:		
Money Market Funds	16,905,590	0.50
<b>Total</b>	<b>\$409,940,483</b>	

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type. The column marked "Exempt From Disclosure" identifies those investment types for which GASB No. 40 does not require disclosure as to credit risk:

<b>Investment Type</b>	<b>Amount</b>	<b>Minimum Legal Rating</b>	<b>Exempt from Disclosure</b>	<b>Ratings as of Year End</b>			
				<b>AAA - Aaa</b>	<b>AA+ - AA-</b>	<b>A - A+</b>	<b>Not Rated</b>
U.S. Treasury	\$ 49,575,865	N/A	\$ 49,575,865	\$ -	\$ -	\$ -	\$ -
U.S. Agency Securities							
FHLB	39,101,665	N/A	-	-	39,101,665	-	-
FFCB	53,370,300	N/A	-	-	53,370,300	-	-
FNMA	5,113,080	N/A	-	-	5,113,080	-	-
FM	2,932,230	N/A	-	-	2,932,230	-	-
FHMTG	2,751,870	N/A	-	-	2,751,870	-	-
FACMTN	3,843,775	N/A	-	-	3,843,775	-	-
FHLMG	6,779,111	N/A	-	-	6,779,111	-	-
Money Market Funds	1,867,057	AA	-	-	1,867,057	-	-
Commercial Paper	30,254,122	A	-	-	-	30,254,122	-
Corporate Bonds	76,734,481	A	-	16,023,375	27,233,973	33,477,133	-
Municipal Bonds	35,307,732	A	-	20,168,349	13,388,310	1,751,073	-
Supranationals	12,302,001	A	-	-	12,302,001	-	-
Local Agency Investment Fund (LAIF)	70,972,201	N/A	-	-	-	-	70,972,201
Restricted cash and investments:							
Investment Pool (PARS)	2,129,403	N/A	-	-	-	-	2,129,403
Held by fiscal agent:							
Money Market Fund	16,905,590	AAA	-	16,905,590	-	-	-
<b>Total</b>	<b>\$ 409,940,483</b>		<b>\$ 49,575,865</b>	<b>\$ 53,097,314</b>	<b>\$ 168,683,372</b>	<b>\$ 65,482,328</b>	<b>\$ 73,101,604</b>

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**1. Cash and Investments (continued)**

**Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Investment Amount</u>
FHLB	U.S. Agency Securities	\$ 39,101,665
FFCB	U.S. Agency Securities	53,370,300

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**1. Cash and Investments (continued)**

**Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The total amount invested by all public agencies in LAIF as of June 30, 2022 was \$35.8 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2022 had a balance of \$234.5 billion.

**Investment in Pension Trust Pool**

The City has established a Section 115 Trust to accumulate resources to stabilize the City's pension liability and offset potential volatility in annual contributions to CalPERS. As of June 30, 2022, the City reported \$2,129,403 in cash and investments for pension trust. The pension trust assets are managed by with the City's pension trust administrator, Public Agency Retirement Services (PARS). PARS is an external investment pool, is not rated and is not registered with the Securities Exchange Commission. The City selects the investment strategy and the pool is managed by the PARS Board. The fair value of the City's investments in the pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by PARS for the entire PARS portfolio.

**Fair Value Measurement and Application**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets; Level 3 inputs are significant unobservable inputs.

<b>Investment Type</b>	<b>Total</b>	<b>Quoted Process in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
U.S. Treasury	\$ 49,575,865	\$ 49,575,865	\$ -	\$ -
Commercial Paper	30,254,122	-	30,254,122	-
Corporate Bonds	76,734,481	-	76,734,481	-
Municipal Bonds	35,307,732	-	35,307,732	-
Supranationals	12,302,001	-	12,302,001	-
U.S. Agency Securities				
FHLB	39,101,665	-	39,101,665	-
FFCB	53,370,300	-	53,370,300	-
FNMA	5,113,080	-	5,113,080	-
FM	2,932,230	-	2,932,230	-
FHMTG	2,751,870	-	2,751,870	-
FHMTG	3,843,775	-	3,843,775	-
FHLMG	6,779,111	-	6,779,111	-
<b>Total</b>	<b>\$ 318,066,232</b>	<b>\$ 49,575,865</b>	<b>\$ 268,490,367</b>	<b>\$ -</b>

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**2. Intercity Loans Receivable/Payable at June 30, 2022 consisted of the following:**

**a. Loan from General fund to the Water Utility fund:**

On July 1, 1998, the City established an intercity loan between the General Fund and Water Utility Fund in the amount of \$14,145,092 for the repayment from the Water Utility Fund to the General Fund for street damage repairs throughout the City that have been a benefit to the Water Utility. The loan accrues interest at 4.1% per annum. Beginning July 1, 2018 monthly payments are \$100,208 which includes principal and interest to be paid thru June 2033.

\$ 10,632,394

**b. Loan from General Fund to the former redevelopment agency:**

The General fund has loaned to the former redevelopment agency a total of \$2,863,113 to assist in funding the Agency's operating budget since 2004. The loans accrue interest at a rate of 6.5% per annum. On March 8, 2011, City Council authorized a loan amortization schedule. Principal payments ranging from \$699,984 to \$900,505 are due annually. In accordance with Assembly Bill X1 26, existing agreements between the City and the former redevelopment agency have been invalidated. Therefore, the City has set up 100% allowance for this loan on February 1, 2012.

2,539,989

**c. Loan from General Fund to the former redevelopment agency:**

On May 21, 1984 the City Council approved an agreement between the City and the Agency for Community Development Community Project capital projects fund wherein the Agency agreed to reimburse the City \$2,405,511, plus any accruing unpaid interest at the annual rate of 10%, for capital improvements within the Agency's redevelopment area which were initially paid for by the General Fund. On March 8, 2011, the City Council authorized a loan amortization schedule. Principal payments ranging from \$761,037 to \$1,114,235 are due annually. In accordance with Assembly Bill X1 26, existing agreements between the City and the former redevelopment agency have been invalidated. Therefore, the City has set up 100% allowance for this loan on February 1, 2012.

3,048,030

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**2. Intercity Loans Receivable/Payable at June 30, 2022 (continued)**

**d. Loan from the General Fund to the former redevelopment**

On February 26, 2002 the City Council approved an agreement between the City and the Agency for Community Development Community Project capital projects fund wherein the City has agreed to advance funds to the Agency for the acquisition and development of certain property within the project areas. The advance is subject to repayment on demand and bears interest at a rate of 6.5%. The Agency is responsible for making payments on the City's \$22,735,000 Certificates of Participation Series A of 2002, (the Certificates), the proceeds of which were used to fund the advances from the City to the Agency. The Agency also reimbursed the City for the \$683,739 of issuance costs related to the Certificates of Participation. In accordance with Assembly Bill X1 26, existing agreements between the City and the former redevelopment agency have been invalidated. Therefore, the City has set up 100% allowance for this loan on February 1, 2012.

\$ 18,970,000

**e. Loan from Water Utility Fund to the former redevelopment agency:**

The former redevelopment agency has a loan from the Water Utility Fund in the amount of \$750,000. Interest is paid monthly at an annual rate of 10% and has no fixed amortization date. In accordance with Assembly Bill X1 26, existing agreements between the City and the former redevelopment agency have been invalidated. Therefore, the City has set up 100% allowance for this loan on February 1, 2012.

750,000

**f. Loan from Vehicle Replacement Fund to the Communications Replacement Fund:**

On January 26, 2016 the City Council approved an agreement between the Vehicle Replacement Fund to the Communications Replacement Fund for the upgrade and purchase of communications equipment for the operation of the 800 MHZ public safety communications system. Current schedule reflects the FY15-16 debt service portfolio rate of 1.26% which will be applied to the FY16-17 debt service. The estimated average portfolio rate will be updated annually once the prior year average portfolio rate is available. The principal will be paid annually in the amount of \$400,506 plus interest. The principal may be prepaid without penalty at any time.

1,602,024

**g. Loan from Risk Management Fund to the General Fund:**

In July 2018, the City Council approved the General Fund to borrow \$2,850,550 from the Risk Management Fund to pay for the energy efficiency project. The amount borrowed will cover the cost of the heating, ventilation, and air conditioning systems and lighting retrofit equipment and installation. The General Fund will repay the loan over 19 years at the simple interest rate of 3.6%.

2,435,745

**Total Intercity Loans Receivable**

39,978,182

**Less Allowance**

(25,308,019)

**Total Intercity Loans Receivable, net**

\$ 14,670,163

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**3. Leases Receivable**

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**Governmental Activities**

As of July 1, 2021, the City has four leases; a digital billboard and three building leases located throughout Garden Grove. The interest rate for each lease range from 0.185% to 1.612%. The initial lease agreement term ranges from 17 - 281 months. One building lease has an option to extend for an additional 12 months; one building lease has an option to extend for nine 60 month periods; and one building lease has an option to extend for an additional 12 months. The total amount of lease revenue recognized in the current reporting period from leases is \$289,038 and the total amount of interest received related to the leases was \$17,907. The balance of the lease receivables at June 30, 2022 is \$2,587,837. The City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the term of the leases. The balance of deferred inflow of resources at June 30, 2022 is \$2,567,704.

**4. Due From Successor Agency**

The former Redevelopment Agency has loans from the Low Income Housing Assets Capital Project Fund, that were used to make the "Supplemental" Educational Revenue Augmentation (SERAF) payments for the fiscal year 2009-10 (\$7,906,610) and 2010-11 (\$1,626,274). These loans were due on May 10, 2015 and June 30, 2016, respectively. These loans which were previously invalidated, have been approved as an allowable Recognized Obligation payment by the State of California Department of Finance (DOF).

The amount due from the Successor Agency at June 30, 2022 is \$6,054,260, which represents \$6,054,260 of SERAF.

\$ 6,054,260

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**5. Interfund Receivables, Payables, and Transfers**

**a. The composition of interfund receivable/payable balances as of June 30, 2022 is as follows:**

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 244,990	\$ 71,587
Other Grants and Contributions	-	1,132
Nonmajor Governmental Funds	-	488,546
Internal Service Funds	330,941	2,177
Water Utility	-	8,406
Sewage Collection	-	2,721
Housing Authority	-	1,275
Nonmajor Enterprise Funds	-	87
Total	<u>\$ 575,931</u>	<u>\$ 575,931</u>

The interfund payable balances represent routine and temporary cash flow assistance from the General Fund and Workers' Compensation internal service fund until the amounts receivable are collected to reimburse eligible expenditures. They also include fringe collected from other funds that are due to the Employee Benefit and Workers' Compensation internal service funds.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**5. Interfund Receivables, Payables, and Transfers (continued)**

**b. The composition of interfund transfer balances for the year ended June 30, 2022 is as follows:**

<b>Transfers out:</b>	<b>Transfers in:</b>			<b>Total</b>
	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Internal Service Funds</b>	
General Fund	\$ -	\$ 831,837	\$ -	\$ 831,837
Nonmajor Governmental Fund:	616,344	-	-	616,344
Internal Service Funds	826,958	-	-	826,958
Water Utility Fund	-	-	38,554	38,554
Total	<u>\$ 1,443,302</u>	<u>\$ 831,837</u>	<u>\$ 38,554</u>	<u>\$ 2,313,693</u>

Transfers from the General Fund were made to subsidize the Garden Grove Cable Fund in the amount of \$438,542 and to subsidize the Park Maintenance Assessment District in the amount of \$333. In addition, the General Fund made a transfer to the Street Lighting District Fund in the amount of \$392,962 to subsidize the operating costs.

Transfers to the General Fund generated by the Garden Grove Tourism Improvement District Special Revenue Fund in the amount of \$616,344 were made to fund future City projects.

Transfers from the Employee Benefit Internal Service Fund were made in the amount of \$826,958 to the Section 115 Pension Trust Fund to fund future City pension obligations.

The Water Fund transferred \$38,554 to the Fleet Management Internal Service Fund to partially pay for a new vehicle maintained by the Fleet Fund. The rest of the vehicle cost is paid for by the Fleet Management Internal Service Fund.



**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**6. Notes receivable at June 30, 2022, consisted of the following:**

**a. Neighborhood Stabilization Program (NSP) Loan – Other Grants and Contributions Major Special Revenue Fund:**

At June 30, 2022, ten NSP Agreements remain, which are reflected in the nonmajor governmental funds. These loans provide up to \$40,000 in down payment assistance in the form of a silent loan that requires no payment for 30 years. The loans carry 0% interest charges.

\$ 391,128

**b. Mortgage Assistance Program (MAP) Loan – Other nonmajor governmental funds:**

At June 30, 2022, nine MAP agreements are reflected in the Housing Successor Agency fund. These loans provide up to \$40,000 in down payment assistance in the form of a silent loan that requires no payment for 5 up to 30 years. The loans carry interest between 0 to 3% annually.

134,776

**c. CalHome Mortgage Assistance (CalHome) Loan - Other Grants and Contributions Major Special Revenue Fund:**

At June 30, 2022, twenty-seven CalHome Agreements are reflected in the Other Grants and Contributions Major Special Revenue Fund. These loans provide up to \$60,000 in down payment assistance in the form of a silent loan that requires no payment for 30 years. The loans carry 3% interest charges.

1,389,746

**d. Rental rehabilitation – Other nonmajor governmental funds:**

The City has entered into a Housing Rehabilitation Agreement utilizing HOME funds for the purpose of assisting developers in the acquisition, substantial rehabilitation and continued operation of an existing 78-unit multifamily affordable housing project called Sycamore Court. Due to the multiple project funding sources, when completed the project will be subject to new income restrictions, occupancy and other affordable housing covenants. Disbursement of loan proceeds of \$1,200,000 were made in five installment payments commencing on June 2017. The Note bears simple interest at the rate of 3% per annum from the date of initial disbursement. Interest payments of \$36,000 are due on an annual basis and no principal payments are required on the loan maturity date of September 30, 2033.

1,330,937

**e. Single Family Rehab (Deferred Loan) - Other nonmajor governmental funds:**

At June 30, 2022 twelve Deferred Loan Agreements remain, which are reflected in the Housing Successor Agency fund. These loans provide up to \$20,000 in down payment assistance in the form of a silent loan that requires no payment for 15 or 30 years. The loans carry 3% or 5% interest charges. There are five Homebuyer Assistance Loans that were issued for \$50,000 each. These loans have a term of 45 years and bear a simple interest of 3%. At each anniversary, 1/45th of the principal and interest are forgiven.

351,614

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**6. Notes receivable at June 30, 2022, consisted of the following: (continued)**

**f. ADDI Down Payment Rehab (ADDI) Loan – Other Grants and Contributions Major Special Revenue Funds:**

At June 30, 2022, eleven ADDI Agreements utilizing the American Dream Down payment Initiative funds are reflected in nonmajor governmental funds. These loans provide up to \$30,000 in down payment assistance in the form of a silent loan that requires no payment for 15 years. The loans carry 0% interest charges. These loans are forgivable if the recipient complies with all conditions.

\$ 152,863

**g. Rental rehabilitation - Other nonmajor governmental funds:**

The Low and Moderate Income Housing Asset capital projects fund holds six notes related to property rehabilitation loans, which have been used to assist developers in the rehabilitation of multifamily residential buildings located within the City for the purpose of providing adequate low income housing opportunities for City residents.

3,196,288

**h. Rental rehabilitation – Other Grants and Contributions Major Special Revenue Funds and Other nonmajor governmental funds:**

The City has entered into thirteen Housing Rehabilitation Agreements utilizing CDBG funds, which are reflected in the Housing Successor Agency fund and other nonmajor governmental funds. These loans were for the purpose of assisting developers in the rehabilitation and operation of multifamily apartment buildings for the purpose of providing adequate low-income housing to City residents. Many of these buildings had suffered from serious structural deterioration, overcrowding and high crime.

14,581,244

**i. Affordable housing agreement – General Fund:**

The City has entered into three Affordable Housing Agreements with developers wherein the developers have agreed to comply to certain affordability covenants including the reimbursement to the City of forgone property taxes which would have been payable for the property, increasing at the rate of approximately 2% annually.

2,393,824

**j. Rental construction – Other nonmajor governmental funds:**

The City has entered into a rental construction loan agreement utilizing HOME and Housing Successor Agency funds. The note was for the purpose of assisting the developer with the construction of new low-income housing for City residents. The note bears a simple annual interest rate of 3%. Loan repayment is based on residual receipts and is contingent upon the release of construction covenants for the project. The note commenced upon the initial disbursement of funds HOME in June 2015. An additional \$1.6 million was disbursed in June 2017 and is payable to the Housing Successor Agency Fund. Its maturity will be the fifty-fifth anniversary of the date of the Release of Construction Covenants.

4,370,584

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**6. Notes receivable at June 30, 2022, consisted of the following: (continued)**

**k. Conveyance of Property Loan Agreement – Other nonmajor governmental funds:**

The City has entered into a financed sale agreement for the sale of twelve single-family residential parcels on March 12, 2016. The initial loan amount is \$2,709,030. The note bears a simple annual interest rate of 4% in 60 equal monthly interest-only payments in the amount of \$9,030 with a balloon payment on the 60th month.

On December 10, 2019 the City Council approved an amendment to defer interest payments for a period of 30 months. The new interest payment of \$9,476 will begin on July, 2020. Principal and interest payment of \$19,476 will begin on July 1, 2025. A balloon payment in the amount of \$2,453,305 will be due at the end of the loan term or the maturity date of December 1, 2029.

2,993,305

**l. Small Business Assistance Program – General fund and Other Grants and Contributions Major Special Revenue**

The City has entered into loan agreements through the Small Business Assistance Program utilizing CDBG funds as well as General Fund monies for a total loan amount of \$1,890,000. The notes bear an interest rate equal to 0% or the highest rate permitted by applicable law compounded annually.

976,207

**m. Affordable housing agreement – Home Fund:**

The City has entered into an Affordable Housing Loan Agreement utilizing HOME funds for the purpose of assisting the developer with the construction of new low-income housing for City residents. The note bears an interest rate of 0% and is to be repaid in full at the end of the 55-year affordability period. Loan repayment is based on residual receipts and is contingent upon the release of construction covenants for the project. The loan amount is \$1,400,000 and \$980,000 of the loan was disbursed as of June 30, 2022.

980,000

**n. Private Sewer Lateral Loan Agreement – Sewer Fund:**

The Garden Grove Sanitary District has entered into a Private Sewer Lateral Loan Agreement with The Helen Brooks Montgomery Revocable Trust on October 1, 2012, for an original amount of \$10,000. The loan is due and payable at the simple annual interest rate of 2.24%. Monthly payments in the amount of \$65 are required. Loan principal is amortized over the 15-year life and the principal portion of monthly payment reduces the loan payable.

2,488

**o. Stipulation for Summary Judgement:**

The City has entered into an agreement with a low income housing provider to pay damages due to breach of contract pursuant to a summary judgement. The agreement stipulates that the housing provider will pay a total sum of \$271,697 over 5 years with an annual interest rate of 2%.

160,147

**Total Notes Receivable**

33,405,152

**Less Allowance**

(1,179,462)

**Total Notes Receivable, net**

\$ 32,225,690

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**7. Land Held for Resale**

The City and the Successor Agency land held for resale is an inventory of land intended to be sold to developers. The land is carried at the lower of cost or estimated net realizable value, as determined upon execution of a disposition and development agreement.

City land held for resale is comprised of inventory held by the General Fund and the Housing Successor Agency capital projects fund. City and Successor Agency land held for resale balances at June 30, 2022 are \$2,819,063 and \$25,249,639, respectively.

**8. Capital Assets**

Capital asset activity for the year ended June 30, 2022 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 412,953,682	\$ -	\$ -	\$ 412,953,682
Construction in progress	3,127,854	13,886,901	(9,726,855)	7,287,900
Total capital assets, not being depreciated	416,081,536	13,886,901	(9,726,855)	420,241,582
Capital assets, being depreciated:				
Infrastructure				
Street system	416,772,303	6,479,283	-	423,251,586
Storm drain assets	75,851,672	-	-	75,851,672
Buildings and park assets	56,137,731	-	-	56,137,731
Right-to-use asset*	262,189	-	-	262,189
Furniture and equipment	33,782,306	3,247,572	(877,426)	36,152,452
Total capital assets, being depreciated	582,806,201	9,726,855	(877,426)	591,655,630
Less accumulated depreciation for:				
Infrastructure				
Street system	(260,826,108)	(7,732,466)	-	(268,558,574)
Storm drain assets	(50,758,371)	(1,508,179)	-	(52,266,550)
Buildings and park assets	(30,991,342)	(1,535,839)	-	(32,527,181)
Right to use asset*	-	(92,736)	-	(92,736)
Furniture and equipment	(17,127,643)	(2,815,956)	872,959	(19,070,640)
Total accumulated depreciation	(359,703,464)	(13,685,176)	872,959	(372,515,681)
Total capital assets, being depreciated, net	223,102,737	(3,958,321)	(4,467)	219,139,949
Governmental activities capital assets, net	\$ 639,184,273	\$ 9,928,580	\$ (9,731,322)	\$ 639,381,531
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 5,142,500	\$ -	\$ -	\$ 5,142,500
Construction in progress	1,662,122	12,759,000	(52,948)	14,368,174
Total capital assets, not being depreciated	6,804,622	12,759,000	(52,948)	19,510,674
Capital assets, being depreciated:				
Building and structures	578,910	11,415	-	590,325
Water system	152,747,997	-	-	152,747,997
Sewer system	122,698,977	-	-	122,698,977
Right-to-use asset*	631,266	-	-	631,266
Machinery and equipment	721,060	39,137	(127,729)	632,468
Total capital assets, being depreciated	277,378,210	50,552	(127,729)	277,301,033
Less accumulated depreciation for:				
Building and structures	(309,949)	(11,131)	-	(321,080)
Water system	(63,214,306)	(3,843,429)	-	(67,057,735)
Sewer system	(55,537,712)	(1,878,539)	-	(57,416,251)
Right-to-use asset*	-	(270,449)	-	(270,449)
Machinery and equipment	(411,298)	(34,642)	9,579	(436,361)
Total accumulated depreciation	(119,473,265)	(6,038,190)	9,579	(125,501,876)
Total capital assets, being depreciated, net	157,904,945	(5,987,638)	(118,150)	151,799,157
Business-type activities capital assets, net	\$ 164,709,567	\$ 6,771,362	\$ (171,098)	\$ 171,309,831

\* Beginning balance has been restated to reflect the implementation of GASB 87.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**8. Capital Assets (continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Police Protection	\$ 488,587	\$ -
Traffic safety	775,705	-
Right of way	7,009,961	-
Drainage	1,508,179	-
Community buildings	1,586,134	-
Municipal support	302,984	-
Water	-	3,869,144
Sewage collection	-	1,890,796
Golf course	-	115,522
Housing Authority	-	162,728
Internal service fund	2,013,626	-
Total	<u>\$ 13,685,176</u>	<u>\$ 6,038,190</u>

**9. Long-term Debt**

**a. Following is a summary of long-term debt transactions for the City for the year ended June 30, 2022:**

	<b>Beginning Balance*</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental activities</b>					
Lease Revenue Bonds, Series 2015A	\$ 21,770,000	\$ -	\$ (515,000)	\$ 21,255,000	\$ 540,000
Add: Premium	1,286,663	-	(54,366)	1,232,297	54,366
Leases payable	262,189	-	(94,199)	167,990	86,842
Governmental activities long-term debt	23,318,852	-	(663,565)	22,655,287	681,208
Other non-current liabilities:					
Claims payable	42,557,254	11,583,081	(7,662,989)	46,477,346	7,338,593
Compensated absences	8,114,047	7,748,513	(7,947,951)	7,914,609	7,677,171
Governmental activities long-term liabilities	<u>\$ 73,990,153</u>	<u>\$ 19,331,594</u>	<u>\$ (16,274,505)</u>	<u>\$ 77,047,242</u>	<u>\$ 15,696,972</u>
<b>Business-type activities</b>					
Water Revenue COP 2015	\$ 2,870,000	\$ -	\$ (955,000)	\$ 1,915,000	\$ 985,000
Water Revenue Bond 2020	23,220,000	-	-	23,220,000	420,000
Add: Premium/(Discount)	3,320,296	-	(113,192)	3,207,104	113,192
Sewer Revenue Refunding Bond 2017	13,165,000	-	(615,000)	12,550,000	645,000
Add: Premium/(Discount)	1,080,803	-	(72,456)	1,008,347	72,456
Leases payable	631,266	-	(274,517)	356,749	266,129
Other non-current liabilities:					
Compensated absences	746,012	981,438	(745,864)	981,586	952,138
Business-type activities long-term liabilities	<u>\$ 45,033,377</u>	<u>\$ 981,438</u>	<u>\$ (2,776,029)</u>	<u>\$ 43,238,786</u>	<u>\$ 3,453,915</u>
<b>Private-purpose trust fund</b>					
2016 Tax Allocation Bond	\$ 34,640,000	\$ -	\$ (1,975,000)	\$ 32,665,000	\$ 2,055,000
Add: Premium/(Discount)	4,419,987	-	(360,816)	4,059,171	360,815
2014 Tax Allocation Bond	21,150,000	-	(2,905,000)	18,245,000	3,015,000
Add: Premium/(Discount)	2,604,876	-	(315,743)	2,289,133	315,742
2008 Subordinate Note	1,010,000	-	(120,000)	890,000	130,000
Loan Payable to City	7,054,260	-	(1,000,000)	6,054,260	-
Private-purpose trust fund long-term liabilities	<u>\$ 70,879,123</u>	<u>\$ -</u>	<u>\$ (6,676,559)</u>	<u>\$ 64,202,564</u>	<u>\$ 5,876,557</u>

\* Beginning balance restated due to the implementation of GASB 87.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**9. Long-term Debt**

**b. Governmental Long-term Debt at June 30, 2022 consisted of the following:**

**Lease Revenue Bonds, Series 2015 A**

On November 10, 2015, the Garden Grove Public Financing Authority issued \$24,790,000 of Lease Revenue Bonds, Series 2015A. The Bonds were issued for the current refunding of \$17,100,000 of outstanding Certificates of Participation Series A (2002 Financing Project) and to finance the acquisition/construction of a fire station, police building renovations and other public capital improvements. Principal payments on the Bonds are due annually on March 1 each year, ranging from \$515,000 to \$1,435,000, and continuing until March 1, 2045. Interest is payable semiannually, beginning on March 1, 2016, with an interest rate ranging from 2.00% to 5.00% over the life of the Bonds. Such bonds are subject to Federal arbitrage regulations, however, no arbitrage liability is reported at June 30, 2022.

	\$ 21,255,000
Unamortized bond premium	<u>1,232,297</u>
<b>Total lease revenue bonds</b>	<b><u>\$ 22,487,297</u></b>

**Leases Payable - Governmental Activities**

The City entered into two building leases on July 2015 and January 2019. As of June 30, 2022, the value of the lease liability is \$60,821. The City is required to make monthly fixed payments of \$5,033 and \$957. The leases have an interest rate of 0.218%. The buildings' remaining lease term is two years.

\$ 60,821

The City entered into four vehicle leases between the dates of April 2018 through April 2022. As of June 30, 2022, the value of the lease liability is \$107,169. The City is required to make monthly fixed payments ranging from \$460 to \$631. The leases have interest rates ranging from 0.308% to 2.015%. The vehicles lease terms range from 18 months to 60 months.

107,169

**Total leases payable** 167,990

**Total Governmental Long Term Debt** \$ 22,655,287

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**9. Long-term Debt (continued)**

**c. Proprietary long-term debt at June 30, 2022 consisted of the following items:**

**2015 Revenue Certificates of Participation - Water Utility Enterprise Fund**

\$8,150,000 Refunding Revenue Bonds, Series 2015 were issued on October 1, 2015, for the current refunding of the remaining outstanding balance of the previously issued \$16,845,000 of the Refunding Certificate of Participation Series 2004. The refunding was undertaken to achieve debt service savings. Principal payments for 2015 Revenue certificates range from \$930,000 to \$985,000 and are due annually each December 15 through 2023. Interest is payable semi-annually on June 15 and December 15, at rates ranging from 1.0% to 5.0% over the life of the certificate. Such certificates are subject to Federal arbitrage regulations; however, no arbitrage liability is reported at June 30, 2022.

\$ 1,915,000

**Total 2015 refunding revenue bonds**

\$ 1,915,000

**2015 Revenue Certificates of Participation - Water Utility Enterprise Fund - Debt Service Coverage**

The Refunding Revenue Certificates of Participation were issued on October 1, 2015 for the current refunding of the 2004 Water Revenue Bond Refunding. The prior Refunding Revenue Certificates of Participation were issued on April 20, 2004 for prior refunding of the Water Revenue Bonds, Series 1993. These certificates of participation are to be secured and to be serviced from revenues derived by the ownership and operations of the water system including all connection charges and fees collected by the City through the fiscal year 2023. At June 30, 2022 total interest and principal remaining on the certificates is \$1,952,750. The Utility covenants that rates and charges for the water service will be sufficient to yield net revenues equal to 125% of the debt service coming due and payable during the next succeeding bond year. Revenue recognized during the year was \$43.256 million against debt service payments of \$1,013,450. The following analysis shows the test result for compliance with this covenant:

Operating Revenue	\$ 43,256,322
Non-operating revenues	-
Gross revenue	43,256,322
Less: Expenses (excluding depreciation amortization, interest and fiscal charges)	(31,628,164)
Net revenues	\$ 11,628,158
Debt service requirement for next year: \$1,013,450 x 125%	\$ 1,266,813

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**9. Long-term Debt (continued)**

**c. Proprietary long-term debt at June 30, 2022 consisted of the following items:  
(continued)**

**2020 Revenue Bonds - Water Utility Enterprise Fund**

\$23,220,000 Refunding Revenue Bonds, Series 2020 were issued on November 3, 2020, for the advance refunding of the remaining outstanding balance of the previously issued \$16,625,000 Water Revenue Bonds, Series 2010. The refunding was undertaken to reduce the City's total debt service payments over the next 10 years by \$2.7 million. The net proceeds of \$15.6 million will be used to finance the acquisition, expansion, construction, and improvement of certain additional water facilities of the water system of the City. Principal payments for 2020 Revenue Bonds range from \$420,000 to \$1,160,000 and are due annually each December 15 through fiscal year 2051. Interest is payable semi-annually on June 15 and December 15, at rates ranging from 3.0% to 4.0% over the life of the bonds. The refunding resulted in a net present value saving of \$1.63 million, or 15.3% of the refunded bonds. Such certificates are subject to Federal arbitrage regulations; however, no arbitrage liability is reported at June 30, 2022.

\$ 23,220,000

Unamortized bond premium

3,207,104

**Total 2020 revenue bonds**

\$ 26,427,104

**2020 Revenue Bonds - Water Utility Enterprise Fund - Debt Service Coverage**

The Refunding Revenue Bonds were issued on October 22, 2020 for the current refunding of the 2010 Water Revenue Bond Refunding. The prior Refunding Revenue Certificates of Participation were issued on April 20, 2004 for prior refunding of the Water Revenue Bonds, Series 1993. These bonds are to be secured and to be serviced from revenues derived by the ownership and operations of the water system including all connection charges and fees collected by the City through the fiscal year 2051. At June 30, 2022 total interest and principal remaining on the bonds is \$34,735,163. The Utility covenants that rates and charges for the water service will be sufficient to yield net revenues equal to 125% of the debt service coming due and payable during the next succeeding bond year. Revenue recognized during the year was \$43.256 million against debt service payments of \$1,258,575. The following analysis shows the test result for compliance with this covenant:



**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**9. Long-term Debt (continued)**

**c. Proprietary long-term debt at June 30, 2022 consisted of the following items:  
(continued)**

**2020 Revenue Bonds - Water Utility Enterprise Fund - Debt  
Service Coverage (continued)**

Operating Revenue	\$	43,256,322
Non-operating revenues		-
Gross revenue		43,256,322
Less: Expenses (excluding depreciation amortization, interest and fiscal charges)		(31,628,164)
Net revenues	\$	<u>11,628,158</u>
Debt service requirement for next year: \$1,258,575 x 125%	\$	<u>1,573,219</u>

**2017 Refunding Sewer Revenue Bond – Sewage Collection**

On March 1, 2017, the Garden Grove Sanitary District issued \$15,970,000 in bonds to provide funds to refinance the District's obligations to the 2006 Sewer Revenue Certificate of Participation. The Certificates were issued to finance the rehabilitation, replacement and improvement of the wastewater collection system of the Garden Grove Sanitation District. The 2017 Bonds are due in annual principal installments of \$615,000 to \$1,160,000 beginning June 15, 2017 through 2036. Interest rates range from 2.0% to 5.0% and is payable semiannually on June 15 and December 15.

The net proceeds of the bond issue were used to provide for the prepayment of the 2006 Certificates. The reacquisition price was less than the net carrying amount of the old debt by \$206,922. This amount is being reflected as a deferred inflow of resources and amortized over the life of the refunding debt.

The certificates are secured and to be serviced from the total revenues for the fiscal year excluding any proceeds of taxes or assessments restricted by law and less the operations and maintenance costs excluding depreciation through the fiscal year 2036.

	\$	12,550,000
Unamortized bond premium		<u>1,008,347</u>
<b>Total 2017 revenue refunding bond</b>	\$	<u><b>13,558,347</b></u>

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**9. Long-term Debt (continued)**

**c. Proprietary long-term debt at June 30, 2022 consisted of the following items:  
(continued)**

**2017 Refunding Sewer Revenue Bond – Sewage Collection  
Enterprise fund - Debt Service Coverage**

The Utility covenants that rates and charges for the sewer service

Operating Revenue	\$	12,025,031
Non-operating revenues		-
Gross revenue		12,025,031
Less: Expenses (excluding depreciation amortization, interest and fiscal charges)		(5,958,254)
Net revenues	\$	6,066,777
Debt service requirement for next year: \$1,196,375 x 115%	\$	1,375,831

**Leases Payable - Business-Type Activities**

The City entered into a building lease in July 2015. As of June 30, 2022, the value of the lease liability is \$143,782. The City is required to make monthly fixed payments of \$12,942. The lease is calculated using a discount rate of 0.218%. The remaining term of the lease is two years.

\$ 143,782

The City entered into two vehicle leases in April 2019. As of June 30, 2022, the value of the lease liability is \$43,928. The City is required to make monthly fixed payments of \$463 per lease. The leases have an interest rate of 0.577%. The remaining lease term of is five years.

43,928

Willowick Golf Management, LLC, through authorization from the City, entered into two lease arrangements in the amount of \$280,320 for golf carts and golf maintenance equipment in January 2020 and October 2020. As of June 30, 2022, the value of the lease liability is \$169,039. The City is required to make monthly fixed payments of \$9,304. The leases have an interest rate ranging from 0.146% to 0.198%. The estimated remaining lease term is 24 to 51 months.

169,039

**Total leases payable**

356,749

**Total Proprietary Long Term Debt**

\$ 42,257,200

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**9. Long-term Debt (continued)**

**d. Private-purpose trust activity long-term debt at June 30, 2022 consisted of the following items:**

**Tax Allocation Bonds Issue of 2016**

\$42,000,000 Tax allocation bonds were issued on March 17, 2016. The SRDA issued the "2016 Bonds" in the aggregate principal amount necessary to provide net proceeds of \$42,000,000 to fund the Water Park Hotel pursuant to the first amended and restated disposition and development agreement dated April 13, 2010. The bonds are due in annual principal installments of \$1,975,000 to \$3,450,000. Interest on the bonds will be payable semiannually each April 1 and October 1, commencing October 1, 2016. The rates ranging from 1.0% to 5.0%. The "2016 Bonds" will be payable on a parity with the debt service on the 2014 Bonds to the extent set forth in the 2016 Bond Indenture. Such certificates are subject to federal arbitrage regulations. No arbitrage liability is reported at June 30, 2022.

	\$ 32,665,000
Unamortized bond premium	<u>4,059,171</u>
<b>Total Tax Allocation Bond Issue of 2016</b>	<b><u>\$ 36,724,171</u></b>

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**9. Long-term Debt (continued)**

**d. Private-purpose trust activity long-term debt at June 30, 2022 consisted of the following items: (continued)**

**Tax Allocation Refunding Bonds Issue of 2014**

\$38,810,000 Tax allocation refunding bonds were issued on July 16, 2014. The bonds were issued for the purpose of refunding the Garden Grove Agency for Community Development's previously issued \$57,025,000 community project tax allocation refunding bonds, Series 2003. Proceeds of the Series 2014 bonds will also be used (i) to fund a debt service reserve fund for the 2014 Bonds and (ii) to pay costs incurred in connection with the issuance, sale, and delivery of the 2014 Bonds.

Principal payments ranging from \$1,580,000 to \$3,330,000 are due annually through the year 2029. Interest is due semi-annually on October 1 and April 1, at rates ranging from 1.0% to 5.0%. Such bonds are subject to Federal arbitrage regulations; however, no liability is reported at June 30, 2022.

\$ 18,245,000

Unamortized bond premium

2,289,133

**Total Tax Allocation Bond Issue of 2014**

\$ 20,534,133

**Subordinate Note**

On June 1, 2008, the former redevelopment agency for Community Development entered into a note purchase agreement in the amount of \$2,015,000, to refund a note issued to Katella Cottages LLC under a Disposition and Development Agreement dated May 11, 2004. The Note has an annual interest rate of 6% with principal payments due annually on October 1 through October 1, 2027. Principal payments range from \$120,000 to \$170,000. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the bonds was transferred to the Successor Agency.

890,000

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**9. Long-term Debt (continued)**

**d. Private-purpose trust activity long-term debt at June 30, 2022 consisted of the following items: (continued)**

**Loan Payable to City**

The former redevelopment agency has five loans from the Low Income Housing Assets capital project fund, that were used to make the fiscal year 2005-06 (\$621,376) mandated Educational Revenue Augmentation Fund payments and "Supplemental" Education Revenue Augmentation Fund payments for the fiscal year 2009-10 (\$7,906,610) and 2010-11 (\$1,626,274). In accordance with Assembly Bill X1 26, existing agreements between the City and the former redevelopment agency have previously been invalidated. In fiscal year 2017-18, the California Department of Finance changed its previous determination and has now approved the repayment of the ERAF and SERAF loans (\$13,254,260) as an enforceable obligation. At June 30, 2021 the Successor Agency has repaid \$6,200,000 of the loan balance. The amount due to the City at June 30, 2022 is \$6,054,260, which represents \$6,054,260 of SERAF.

6,054,260

**Total Private Purpose Trust Funds Long Term Debt**

\$ 64,202,564

**e. The scheduled annual requirements to amortize all governmental long-term debt outstanding as of June 30, 2022 including interest payments are as follows:**

<b>Year Ending</b>	<b>Lease Revenue Bonds 2015A</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 540,000	\$ 966,950	\$ 1,506,950
2024	565,000	939,950	1,504,950
2025	595,000	911,700	1,506,700
2026	625,000	881,950	1,506,950
2027	655,000	850,700	1,505,700
2028-2032	3,805,000	3,735,000	7,540,000
2033-2037	4,675,000	2,860,600	7,535,600
2038-2042	5,695,000	1,836,400	7,531,400
2043-2045	4,100,000	416,750	4,516,750
Total	<u>\$ 21,255,000</u>	<u>\$ 13,400,000</u>	<u>\$ 34,655,000</u>

<b>Year Ending</b>	<b>Leases Payable - Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 86,842	\$ 747	\$ 87,589
2024	30,848	471	31,319
2025	28,091	200	28,291
2026	22,209	121	22,330
	<u>\$ 167,990</u>	<u>\$ 1,539</u>	<u>\$ 169,529</u>

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**9. Long-term Debt (continued)**

- f. The scheduled annual requirements to amortize all proprietary long-term debt outstanding as of June 30, 2022 including interest payments are as follows:

<b>Year Ending June 30</b>	<b>2015 Refunding Water Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 985,000	\$ 28,450	\$ 1,013,450
2024	930,000	9,300	939,300
Total	<u>\$ 1,915,000</u>	<u>\$ 37,750</u>	<u>\$ 1,952,750</u>

<b>Year Ending June 30</b>	<b>2020 Water Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 420,000	\$ 838,575	\$ 1,258,575
2024	890,000	812,375	1,702,375
2025	920,000	776,175	1,696,175
2026	960,000	738,575	1,698,575
2027	1,000,000	699,375	1,699,375
2028-2032	4,890,000	2,868,275	7,758,275
2033-2037	2,830,000	2,166,900	4,996,900
2038-2042	3,390,000	1,582,625	4,972,625
2043-2047	4,125,000	839,600	4,964,600
2048-2051	3,795,000	192,688	3,987,688
Total	<u>\$ 23,220,000</u>	<u>\$ 11,515,163</u>	<u>\$ 34,735,163</u>

<b>Year Ending June 30</b>	<b>2017 Sewer Refunding Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 645,000	\$ 551,375	\$ 1,196,375
2024	680,000	519,125	1,199,125
2025	715,000	485,125	1,200,125
2026	750,000	449,375	1,199,375
2027	785,000	411,875	1,196,875
2028-2032	4,570,000	1,428,625	5,998,625
2033-2036	4,405,000	392,175	4,797,175
Total	<u>\$ 12,550,000</u>	<u>\$ 4,237,675</u>	<u>\$ 16,787,675</u>

<b>Year Ending June 30</b>	<b>Leases Payable - Business Type Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 266,129	\$ 590	\$ 266,719
2024	36,517	229	36,746
2025	36,618	128	36,746
2026	17,485	38	17,523
Total	<u>\$ 356,749</u>	<u>\$ 985</u>	<u>\$ 357,734</u>

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**9. Long-term Debt (continued)**

- g. The scheduled annual requirements to amortize all the Successor Agency long-term debt outstanding as of June 30, 2022 including interest payments are as follows:**

<b>Year Ending June 30</b>	<b>Tax Allocation Refunding Bonds Issue of 2016</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 2,055,000	\$ 1,445,875	\$ 3,500,875
2024	2,160,000	1,340,500	3,500,500
2025	2,265,000	1,229,875	3,494,875
2026	2,380,000	1,113,750	3,493,750
2027	2,500,000	991,750	3,491,750
2028-2032	14,505,000	2,903,875	17,408,875
2033-2034	6,800,000	205,500	7,005,500
Total	<u>\$ 32,665,000</u>	<u>\$ 9,231,125</u>	<u>\$ 41,896,125</u>

<b>Year Ending June 30</b>	<b>Tax Allocation Refunding Bonds Issue of 2014</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 3,015,000	\$ 836,875	\$ 3,851,875
2024	3,170,000	682,250	3,852,250
2026	3,330,000	519,750	3,849,750
2026	1,955,000	387,625	2,342,625
2027	1,955,000	289,875	2,244,875
2028-2030	4,820,000	362,500	5,182,500
Total	<u>\$ 18,245,000</u>	<u>\$ 3,078,875</u>	<u>\$ 21,323,875</u>

<b>Year Ending June 30</b>	<b>Subordinate Note 2008</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 130,000	\$ 49,500	\$ 179,500
2024	135,000	41,550	176,550
2025	145,000	33,150	178,150
2026	150,000	24,300	174,300
2027	160,000	15,000	175,000
2028	170,000	5,100	175,100
Total	<u>\$ 890,000</u>	<u>\$ 168,600</u>	<u>\$ 1,058,600</u>

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**10. Compensated Absences**

The City accounts for compensated absences (unpaid vacation, annual leave, unused holiday, compensated time off, and sick leave) in the Employee Benefit internal service fund and the enterprise funds. The balance for accrued compensated absences at June 30, 2022 is \$8,896,195.

Vacation accrues for all employee groups at 10 hours per month after 1 year of service, 12 hours per month after 9 years, 14 hours per month after 14 years, 17.25 hours per month after 19 years, and 20.50 hours per month after 24 years. The maximum an employee may accumulate is an amount equivalent to two full calendar years of service. The maximum management may accumulate is an amount equivalent to two full calendar years of service plus 40 hours.

Sick leave is accumulated on the basis of eight hours for each month of service beginning from the date of hire for all employee groups other than police. Police employees accumulate on the basis of 10 hours for each month of service beginning from the date of hire. The City has adopted a policy for payment of unused sick leave benefits at time of retirement. Employees can be paid 50% for all unused hours up to 1,000, police employees 100% of up to 750 unused hours, and management employees 50% of all unused hours. Studies have indicated that only 14.39% of all accumulated sick leave is actually used by employees, therefore, the sick leave liability is estimated at 14.39% of the total accumulated benefit, or \$2,141,307 at June 30, 2022.



**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**10. Compensated Absences (continued)**

A calculated fringe benefit rate, which includes accrued compensated absences, workers' compensation, retirement and medical benefits, is applied to all labor charges. The resulting funds are deposited into internal service funds and are set aside for corresponding liabilities, which are fully funded by sufficient cash and investment in that fund. Compensated absences are liquidated using the employee benefits internal service fund's available net position.

Governmental funds:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Vacation, Annual Leave, Benefits, and Comp Time	\$ 6,106,271	\$ 6,563,631	\$ (6,690,490)	\$ 5,979,412	\$ 5,800,029
Sick Leave	2,007,776	1,184,882	(1,257,461)	1,935,197	1,877,142
Total	<u>\$ 8,114,047</u>	<u>\$ 7,748,513</u>	<u>\$ (7,947,951)</u>	<u>\$ 7,914,609</u>	<u>\$ 7,677,171</u>

Enterprise funds:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Leave, Benefits, and Comp Time	\$ 592,850	\$ 699,813	\$ (517,187)	\$ 775,476	\$ 752,212
Sick Leave	153,162	281,625	(228,677)	206,110	199,926
Total	<u>\$ 746,012</u>	<u>\$ 981,438</u>	<u>\$ (745,864)</u>	<u>\$ 981,586</u>	<u>\$ 952,138</u>
Totals	<u><u>\$ 8,860,059</u></u>	<u><u>\$ 8,729,951</u></u>	<u><u>\$ (8,693,815)</u></u>	<u><u>\$ 8,896,195</u></u>	<u><u>\$ 8,629,309</u></u>

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**11. Risk Management**

The City utilizes a program to self-insure for workers' compensation liability for the first \$1 million, per occurrence, for injury or occupational illness to city employees pursuant to Workers' Compensation Laws of the State of California. The City contracts with a third party who administers the program and acts as the representative of the City in claim hearings and litigation. Excess coverage is placed with a joint powers authority for losses from \$1 million up to the statutory limit per occurrence. This self-insurance program is accounted for in the Workers' Compensation internal service fund. There is an estimated liability of \$39,565,247 for workers' claims outstanding including claims incurred but not reported on June 30, 2022, which has been included as liabilities in the Workers' Compensation internal service fund.

The City also has a self-insured program for its tort and civil liabilities. The City is self-insured for the first \$2 million per occurrence. Excess liability insurance is carried thereafter to \$33 million per occurrence with commercial insurers. Claims administration and adjusting services are provided by contract with a third-party administrator specializing in public entity liability. Representation in matters of litigation is performed through the retaining of outside law firms and is supervised by the city attorney. This self-insurance program is accounted for in the Risk Management internal service fund.

The City estimates a general liability for claims outstanding, including claims incurred but not reported, on June 30, 2022, in the amount of \$6,912,099 which has been included as liabilities in the Risk Management internal service fund.

The City is a defendant in various lawsuits. Attempts are made to settle these cases or proceed to trial as recommended by the attorney. The City believes that it has meritorious defenses to the allegations contained in the cases. However, the City has accrued and reserved reasonable amounts based on the actuarial analysis and attorney recommendations to cover the potential losses to the extent the exposures are deemed probable and estimable.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**11. Risk Management (continued)**

Settled claims have not exceeded any of the City's coverage amounts in any of the last three fiscal years and there were no reductions in the City's insurance coverage during the year ended June 30, 2022. Changes in the aggregate liability for claims for fiscal year ended June 30, 2022 and June 30, 2021 are as follows:

<b>Worker's Compensation</b>	<b>2022</b>	<b>2021</b>
Liability, July 1	\$ 35,816,024	\$ 34,780,527
Cost and claims incurred	8,329,712	5,652,543
Claim payments	(4,580,489)	(4,617,046)
Liability, June 30	<u>\$ 39,565,247</u>	<u>\$ 35,816,024</u>
Due within one year	\$ 4,832,896	\$ 4,992,810
Due in more than one year	<u>34,732,351</u>	<u>30,823,214</u>
	<u>\$ 39,565,247</u>	<u>\$ 35,816,024</u>
<b>Risk Management</b>		
Liability, July 1	\$ 6,741,230	\$ 6,751,631
Cost and claims incurred	3,253,369	1,611,696
Claim payments	(3,082,500)	(1,622,097)
Liability, June 30	<u>\$ 6,912,099</u>	<u>\$ 6,741,230</u>
Due within one year	\$ 2,505,697	\$ 2,524,431
Due in more than one year	<u>4,406,402</u>	<u>4,216,799</u>
	<u>\$ 6,912,099</u>	<u>\$ 6,741,230</u>

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**12. Public Employees' Retirement System**

**a. General Information about the Pension Plans**

**Plan Description** - The City of Garden Grove's defined benefit pension plans, the Miscellaneous Plan of the City of Garden Grove and the Safety Plan of the City of Garden Grove, provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous Plan of the City of Garden Grove and the Safety Plan of the City of Garden Grove are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate Annual Comprehensive Financial Report. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. Key components of the legislation are as follows:

- Establishes PEPRA which applies to all public employers and public pension plans on and after January 1, 2013 (except specific exemptions);
- Establishes new retirement tiers/benefits for new public employees;
- Prohibits certain cash payment from being counted as compensation; and
- Increases retirement age for all new public employees.

Each employee contributes toward his or her retirement based upon the retirement formula. Under PEPRA, the mandated employee contribution rate is one half of the normal cost as determined annually by CalPERS for the City when the actuarial valuation of the plans are performed. Active PEPRA plan members in the Miscellaneous Plan of the City are required to contribute 6.75% of reportable earnings for a 2.0% at 62 retirement plan. Active PEPRA plan members in the Safety Plan of the City are required to contribute 12.75% of reportable earnings for a 2.7% at 57 retirement plan. Active "Classic" plan members in the Miscellaneous Plan of the City are required to contribute 8.00% of reportable earnings for a 2.5% at 55 retirement plan. Active "Classic" plan members in the Safety Plan of the City are required to contribute 9.00% of reportable earnings for a 3.0% at 50 retirement plan.

The required employer contribution rates for fiscal year ended June 30, 2022 under PEPRA are the same as the employer contribution rates for existing miscellaneous employees and public safety employees.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**12. Public Employees' Retirement System (continued)**

**a. General Information about the Pension Plans (continued)**

**Benefits provided** - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates	42.03%	42.03%

	<b>Safety</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	12.75%
Required employer contribution rates	73.98%	73.98%

**Employees covered** - At June 30, 2020 (actuarial valuation date), the following employees were covered by the benefit terms for each Plan:

	<b>Misc</b>	<b>Safety</b>
Inactive employees or beneficiaries currently receiving benefits	681	498
Inactive employees entitled to but not yet receiving benefits	487	168
Active employees	383	173
Total	1,551	839

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**12. Public Employees' Retirement System (continued)**

**a. General Information about the Pension Plans (continued)**

Contributions - Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

**b. Net Pension Liability**

**Actuarial Methods and Assumptions Used to Determine Total**

The June 30, 2020 valuation was rolled forward to determine the June 30, 2021 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

<sup>1</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**12. Public Employees' Retirement System (continued)**

**b. Net Pension Liability (continued)**

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

<b>Asset Class</b> <sup>1</sup>	<b>Current Target</b>	<b>Real Return Years 1 -10</b> <sup>2</sup>	<b>Real Return Years 11+</b> <sup>3</sup>
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	(0.92%)

<sup>1</sup> In the system's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An expected inflation of 2.0% used for this period.

<sup>3</sup> An expected inflation of 2.92% used for this period.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**12. Public Employees' Retirement System (continued)**

**b. Net Pension Liability (continued)**

**Subsequent Events**

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

**Amortization of Deferred Outflows and Deferred Inflows of Resources**

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net Difference between projected and actual earnings on investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lifetime (EARLS) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.



**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**12. Public Employees' Retirement System (continued)**

**c. Changes in Net Pension Liability**

The following table shows the balances related to pension at June 30, 2022:

	<b>Miscellaneous Plan</b>	<b>Safety Plan</b>	<b>Total</b>
Net Pension Liability	\$ 65,313,223	\$ 152,030,717	\$ 217,343,940
Deferred Outflows	\$ 12,997,911	\$ 20,249,012	\$ 33,246,923
Deferred Inflows	\$ 27,555,861	\$ 40,952,087	\$ 68,507,948
Pension Expense	\$ 14,523,967	\$ 4,648,318	\$ 19,172,285

The following table shows the changes in the Net Pension Liability for each plan:

<b>Miscellaneous Plan:</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (c) = (a) - (b)</b>
<b>Balance at June 30, 2020</b>	\$ 344,006,348	\$ 241,360,320	\$ 102,646,028
Changes in the year:			
Service cost	5,217,353	-	5,217,353
Interest on the total pension liability	24,233,252	-	24,233,252
Difference between actual and expected experience	1,014,736	-	1,014,736
Contribution - employer	-	11,171,129	(11,171,129)
Contribution - employee	-	2,341,219	(2,341,219)
Net Investment income	-	54,526,902	(54,526,902)
Benefit payments, including refunds of employee contributions	(17,406,313)	(17,406,313)	-
Administrative expense	-	(241,104)	241,104
<b>Net changes</b>	<b>13,059,028</b>	<b>50,391,833</b>	<b>(37,332,805)</b>
<b>Balance at June 30, 2021</b>	<b>\$ 357,065,376</b>	<b>\$ 291,752,153</b>	<b>\$ 65,313,223</b>

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**12. Public Employees' Retirement System (continued)**

**c. Changes in Net Pension Liability (continued)**

<b>Safety Plan:</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (c) = (a) - (b)</b>
<b>Balance at June 30, 2020</b>	\$ 571,142,786	\$ 364,405,653	\$ 206,737,133
Changes in the year:			
Service cost	6,799,165	-	6,799,165
Interest on the total pension liability	39,978,657	-	39,978,657
Difference between actual and expected experience	280,017	-	280,017
Contribution - employer	-	17,486,345	(17,486,345)
Contribution - employee	-	2,746,214	(2,746,214)
Net Investment income	-	81,895,715	(81,895,715)
Benefit payments, including refunds of employee contributions	(31,360,647)	(31,360,647)	-
Administrative Expense	-	(364,019)	364,019
<b>Net changes</b>	<b>15,697,192</b>	<b>70,403,608</b>	<b>(54,706,416)</b>
<b>Balance at June 30, 2021</b>	<b>\$ 586,839,978</b>	<b>\$ 434,809,261</b>	<b>\$ 152,030,717</b>

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**12. Public Employees' Retirement System (continued)**

**c. Changes in Net Pension Liability (continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of each Plan, calculated using the discount rate for each Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Lower	6.15%	6.15%
Net Pension Liability	\$ 112,508,406	\$ 230,894,689
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 65,313,223	\$ 152,030,717
1% Higher	8.15%	8.15%
Net Pension Liability	\$ 26,359,200	\$ 87,539,442

The Net Pension Liabilities for the City's pension plans have been primarily liquidated by funding from the General, Water, Sewage Collection and Housing Authority funds based on their proportionate personnel costs of the year.

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports and can be obtained on the CalPERS website.

**d. Pension expenses and deferred outflows/inflows of resources related to pensions**

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous Plan</u>	
	<u>Deferred Outflows of</u>	<u>Deferred Inflows of</u>
	<u>Resources</u>	<u>Resources</u>
Pension contributions subsequent to measurement date	\$ 12,359,003	\$ -
Differences between expected and actual experiences	638,908	(463,926)
Net difference between projected and actual earnings on pension plan investments	-	(27,091,935)
Total	<u>\$ 12,997,911</u>	<u>\$ (27,555,861)</u>

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**12. Public Employees' Retirement System (continued)**

**d. Pension expenses and deferred outflows/inflows of resources related to pensions (continued)**

	<b>Safety Plan</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 19,491,065	\$ -
Differences between expected and actual experiences	757,947	(307,183)
Net difference between projected and actual earnings on pension plan investments	-	(40,644,904)
Total	<u>\$ 20,249,012</u>	<u>\$ (40,952,087)</u>

The \$12,359,003 and \$19,491,065 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Measurement Periods Ended June 30</b>	<b>Miscellaneous Plan</b>	<b>Safety Plan</b>
	<b>Deferred Outflow/(Inflows) of Resources</b>	<b>Deferred Outflow/(Inflows) of Resources</b>
2022	\$ (6,906,685)	\$ (9,731,361)
2023	(6,012,186)	(9,453,731)
2024	(6,511,223)	(9,752,730)
2025	(7,486,859)	(11,256,318)

**12. Other Postemployment Benefits**

**a. Plan Descriptions**

The City administers other post-employment benefit (OPEB) plan which is subject to changes based on the discretion of the Council:

**PEMHCA:** The City provides an agent multiple-employer defined benefit healthcare plan to retirees through the California Public Employee Retirement System (CalPERS) under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**13. Other Postemployment Benefits (continued)**

**b. Employees Covered**

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) and are eligible to begin drawing a PERS pension. The benefits are available only to employees who retire from the City.

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the City plan:

	<b><u>Number of Participants</u></b>
Inactive Employees Receiving Benefit Payments	287
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	-
Participating Active Employees	<u>556</u>
Total Number of Participants	<u><u>843</u></u>

**c. Contributions**

The contributions for the City's other post-employment benefits are based on pay-as-you-go financing requirements.

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City must agree to make a defined monthly payment towards the cost of each retiree's coverage. The City's contribution rates were \$149 and \$143 per month for each retiree for the calendar years ended 2022 and 2021, respectively.

For the fiscal year ended June 30, 2022, the City contributed \$505,291 to the plan.

**d. Actuarial Methods and Assumptions Used to Determine Total OPEB Liability**

The City's total OPEB liability was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

**ACTUARIAL METHODS AND ASSUMPTIONS:**

ACTUARIAL COST METHOD: GASB 74/75 require use of the entry age actuarial cost method.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The APVPBP (Actuarial Present Value of Projected Benefit Payments) and present value of future service costs are determined on an employee by employee basis and then aggregated.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**13. Other Postemployment Benefits (continued)**

**d. Actuarial Methods and Assumptions Used to Determine Total OPEB Liability (continued)**

To the extent that different benefit formulas apply to different employees of the same class, the service cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees). This greatly simplifies administration and accounting; as well as resulting in the correct service cost for new hires.

SUBSTANTIVE PLAN: As required under GASB 74/75 the valuation is based on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by the City regarding practices with respect to employer and employee contribution and other relevant factors.

IMPLICIT RATE SUBSIDY: GASB 74/75 require use of claims costs or age-adjusted premiums approximating claims costs to determine the plan's liability. Adjusting premiums for age creates an Implicit Subsidy and is reflected as part of the plan's liability. In addition, the common approach amongst actuaries in California is to include an implicit subsidy as part of the liability and as such the City requested to have reflected age-adjusted premiums in the calculation of the actuarial values. Implicit Subsidy is considered a benefit and should be included in OPEB valuation and its recognition will increase OPEB liability.

**ECONOMIC ASSUMPTIONS:**

INFLATION: 2.50% per year. Actuarial standards require using the same rate for OPEB that is used for pension.

INVESTMENT RETURN/DISCOUNT RATE: 2.16% per year net of expenses. This is based on the Bond Buyer 20 Bond Index. The interest assumption changed from 2.2% to 2.16%.

TREND: 4% per year. The long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: 2.75% per year.

**MORTALITY**

**Participant Type**

**Mortality Tables**

Police	2017 CalPERS Mortality for Active Safety Employees
Firefighters	2017 CalPERS Mortality for Active Safety Employees
Miscellaneous	2017 CalPERS Mortality for Active Miscellaneous Employees

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**13. Other Postemployment Benefits (continued)**

**d. Actuarial Methods and Assumptions Used to Determine Total OPEB Liability (continued)**

**RETIREMENT RATES**

<b><u>Employee Type</u></b>	<b><u>Retirement Rate Tables</u></b>
Police Officers	2017 CalPERS 3%@50 Rates for Sworn Police Employees or PEPRA rates, as appropriate
Firefighters	2017 CalPERS 3%@50 Rates for Sworn Fire Employees or PEPRA rates, as appropriate
General Employees	2017 CalPERS 2.5%@55 Rates for Miscellaneous Employees or PEPRA rates, as appropriate

**SERVICE REQUIREMENT**

<b><u>Employee Type</u></b>	<b><u>Service Requirement Tables</u></b>
Police	100% at 5 Years of Service
Firefighters	100% at 5 Years of Service
General	100% at 5 Years of Service

**COSTS FOR RETIREE COVERAGE**

Retiree liabilities are based on actual retiree premium plus an implicit rate subsidy of 78.3% of non-Medicare medical premium. Liabilities for active participants are based on the first year costs shown below, which include the implicit rate subsidy. Subsequent years' costs are based on first year costs adjusted for trend and limited by any City contribution caps.

<b><u>Participant Type</u></b>	<b><u>Future Retirees Pre-65</u></b>	<b><u>Future Retirees Post -65</u></b>
Fire Fighters	PEMHCA Minimum: \$1,752 Implicit Subsidy: \$13,982	\$1,752
Police Officers	PEMHCA Minimum: \$1,752 Implicit Subsidy: \$13,982	\$1,752
Miscellaneous Employees	PEMHCA Minimum: \$1,752 Implicit Subsidy: \$9,375	\$1,752

The participation rates per the actuarial report for all employee types for the group that is less than age 65 (Non-Medicare) and for the group that is more than age 65 (Medicare) is 70 percent.

**e. Recognition of Deferred Outflows and Inflows of Resources**

Changes in the Total OPEB Liability (TOL) arising from certain sources are recognized on a deferred basis. Under GASB 74 & 75 OPEB expense includes service cost, interest cost, change in total OPEB liability due to plan changes; all adjusted for deferred inflows and outflows.

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**13. Other Postemployment Benefits (continued)**

**e. Recognition of Deferred Outflows and Inflows of Resources (continued)**

The TOL can arise in several ways - e.g., as a result of plan changes or changes in actuarial assumptions. TOL can also arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and the actual plan experience.

Under GASB 74 and 75, a portion of actuarial gain and losses can be deferred as follows:

- Investment gains and losses can be deferred five years.
- Experience gains and losses can be deferred over the expected average remaining service lives (EARSLS) of plan participants. In calculating the EARSLS, terminated employees (primarily retirees) are considered to have working lifetime of zero. This often make the EARSLS, quite short.
- Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the average working lifetime.
- Liability changes resulting from plan changes, for example, cannot be deferred.

**OPEB Expense a Deferred Outflow/Inflow of Resources to OPEB**

For the fiscal year ended June 30, 2022, the City recognized OPEB expenses of \$6,234,992. As of fiscal year ended June 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions subsequent to measurement	\$ 505,291	\$ -
Changes of assumptions	28,869,893	(564,150)
Difference between expected and actual experience	-	(10,735,767)
Total	<u>\$ 29,375,184</u>	<u>\$ (11,299,917)</u>

The \$505,291 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as OPEB expense as follows:

<b>Measurement Periods Ended June 30</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2022	\$ 2,451,536
2023	2,451,536
2024	2,451,536
2025	2,451,536
2026	2,451,536
Thereafter	5,312,296



**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**13. Other Postemployment Benefits (continued)**

**f. Total OPEB Liability**

If actuarial assumptions are borne out by experience, the City will fully accrue retiree benefits by expensing an amount each year that equals the service cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the Total OPEB Liability (TOL). The TOL is calculated as the APVPBP (Actuarial Present Value of Projected Benefit Payments) minus the present value of future service costs.

**g. Changes in the OPEB Liability**

The changes in the OPEB liability for the City are as follows:

<b>Changes in Total OPEB Liability as of June 30, 2021</b>	
	<b>Increase (Decrease)</b>
	<b>Total OPEB Liability (TOL)</b>
<b>Balance at June 30, 2020</b>	<b>\$ 55,245,075</b>
<b>Changes recognized for the measurement period:</b>	
Service Cost	2,563,528
Interest on TOL	1,219,928
Employer Contributions as Benefits	(2,112,394)
Experience (Gains)/Losses	(11,665,240)
Assumption Changes	3,457,450
<b>Net Changes</b>	<b>(6,536,728)</b>
<b>Balance at June 30, 2021</b>	<b>\$ 48,708,347</b>

**h. Sensitivity of OPEB Liability to Changes in the Discount Rate**

The following presents the OPEB liability with a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

	<b>Discount Rate 1% Lower</b>	<b>Valuation Discount Rate</b>	<b>Discount Rate 1% Higher</b>
OPEB Liability	\$55,869,420	\$48,708,347	\$42,870,148

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**13. Other Postemployment Benefits (continued)**

**i. Sensitivity of OPEB Liability to Changes in the Trend Rate**

The following presents the OPEB liability of the City if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

	Trend Rate 1% Lower	Valuation Trend	Trend Rate 1% Higher
OPEB Liability	\$41,528,968	\$48,708,347	\$57,906,192

**14. Commitments and Contingencies**

**a. Grants**

Under the terms of federal, county and state grants, periodic audits are required and certain costs may be questioned as not appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. If some expenditures were disallowed, the City believes such disallowances, if any, would be immaterial.

**b. Construction Commitments**

The City has active construction projects as of June 30, 2022. City project commitments includes street improvements, storm drain improvements, building improvements, and park improvements. Proprietary fund project commitments include water main improvements, water reservoir rehabilitation projects and sewer main improvements. At fiscal year-end, the City's construction project commitments with contractors are as follows:

	<b>Spent-to-date</b>	<b>Remaining Commitment</b>
Street Improvements	\$ 836,762	\$ 1,041,407
Storm Drain Improvements	3,578,869	2,270,777
Park Improvements	1,085,041	213,237
Building Improvements	644,338	1,050,347
Water Improvements	8,845,483	5,110,556
Sewer Improvements	5,502,366	580,068
Total	<u>\$ 20,492,859</u>	<u>\$ 10,266,392</u>

**CITY OF GARDEN GROVE  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**14. Commitments and Contingencies (continued)**

**c. Contract Commitments**

The City entered into an agreement with the Orange County Fire Authority (OCFA) on April 9, 2019 for OCFA to provide fire and emergency medical services to the City starting on August 16, 2019. OCFA will lease specified apparatus at no cost and fire stations at \$1 per year per station. Annually, the City will pay its share of OCFA's vehicle replacement program. The City will also pay a monthly fee of \$1,931,500 for the fire and emergency medical services. The monthly amount is subject to change on an annual basis and is due at the beginning of each month.

**15. Joint Venture**

The City participates in the Anaheim-Garden Grove-Orange Fire Training Facility Authority, a joint powers authority created to finance fire training and dispatching facilities. The City Council of each city appoints one representative to the three-member Board of Directors. The City's proportionate share is 22.0%. Because the City is not financially accountable, the training facility is not considered part of the City's reporting entity. Separate financial statements are not issued.

**16. Tax Abatements**

The City of Garden Grove enters into various tax abatement agreements for the purpose of attracting and retaining businesses within the City. The Garden Grove Agency for Community Development also entered into three such agreements specific to hotel developments that are now the enforceable obligations of the Successor Agency pursuant to the 2011 Redevelopment Agency Dissolution Act.

In 2016, the City approved an Amended and Restated Operating Covenant Agreement with California Fuels and Lubricants for business retention purposes pursuant to Senate Bill 562. The Amended Agreement effective July 1, 2016 provides for economic development assistance in form of varying revenue sharing ratios of the amount of sales tax revenue generated in excess of \$200,000 annually for a period of 20 years. For Fiscal Year 2021-22, California Fuels and Lubricants received assistance payments of \$1,064,255.

In 2010, the Successor Agency entered into an agreement with Garden Grove MXD, LLC for the construction of the Great Wolf Lodge. The performance based assistance began in 2015-16 and is based on the Transient Occupancy Tax rate. If the Transient Occupancy Tax rate charged by the City impacts an agreed upon Transient Occupancy Tax rate differential with a neighboring City, an amount will be rebated to the developer equal to the total room revenue multiplied by that Transient Occupancy Tax differential. The amount of Transient Occupancy Tax rebated to Garden Grove MXD, LLC for the Fiscal Year 2021-22 is \$373,458. This amount is an approved enforceable obligation of the Successor Agency, and will be paid via the State of California approved Recognized Obligation Payments Schedule.

**CITY OF GARDEN GROVE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**C. DETAILED NOTES ON ALL FUNDS (continued)**

**16. Tax Abatements (continued)**

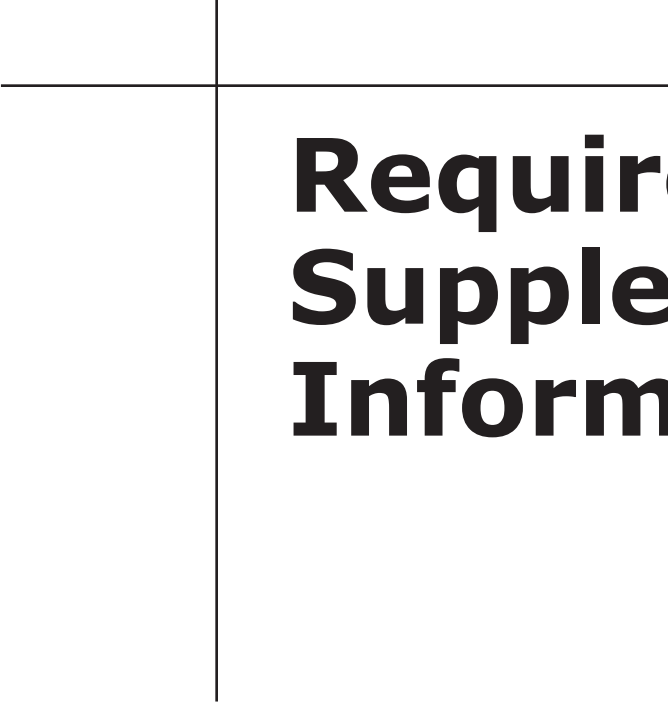
In 2017, the City entered into an agreement with Garden Grove Automotive, Inc (GGA) to acquire the site and continue to sell Kia automobiles. Subject to the contingency that GGA fulfills the covenants of the agreement and generate enough sales tax revenue during the fiscal year, the City has agreed to pay an amount equal to 35% of the sales tax revenue in excess of \$150,000. The amount paid at June 30, 2022 was \$21,500.

**17. Prior Period Adjustment**

With the implementation of GASB 87 - Leases, the beginning balance of capital assets and long-term liabilities were restated as follows:

	Governmental Activities	Business-Type Golf Fund	Total
Net position, beginning of year	\$ 598,364,553	\$ 3,668,083	\$ 602,032,636
Right-to-use assets	229,281	513,117	742,398
Leases payable	<u>(229,281)</u>	<u>(522,652)</u>	<u>(751,933)</u>
Net position, beginning of year, as restated	<u>\$ 598,364,553</u>	<u>\$ 3,658,548</u>	<u>\$ 602,023,101</u>

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# **Required Supplemental Information**

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**CITY OF GARDEN GROVE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Taxes	\$ 115,783,000	\$ 138,877,000	\$ 147,355,942	\$ 8,478,942
Licenses and permits	3,225,000	3,925,000	2,704,550	(1,220,450)
Fines, forfeits and penalties	2,300,000	1,500,000	1,859,264	359,264
Investment earnings	1,152,684	1,152,684	(4,217,678)	(5,370,362)
Charges for current services	5,877,401	5,977,401	7,670,580	1,693,179
From other agencies	27,000,000	27,000,000	24,654,556	(2,345,444)
Other revenues	-	-	3,367,097	3,367,097
Total revenues	<u>155,338,085</u>	<u>178,432,085</u>	<u>183,394,311</u>	<u>4,962,226</u>
<b>EXPENDITURES:</b>				
Current:				
Fire	30,158,332	30,158,332	26,975,339	3,182,993
Police	70,385,534	70,542,611	68,181,105	2,361,506
Traffic safety	2,709,761	2,709,761	2,708,284	1,477
Public right of way	25,663,584	26,163,189	6,781,007	19,382,182
Community buildings	21,748,677	4,248,677	3,713,197	535,480
Community services	5,025,860	5,233,153	4,805,877	427,276
Economic development	1,003,112	1,793,338	1,778,841	14,497
Parks and greenbelts	1,623,917	1,623,917	1,601,155	22,762
Community planning and development	7,692,738	26,527,959	7,136,889	19,391,070
Municipal support	9,282,729	9,304,248	8,856,198	448,050
Debt service:				
Principal retirement	515,000	515,000	541,101	(26,101)
Interest	1,092,317	1,092,317	1,093,121	(804)
Total expenditures	<u>176,901,561</u>	<u>179,912,502</u>	<u>134,172,114</u>	<u>45,740,388</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,563,476)</u>	<u>(1,480,417)</u>	<u>49,222,197</u>	<u>50,702,614</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,386,746	1,386,746	1,443,302	56,556
Transfers out	(1,542,282)	(1,542,282)	(831,837)	710,445
Total other financing sources (uses)	<u>(155,536)</u>	<u>(155,536)</u>	<u>611,465</u>	<u>767,001</u>
Net change in fund balance	(21,719,012)	(1,635,953)	49,833,662	51,469,615
Fund balance, beginning of year	<u>112,431,637</u>	<u>112,431,637</u>	<u>112,431,637</u>	<u>-</u>
Fund balance, end of year	<u>\$ 90,712,625</u>	<u>\$ 110,795,684</u>	<u>\$ 162,265,299</u>	<u>\$ 51,469,615</u>

See accompanying note to required supplementary information.



**CITY OF GARDEN GROVE**  
**OTHER GRANTS AND CONTRIBUTIONS SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Fines, forfeits and penalties	\$ 700,000	\$ 700,000	\$ 686,745	\$ (13,255)
Investment earnings (loss)	-	-	149,151	149,151
From other agencies	3,738,792	3,900,941	7,419,644	3,518,703
Other revenues	-	-	-	-
Total revenues	<u>4,438,792</u>	<u>4,600,941</u>	<u>8,255,540</u>	<u>3,654,599</u>
<b>EXPENDITURES:</b>				
Current:				
Police	475,644	1,243,820	1,001,878	241,942
Traffic safety	454,962	454,962	433,194	21,768
Public right of way	1,829,367	4,808,221	2,361,940	2,446,281
Community services	533,275	550,070	496,624	53,446
Community planning and development	836,548	7,401,260	2,947,235	4,454,025
Debt service:				
Principal retirement	-	-	8,837	(8,837)
Interest	-	-	22	(22)
Total expenditures	<u>4,129,796</u>	<u>14,458,333</u>	<u>7,249,730</u>	<u>7,208,603</u>
Net change in fund balance	308,996	(9,857,392)	1,005,810	10,863,202
Fund balance, beginning of year	<u>5,970,300</u>	<u>5,970,300</u>	<u>5,970,300</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 6,279,296</u>	<u>\$ (3,887,092)</u>	<u>\$ 6,976,110</u>	<u>\$ 10,863,202</u>

*See accompanying note to required supplementary information.*

**CITY OF GARDEN GROVE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**AGENT MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS**  
**THE LAST TEN FISCAL YEARS\***

Measurement Period	Miscellaneous		
	2021	2020	2019
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 5,217,353	\$ 5,053,242	\$ 5,475,558
Interest on total pension liability	24,233,252	23,364,470	22,545,983
Changes of benefit terms	-	2,033,512	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	1,014,736	(1,623,742)	3,673,870
Benefit payments, including refunds of employee contributions	(17,406,313)	(17,321,101)	(16,224,456)
Net change in total pension liability	13,059,028	11,506,381	15,470,955
Total pension liability - beginning	344,006,348	332,499,967	317,029,012
<b>Total pension liability - ending (a)</b>	<b>\$ 357,065,376</b>	<b>\$ 344,006,348</b>	<b>\$ 332,499,967</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contribution - Employer	\$ 11,171,129	\$ 10,190,871	\$ 9,162,242
Contribution - Employee	2,341,219	2,282,163	2,158,717
Net investment income	54,526,902	11,708,962	14,721,760
Benefit payments, including refunds of employee contributions	(17,406,313)	(17,321,101)	(16,224,456)
Net Plan to Plan Resource Movement	-	-	(10,044)
Administrative Expense	(241,104)	(331,053)	(160,695)
Other Miscellaneous Income/(Expense) <sup>1</sup>	-	-	522
Net change in fiduciary net position	50,391,833	6,529,842	9,648,046
Plan fiduciary net position - beginning <sup>2</sup>	241,360,320	234,830,478	225,182,432
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 291,752,153</b>	<b>\$ 241,360,320</b>	<b>\$ 234,830,478</b>
<b>Plan net pension liability - ending (a) - (b)</b>	<b>\$ 65,313,223</b>	<b>\$ 102,646,028</b>	<b>\$ 97,669,489</b>
Plan fiduciary net position as a percentage of the total pension liability	81.71%	70.16%	70.63%
Covered payroll <sup>3</sup>	\$ 29,694,668	\$ 28,436,925	\$ 30,347,270
Plan net pension liability as a percentage of covered payroll	219.95%	360.96%	321.84%

\*Historical information is required only for measurement periods for which GASB 68 is applicable

<sup>1</sup> During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB68).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21, 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

**Benefit Changes:** The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

**Changes of Assumptions:** None in 2019 - 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

Miscellaneous				
<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 5,401,390	\$ 5,295,064	\$ 4,717,431	\$ 4,505,053	\$ 4,722,338
21,444,843	20,965,466	20,513,676	19,499,703	18,697,528
-	-	-	-	-
(1,737,101)	17,855,824	-	(4,893,202)	-
(4,057,535)	(5,244,453)	1,501,168	(1,007,886)	-
(14,088,814)	(13,540,154)	(12,581,087)	(12,134,038)	(11,490,804)
6,962,783	25,331,747	14,151,188	5,969,630	11,929,062
310,066,229	284,734,482	270,583,294	264,613,664	252,684,602
<u>\$ 317,029,012</u>	<u>\$ 310,066,229</u>	<u>\$ 284,734,482</u>	<u>\$ 270,583,294</u>	<u>\$ 264,613,664</u>
\$ 8,199,628	\$ 7,579,342	\$ 6,646,792	\$ 5,948,472	\$ 5,101,581
2,429,785	2,308,262	2,242,990	2,281,790	2,070,127
17,695,861	21,554,042	1,004,774	4,419,750	29,571,239
(14,088,814)	(13,540,154)	(12,581,087)	(12,134,038)	(11,490,804)
36,458	(64,848)	(69,973)	-	-
(330,147)	(286,986)	(120,179)	(221,880)	-
(626,954)	-	-	-	-
13,315,817	17,549,658	(2,876,683)	294,094	25,252,143
211,866,615	194,316,867	197,193,550	196,899,456	171,647,313
<u>\$ 225,182,432</u>	<u>\$ 211,866,525</u>	<u>\$ 194,316,867</u>	<u>\$ 197,193,550</u>	<u>\$ 196,899,456</u>
<u>\$ 91,846,580</u>	<u>\$ 98,199,704</u>	<u>\$ 90,417,615</u>	<u>\$ 73,389,744</u>	<u>\$ 67,714,208</u>
71.03%	68.33%	68.24%	72.88%	74.41%
\$ 29,746,612	\$ 29,037,915	\$ 28,573,176	\$ 27,094,801	\$ 27,060,561
308.76%	338.18%	316.44%	270.86%	250.23%

**CITY OF GARDEN GROVE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**AGENT MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS**  
**THE LAST TEN FISCAL YEARS\***

Measurement Period	Safety		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 6,799,165	\$ 8,470,387	\$ 9,117,082
Interest on total pension liability	39,978,657	38,866,660	37,632,892
Changes of benefit terms	-	1,572,470	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	280,017	(691,163)	4,129,559
Benefit payments, including refunds of employee contributions	(31,360,647)	(31,097,422)	(29,007,470)
Net change in total pension liability	15,697,192	17,120,932	21,872,063
Total pension liability - beginning	571,142,786	554,021,854	532,149,791
<b>Total pension liability - ending (a)</b>	<u>\$ 586,839,978</u>	<u>\$ 571,142,786</u>	<u>\$ 554,021,854</u>
Contribution - Employer	\$ 17,486,345	\$ 15,875,859	\$ 15,698,349
Contribution - Employee	2,746,214	2,639,127	2,644,271
Net investment income	81,895,715	17,702,544	22,658,615
Benefit payments, including refunds of employee contributions	(31,360,647)	(31,097,422)	(29,007,470)
Net Plan to Plan Resource Movement	-	-	10,044
Administrative Expense	(364,019)	(507,220)	(248,366)
Other Miscellaneous Income/(Expense) <sup>1</sup>	-	-	808
Net change in fiduciary net position	70,403,608	4,612,888	11,756,251
Plan fiduciary net position - beginning <sup>2</sup>	364,405,653	359,792,765	348,036,514
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 434,809,261</u>	<u>\$ 364,405,653</u>	<u>\$ 359,792,765</u>
<b>Plan net pension liability - ending (a) - (b)</b>	<u>\$ 152,030,717</u>	<u>\$ 206,737,133</u>	<u>\$ 194,229,089</u>
Plan fiduciary net position as a percentage of the total pension liability	74.09%	63.80%	64.94%
Covered payroll <sup>3</sup>	\$ 27,646,663	\$ 27,964,303	\$ 29,663,516
Plan net pension liability as a percentage of covered payroll	549.91%	739.29%	654.77%

\*Historical information is required only for measurement periods for which GASB 68 is applicable

- 1 During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB68).

- 2 Includes any beginning of year adjustment.
- 3 Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21, 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

**Benefit Changes:** The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

**Changes of Assumptions:** None in 2019 - 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

<b>Safety</b>				
<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
\$ 8,706,648	\$ 8,648,153	\$ 7,378,575	\$ 7,025,519	\$ 7,433,857
36,094,312	35,007,255	33,944,797	32,447,673	31,439,433
-	-	-	-	-
(2,221,006)	29,556,856	-	(4,660,010)	-
(961,074)	(2,081,126)	2,203,036	(8,032,852)	-
(26,226,816)	(24,371,140)	(22,718,361)	(21,846,674)	(20,185,546)
15,392,064	46,759,998	20,808,047	4,933,656	18,687,744
516,757,727	469,997,729	449,189,682	444,256,026	425,568,282
<u>\$ 532,149,791</u>	<u>\$ 516,757,727</u>	<u>\$ 469,997,729</u>	<u>\$ 449,189,682</u>	<u>\$ 444,256,026</u>
\$ 14,147,727	\$ 13,302,274	\$ 11,468,654	\$ 10,155,643	\$ 9,427,732
2,873,704	2,823,680	2,915,098	2,611,738	2,439,710
27,492,574	33,837,324	1,532,436	6,960,883	47,553,580
(26,226,816)	(24,371,140)	(22,718,361)	(21,846,674)	(20,185,546)
(37,788)	-	-	-	-
(516,231)	(452,000)	(190,840)	(352,473)	-
(980,332)	-	-	-	-
16,752,838	25,140,138	(6,993,013)	(2,470,883)	39,235,476
331,283,676	306,143,539	313,136,552	315,607,435	276,371,959
<u>\$ 348,036,514</u>	<u>\$ 331,283,677</u>	<u>\$ 306,143,539</u>	<u>\$ 313,136,552</u>	<u>\$ 315,607,435</u>
<u>\$ 184,113,277</u>	<u>\$ 185,474,050</u>	<u>\$ 163,854,190</u>	<u>\$ 136,053,130</u>	<u>\$ 128,648,591</u>
65.40%	64.11%	65.14%	69.71%	71.04%
\$ 28,541,707	\$ 28,636,267	\$ 27,481,750	\$ 26,325,623	\$ 26,592,225
645.07%	647.69%	596.23%	516.81%	483.78%

**CITY OF GARDEN GROVE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
AGENT MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS  
THE LAST TEN FISCAL YEARS\***

Schedule of Plan Contributions for the Fiscal Years Ended June 30

	<b>Miscellaneous</b>			
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Actuarially determined contributions	\$ 12,359,003	\$ 11,167,273	\$ 10,190,871	\$ 9,153,245
Contributions in relation to the actuarially determined contributions	(12,359,003)	(11,167,273)	(10,190,871)	(9,153,245)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 30,863,494	\$ 29,694,668	\$ 28,436,925	\$ 30,347,270
Contributions as a percentage of covered payroll	40.04%	37.61%	35.84%	30.16%

\* Historical information is required only for measurement periods for which GASB 68 is applicable

**Notes to Schedule of Plan Contributions:**

Valuation date: 6/30/2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method/period	For details, see June 30, 2019 Funding Valuation Report.
Asset valuation method	Fair value of assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study which are incorporated in the current valuation.
Mortality	The probabilities of retirement are based on the 2017 CalPERS Experience Study which are incorporated in the current valuation. The pre-retirement mortality non-industrial death rates vary by age and gender. Industrial death rates vary by age. The non-industrial death rates are used for all plans. The industrial death rates are used for safety plans. Miscellaneous plans usually have industrial death rates set to zero unless the agency has specifically contracted for industrial death benefits. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.
Other information	For changes to previous year's information, refer to past GASB 68 reports.

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<b>Miscellaneous</b>				
<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
\$ 8,199,628	\$ 7,579,342	\$ 6,646,792	\$ 5,948,472	\$ 5,101,581
(8,199,628)	(7,579,342)	(6,646,792)	(5,948,472)	(5,101,581)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 29,746,612	\$ 29,037,915	\$ 28,573,176	\$ 27,094,801	\$ 27,060,561
27.56%	26.10%	23.26%	21.95%	18.85%

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**CITY OF GARDEN GROVE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
AGENT MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS  
THE LAST TEN FISCAL YEARS\***

Schedule of Plan Contributions for the Fiscal Years Ended June 30

	<b>Safety</b>			
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Actuarially determined contributions	\$ 19,491,065	\$ 17,489,949	\$ 15,875,859	\$ 15,691,168
Contributions in relation to the actuarially determined contributions	(19,491,065)	(17,489,949)	(15,875,859)	(15,691,168)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 23,476,513	\$ 21,764,291	\$ 27,964,303	\$ 29,663,516
Contributions as a percentage of covered payroll	83.02%	80.36%	56.77%	52.90%

\* Historical information is required only for measurement periods for which GASB 68 is applicable

**Notes to Schedule:**

Valuation date: 6/30/2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method/period	For details, see June 30, 2019 Funding Valuation Report.
Asset valuation method	Fair value of assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study which are incorporated in the current valuation.
Mortality	The probabilities of retirement are based on the 2017 CalPERS Experience Study which are incorporated in the current valuation. The pre-retirement mortality non-industrial death rates vary by age and gender. Industrial death rates vary by age. The non-industrial death rates are used for all plans. The industrial death rates are used for safety plans. Miscellaneous plans usually have industrial death rates set to zero unless the agency has specifically contracted for industrial death benefits. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.
Other information	For changes to previous year's information, refer to past GASB 68 reports.



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<b>Safety</b>				
<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
\$ 14,147,727	\$ 13,302,273	\$ 11,468,654	\$ 10,155,643	\$ 9,427,732
(14,147,727)	(13,302,273)	(11,468,654)	(10,155,643)	(9,427,732)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 28,541,707	\$ 28,636,267	\$ 27,481,750	\$ 26,325,623	\$ 26,592,225
49.57%	46.45%	41.73%	38.58%	35.45%

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**CITY OF GARDEN GROVE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**for the Measurement Periods Ended June 30**  
**THE LAST TEN FISCAL YEARS\***

<i>Measurement Period</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>TOTAL OPEB LIABILITY</b>					
Service cost	\$ 2,563,528	\$ 1,831,165	\$ 627,266	\$ 669,889	\$ 651,960
Interest on Total OPEB Liability	1,219,928	1,596,249	695,181	695,599	610,096
Employer Contributions	-	-	(467,790)	(420,642)	-
Expected Minus Actual Benefit Payments	-	-	22,763	-	-
Experience (Gains)/Losses	(11,665,240)	(94,837)	(216,121)	-	-
Changes in Assumptions	3,457,450	8,191,623	26,892,575	(922,346)	-
Benefit payments	(2,112,394)	(2,036,122)	-	-	(391,489)
<b>Net change in total OPEB liability</b>	<b>(6,536,728)</b>	<b>9,488,078</b>	<b>27,553,874</b>	<b>22,500</b>	<b>870,567</b>
<b>Total OPEB liability - beginning</b>	<b>55,245,075</b>	<b>45,756,997</b>	<b>18,203,123</b>	<b>18,180,623</b>	<b>17,310,056</b>
<b>Total OPEB liability - ending</b>	<b>\$ 48,708,347</b>	<b>\$ 55,245,075</b>	<b>\$ 45,756,997</b>	<b>\$ 18,203,123</b>	<b>\$ 18,180,623</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	56,905,216	56,638,122	55,122,260	55,704,304	57,674,182
Net OPEB liability as a percentage of covered-employee payroll	85.60%	97.54%	83.01%	32.68%	31.52%

**Notes to Schedule:**

\*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

\*\* Liabilities reflect an implicit rate subsidy for Pre-Medicare retirees. GASB 74 and 75 require use of claims costs or age-adjusted premiums approximating claims costs to determine the plan's liability. Adjusting premiums for age creates Implicit Subsidy and is reflected as part of the plan's liability.

**CITY OF GARDEN GROVE**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must be refunded to the taxpayers either through revised tax rates or revised fee schedules.

The City budget report is prepared under the direction of the City Manager in accordance with generally accepted accounting principles (GAAP) and the requirements of Municipal Code Section 2.08.150. Annual budgets are legally adopted for the general fund, special revenue funds, and capital projects funds. These funds are budgeted based on the modified accrual basis of accounting and include proposed expenditures and the means of financing them. The City Council approves the total budgeted appropriations and any amendments to total appropriations which may be required during the year. Revenues are budgeted by source, and expenditures are budgeted by program.

The legal level of budgetary control is considered to be at the fund level since management can reassign resources within a fund without special approval from City Council. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions which alter the total appropriations of any fund must be approved by City Council.



# **Other Supplemental Information**

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## **CITY OF GARDEN GROVE SPECIAL REVENUE FUNDS**

### ***Public Safety Fund***

Revenues received from the City's share of drug forfeit and seizure money, revenues received from the state under SB172, and various police grants are accounted for in this fund. These funds are used to help support the City's public safety operations.

### ***State Gas Tax Fund***

State gasoline taxes received by the City are accounted for in this fund. Revenue received is used for street maintenance, construction, and/or right of way acquisition.

### ***Developer Fees Fund***

Traffic mitigation and developer fees used to alleviate traffic and sewer problems caused by new development, cultural art fees to be used for City cultural arts projects and programs, park fees which are to be used for park development, drainage fees which are to be used to alleviate City drainage problems are some of the fees that are accounted for in the fund.

### ***Garden Grove Cable Fund***

This fund represents a grant from a private cable corporation of 2% and its cable usage revenue. Expenditures are for public, educational, and governmental access.

### ***Street Lighting Fund***

The purpose of this fund is to provide an accounting for the installation, operation, and maintenance of street lighting within the City. Revenues for this fund are received from property taxes collected by the County of Orange.

### ***Park Maintenance***

The purpose of this fund is to provide an accounting for the maintenance of parks within the City. Revenues for this fund are received from property taxes collected by the County of Orange.

### ***Main Street District Fund***

This fund is used to account for the maintenance of improvements on Main Street in downtown Garden Grove. Revenue for this fund are received from a property tax levy on the main street area.

### ***Air Quality Improvement Fund***

This fund is used to account for revenue received from the South Coast Air Quality Management District for the primary purpose of establishing a ride share program for City employees.

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**CITY OF GARDEN GROVE  
SPECIAL REVENUE FUNDS (CONTINUED)**

***Garden Grove Tourism Improvement District***

This fund is used to account for the tourism marketing efforts through the Anaheim/Orange County Visitors and Convention Bureau and other activities and improvements that promote tourism in the Garden Grove Tourism Improvement District area.

***Street Rehabilitation Fund***

This fund is used to account for revenues received and expenditures made for various street rehabilitation projects.

***HOME Grant Special Revenue Fund***

The HOME Grant special revenue fund is used to account for the revenues received and expenditures made for the housing assistance program, which is funded by the U.S. Department of Housing and Urban Development.

**CAPITAL PROJECTS FUNDS**

***Housing Authority Assets Fund***

Capital projects with the Civic Center area are accounted for in this fund.

***Housing Successor Agency Low/Mod Fund***

Capital projects for low and moderate income housing are accounted for in this fund.

***Public Safety Fund***

Capital projects with Public Safety are accounted for in this fund.



**CITY OF GARDEN GROVE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	<b>Special Revenue Funds</b>			
	<b>Public Safety</b>	<b>State Gas Tax</b>	<b>Developer Fees</b>	<b>Garden Grove Cable</b>
<b>ASSETS</b>				
Cash and investments	\$ 2,658,489	\$ 5,811,353	\$ 12,970,425	\$ 2,788
Cash with fiscal agents	-	-	-	-
Taxes receivable	173,330	920,373	-	-
Accounts receivable	-	-	-	3,965
Interest receivable	1,706	3,715	8,326	-
Due from Successor Agency	-	-	-	-
Deposits and prepaid items	11,120	-	-	13,505
Intergovernmental receivable	-	-	-	-
Notes receivable, net	-	-	-	-
Land held for resale	-	-	-	-
Total assets	<u>\$ 2,844,645</u>	<u>\$ 6,735,441</u>	<u>\$ 12,978,751</u>	<u>\$ 20,258</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 363,260	\$ 812,895	\$ 560,135	\$ 3,287
Accrued liabilities	4,366	121,619	53,602	7,153
Due to other funds	254	1,714	13	62
Total liabilities	<u>367,880</u>	<u>936,228</u>	<u>613,750</u>	<u>10,502</u>
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Non-Spendable:				
Deposits and Prepaid items	11,120	-	-	13,505
Restricted:				
Public safety	2,465,645	-	-	-
Public right of way	-	5,799,213	2,466,921	-
Drainage	-	-	106,625	-
Community planning and development	-	-	1,856,644	-
Community services	-	-	7,934,811	-
Unassigned	-	-	-	(3,749)
Total fund balances	<u>2,476,765</u>	<u>5,799,213</u>	<u>12,365,001</u>	<u>9,756</u>
Total liabilities and fund balances	<u>\$ 2,844,645</u>	<u>\$ 6,735,441</u>	<u>\$ 12,978,751</u>	<u>\$ 20,258</u>

Special Revenue Funds			
Street Lighting	Park Maintenance	Main Street District	Air Quality Improvement
\$ 245,970	\$ 116,927	\$ 211,716	\$ 440,977
-	-	-	-
13,193	6,450	-	-
2,045	-	-	-
153	75	136	283
-	-	-	-
-	-	-	-
-	-	-	56,727
-	-	-	-
-	-	-	-
<u>\$ 261,361</u>	<u>\$ 123,452</u>	<u>\$ 211,852</u>	<u>\$ 497,987</u>
\$ 133,344	\$ 13,041	\$ 1,702	\$ 1,370
3,702	21,649	-	2,326
73	1,675	-	26
<u>137,119</u>	<u>36,365</u>	<u>1,702</u>	<u>3,722</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
124,242	-	210,150	494,265
-	-	-	-
-	87,087	-	-
-	-	-	-
-	-	-	-
<u>124,242</u>	<u>87,087</u>	<u>210,150</u>	<u>494,265</u>
<u>\$ 261,361</u>	<u>\$ 123,452</u>	<u>\$ 211,852</u>	<u>\$ 497,987</u>

**CITY OF GARDEN GROVE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2022**

	Special Revenue Funds		
	GG Tourism Improvement District	Street Rehabilitation	HOME Grant Special Revenue Fund
<b>ASSETS</b>			
Cash and investments	\$ 240,503	\$ 1,816,744	\$ -
Cash with fiscal agents	-	-	-
Taxes receivable	313,871	-	-
Accounts receivable	-	-	-
Interest receivable	-	1,181	-
Due from Successor Agency	-	-	-
Deposits and prepaid items	-	-	-
Intergovernmental receivable	-	1,349,051	577,404
Notes receivable, net	-	-	18,466,076
Land held for resale	-	-	-
Total assets	<u>\$ 554,374</u>	<u>\$ 3,166,976</u>	<u>\$ 19,043,480</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 268,990	\$ 329,698	\$ 116,209
Accrued liabilities	-	36,335	-
Due to other funds	-	41	239,694
Total liabilities	<u>268,990</u>	<u>366,074</u>	<u>355,903</u>
Deferred Inflows of Resources:			
Unavailable revenue	-	740,732	-
Total deferred inflows	<u>-</u>	<u>740,732</u>	<u>-</u>
Fund balances:			
Non-Spendable:			
Prepaid items	-	-	-
Restricted			
Public safety	-	-	-
Public right of way	-	2,060,170	-
Drainage	-	-	-
Community planning and development	285,384	-	18,687,577
Community services	-	-	-
Unassigned	-	-	-
Total fund balances	<u>285,384</u>	<u>2,060,170</u>	<u>18,687,577</u>
Total liabilities and fund balances	<u>\$ 554,374</u>	<u>\$ 3,166,976</u>	<u>\$ 19,043,480</u>

Capital Project Funds			Total
Housing Successor Agency	Housing Successor Agency Low/Mod	Public Safety	Nonmajor Governmental Funds
\$ 679,014	\$ 8,061,942	\$ -	\$ 33,256,848
-	-	1,343,869	1,343,869
-	-	-	1,427,217
1,714	300	-	8,024
435	5,172	-	21,182
-	6,054,260	-	6,054,260
-	-	6,250	30,875
-	-	-	1,983,182
1,922,258	5,751,812	-	26,140,146
-	519,063	-	519,063
<u>\$ 2,603,421</u>	<u>\$ 20,392,549</u>	<u>\$ 1,350,119</u>	<u>\$ 70,784,666</u>
\$ -	\$ 17,892	\$ 95,795	\$ 2,717,618
-	624	24,280	275,656
-	4	244,990	488,546
-	18,520	365,065	3,481,820
-	-	-	740,732
-	-	-	740,732
-	-	6,250	30,875
-	-	978,804	3,444,449
-	-	-	11,154,961
-	-	-	106,625
2,603,421	20,374,029	-	43,894,142
-	-	-	7,934,811
-	-	-	(3,749)
<u>2,603,421</u>	<u>20,374,029</u>	<u>985,054</u>	<u>66,562,114</u>
<u>\$ 2,603,421</u>	<u>\$ 20,392,549</u>	<u>\$ 1,350,119</u>	<u>\$ 70,784,666</u>

**CITY OF GARDEN GROVE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Special Revenue Funds</b>			
	<b>Public Safety</b>	<b>State Gas Tax</b>	<b>Developer Fees</b>	<b>Garden Grove Cable</b>
<b>REVENUES:</b>				
Taxes	\$ 932,404	\$ -	\$ -	\$ -
Licenses and permits	-	-	58,149	-
Investment earnings (loss)	(85,963)	(188,796)	(426,054)	-
Charges for current services	-	-	3,529,940	-
From other agencies	303,206	7,817,898	-	-
Other revenues	-	5,208	-	32,154
Total revenues	<u>1,149,647</u>	<u>7,634,310</u>	<u>3,162,035</u>	<u>32,154</u>
<b>EXPENDITURES:</b>				
Current:				
Police	1,289,109	-	-	-
Traffic safety	-	164,428	510,827	-
Public right of way	-	7,398,768	150,159	-
Community services	-	-	-	429,234
Economic development	-	-	-	-
Parks and greenbelts	-	-	651,003	-
Community planning and development	-	-	83,328	-
Municipal support	-	-	-	-
Debt service:				
Principal	-	-	-	42,329
Interest and fiscal charges	-	-	-	381
Total expenditures	<u>1,289,109</u>	<u>7,563,196</u>	<u>1,395,317</u>	<u>471,944</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(139,462)</u>	<u>71,114</u>	<u>1,766,718</u>	<u>(439,790)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	438,542
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>438,542</u>
Net change in fund balances	(139,462)	71,114	1,766,718	(1,248)
Fund balance (deficit), beginning of year	<u>2,616,227</u>	<u>5,728,099</u>	<u>10,598,283</u>	<u>11,004</u>
Fund balance (deficit), end of year	<u>\$ 2,476,765</u>	<u>\$ 5,799,213</u>	<u>\$ 12,365,001</u>	<u>\$ 9,756</u>

Special Revenue Funds			
Street Lighting	Park Maintenance	Main Street District	Air Quality Improvement
\$ -	\$ -	\$ -	\$ -
-	-	-	-
(1,239)	(3,957)	(6,816)	(14,338)
1,364,858	708,643	26,924	-
-	-	-	223,763
-	-	-	-
1,363,619	704,686	20,108	209,425
-	-	-	-
1,681,664	-	-	-
-	-	32,214	-
-	-	-	-
-	-	-	-
-	700,333	-	-
-	-	-	16,182
22,497	-	-	132,566
-	-	-	-
-	-	-	-
1,704,161	700,333	32,214	148,748
(340,542)	4,353	(12,106)	60,677
392,962	333	-	-
-	-	-	-
392,962	333	-	-
52,420	4,686	(12,106)	60,677
71,822	82,401	222,256	433,588
\$ 124,242	\$ 87,087	\$ 210,150	\$ 494,265

**CITY OF GARDEN GROVE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Special Revenue Funds</b>		
	<b>GG Tourism Improvement District</b>	<b>Street Rehabilitation</b>	<b>HOME Grant</b>
<b>REVENUES:</b>			
Taxes	\$ 2,581,171	\$ -	\$ -
Licenses and permits	-	-	-
Investment earnings (loss)	-	(64,259)	394,390
Charges for current services	-	-	-
From other agencies	-	3,498,197	1,404,484
Other revenues	-	-	-
Total revenues	<u>2,581,171</u>	<u>3,433,938</u>	<u>1,798,874</u>
<b>EXPENDITURES:</b>			
Current:			
Police	-	-	-
Traffic safety	-	164,177	-
Public right of way	-	2,332,502	-
Community services	-	35,175	-
Economic Development	1,812,383	-	-
Parks and greenbelts	-	-	-
Community planning and development	-	-	612,435
Municipal support	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,812,383</u>	<u>2,531,854</u>	<u>612,435</u>
Excess (deficiency) of revenues over (under) expenditures	<u>768,788</u>	<u>902,084</u>	<u>1,186,439</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	-
Transfers out	(616,344)	-	-
Total other financing sources (uses)	<u>(616,344)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	152,444	902,084	1,186,439
Fund balance (deficit), beginning of year	<u>132,940</u>	<u>1,158,086</u>	<u>17,501,138</u>
Fund balance (deficit), end of year	<u>\$ 285,384</u>	<u>\$ 2,060,170</u>	<u>\$ 18,687,577</u>

Capital Project Funds			Total
Housing Authority Assets	Housing Successor Agency Low/Mod	Public Safety	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 3,513,575
-	-	-	58,149
51,175	(179,294)	81	(525,070)
-	-	-	5,630,365
-	-	-	13,247,548
-	89,877	-	127,239
51,175	(89,417)	81	22,051,806
-	-	649,198	1,938,307
-	-	-	2,521,096
-	-	-	9,913,643
-	-	-	464,409
351	-	-	1,812,734
-	-	-	1,351,336
-	299,435	-	1,011,380
-	-	-	155,063
-	-	-	42,329
-	-	-	381
351	299,435	649,198	19,210,678
50,824	(388,852)	(649,117)	2,841,128
-	-	-	831,837
-	-	-	(616,344)
-	-	-	215,493
50,824	(388,852)	(649,117)	3,056,621
2,552,597	20,762,881	1,634,171	63,505,493
\$ 2,603,421	\$ 20,374,029	\$ 985,054	\$ 66,562,114



**CITY OF GARDEN GROVE**  
**PUBLIC SAFETY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Taxes	\$ 774,000	\$ 774,000	\$ 932,404	\$ 158,404
Investment earnings (loss)	-	-	(85,963)	(85,963)
From other agencies	300,000	300,000	303,206	3,206
Total revenues	<u>1,074,000</u>	<u>1,074,000</u>	<u>1,149,647</u>	<u>75,647</u>
<b>EXPENDITURES:</b>				
Current:				
Police	<u>1,086,304</u>	<u>1,598,993</u>	<u>1,289,109</u>	<u>309,884</u>
Total expenditures	<u>1,086,304</u>	<u>1,598,993</u>	<u>1,289,109</u>	<u>309,884</u>
Net change in fund balance	(12,304)	(524,993)	(139,462)	385,531
Fund balance, beginning of year	<u>2,616,227</u>	<u>2,616,227</u>	<u>2,616,227</u>	-
Fund balance, end of year	<u>\$ 2,603,923</u>	<u>\$ 2,091,234</u>	<u>\$ 2,476,765</u>	<u>\$ 385,531</u>

**CITY OF GARDEN GROVE**  
**STATE GAS TAX SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Investment earnings (loss)	\$ -	\$ -	\$ (188,796)	\$ (188,796)
From other agencies	7,567,000	7,567,000	7,817,898	250,898
Other revenues	-	-	5,208	5,208
Total revenues	<u>7,567,000</u>	<u>7,567,000</u>	<u>7,634,310</u>	<u>67,310</u>
<b>EXPENDITURES:</b>				
Current:				
Traffic safety	181,833	181,833	164,428	17,405
Public right of way	7,718,167	12,432,384	7,398,768	5,033,616
Total expenditures	<u>7,900,000</u>	<u>12,614,217</u>	<u>7,563,196</u>	<u>5,051,021</u>
Net change in fund balance	(333,000)	(5,047,217)	71,114	5,118,331
Fund balance, beginning of year	<u>5,728,099</u>	<u>5,728,099</u>	<u>5,728,099</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,395,099</u>	<u>\$ 680,882</u>	<u>\$ 5,799,213</u>	<u>\$ 5,118,331</u>

**CITY OF GARDEN GROVE**  
**DEVELOPER FEES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Licenses and permits	\$ 50,000	\$ 50,000	\$ 58,149	\$ 8,149
Investment earnings (loss)	-	-	(426,054)	(426,054)
Charges for current services	2,075,000	2,075,000	3,529,940	1,454,940
Total revenues	<u>2,125,000</u>	<u>2,125,000</u>	<u>3,162,035</u>	<u>1,037,035</u>
<b>EXPENDITURES:</b>				
Current:				
Traffic safety	795,000	1,579,379	510,827	1,068,552
Public right of way	100,000	154,123	150,159	3,964
Parks and greenbelts	1,700,400	2,282,721	651,003	1,631,718
Community planning and development	223,817	819,608	83,328	736,280
Total expenditures	<u>2,819,217</u>	<u>4,835,831</u>	<u>1,395,317</u>	<u>3,440,514</u>
Net change in fund balance	(694,217)	(2,710,831)	1,766,718	4,477,549
Fund balance, beginning of year	<u>10,598,283</u>	<u>10,598,283</u>	<u>10,598,283</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,904,066</u>	<u>\$ 7,887,452</u>	<u>\$ 12,365,001</u>	<u>\$ 4,477,549</u>

**CITY OF GARDEN GROVE**  
**GARDEN GROVE CABLE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive Negative</b>
<b>REVENUES:</b>				
Other revenues	\$ 65,000	\$ 65,000	\$ 32,154	\$ (32,846)
Total revenues	65,000	65,000	32,154	(32,846)
<b>EXPENDITURES:</b>				
Current:				
Community services	510,021	510,021	429,234	80,787
Debt service:			-	
Principal retirement	-	-	42,329	(42,329)
Interest	43,550	43,550	381	43,169
Total expenditures	553,571	553,571	471,944	81,627
Excess (deficiency) of revenues over (under) expenditures	(488,571)	(488,571)	(439,790)	48,781
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	488,572	488,572	438,542	(50,030)
Total other financing sources (uses)	488,572	488,572	438,542	(50,030)
Net change in fund balance	1	1	(1,248)	(1,249)
Fund balance, beginning of year	11,004	11,004	11,004	-
Fund balance, end of year	\$ 11,005	\$ 11,005	\$ 9,756	\$ (1,249)

**CITY OF GARDEN GROVE**  
**STREET LIGHTING SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Investment earnings (loss)	\$ -	\$ -	\$ (1,239)	\$ (1,239)
Charges for current services	1,338,348	1,338,348	1,364,858	26,510
Total revenues	1,338,348	1,338,348	1,363,619	25,271
<b>EXPENDITURES:</b>				
Current:				
Traffic safety	1,313,110	1,313,110	1,681,664	(368,554)
Municipal support	25,238	25,238	22,497	2,741
Total expenditures	1,338,348	1,338,348	1,704,161	(365,813)
Excess (deficiency) of revenues over (under) expenditures	-	-	(340,542)	(340,542)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	392,962	392,962
Total other financing sources (uses)	-	-	392,962	392,962
Net change in fund balance	-	-	52,420	52,420
Fund balance, beginning of year	71,822	71,822	71,822	-
Fund balance, end of year	\$ 71,822	\$ 71,822	\$ 124,242	\$ 52,420

**CITY OF GARDEN GROVE**  
**PARK MAINTENANCE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Investment earnings (loss)	\$ -	\$ -	\$ (3,957)	\$ (3,957)
Charges for current services	708,000	708,000	708,643	643
Total revenues	708,000	708,000	704,686	(3,314)
<b>EXPENDITURES:</b>				
Current:				
Parks and greenbelts	700,000	700,000	700,333	(333)
Total expenditures	700,000	700,000	700,333	(333)
Excess (deficiency) of revenues over (under) expenditures	8,000	8,000	4,353	(3,647)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	333	333
Total other financing sources (uses)	-	-	333	333
Net change in fund balance	8,000	8,000	4,686	(3,314)
Fund balance, beginning of year	82,401	82,401	82,401	-
Fund balance, end of year	\$ 90,401	\$ 90,401	\$ 87,087	\$ (3,314)

**CITY OF GARDEN GROVE**  
**MAIN STREET DISTRICT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Investment earnings (loss)	\$ -	\$ -	\$ (6,816)	\$ (6,816)
Charges for current services	26,700	26,700	26,924	224
Total revenues	26,700	26,700	20,108	(6,592)
<b>EXPENDITURES:</b>				
Current:				
Public right of way	36,600	153,415	32,214	121,201
Total expenditures	36,600	153,415	32,214	121,201
Net change in fund balance	(9,900)	(126,715)	(12,106)	114,609
Fund balance, beginning of year	222,256	222,256	222,256	-
Fund balance, end of year	\$ 212,356	\$ 95,541	\$ 210,150	\$ 114,609

**CITY OF GARDEN GROVE**  
**AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Investment earnings (loss)	\$ -	\$ -	\$ (14,338)	\$ (14,338)
From other agencies	240,000	240,000	223,763	(16,237)
Total revenues	240,000	240,000	209,425	(30,575)
<b>EXPENDITURES:</b>				
Current:				
Community planning and development	17,235	158,235	16,182	142,053
Municipal support	259,352	434,998	132,566	302,432
Total expenditures	276,587	593,233	148,748	444,485
Excess (deficiency) of revenues over (under) expenditures	(36,587)	(353,233)	60,677	413,910
Net change in fund balance	(36,587)	(353,233)	60,677	413,910
Fund balance, beginning of year	433,588	433,588	433,588	-
Fund balance, end of year	\$ 397,001	\$ 80,355	\$ 494,265	\$ 413,910



**CITY OF GARDEN GROVE**  
**GARDEN GROVE TOURISM IMPROVEMENT DISTRICT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Taxes	\$ 2,824,936	\$ 2,824,936	\$ 2,581,171	\$ (243,765)
Total revenues	<u>2,824,936</u>	<u>2,824,936</u>	<u>2,581,171</u>	<u>(243,765)</u>
<b>EXPENDITURES:</b>				
Current:				
Economic development	2,824,936	2,824,936	1,812,383	1,012,553
Total expenditures	<u>2,824,936</u>	<u>2,824,936</u>	<u>1,812,383</u>	<u>1,012,553</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>768,788</u>	<u>768,788</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(883,634)	(883,634)	(616,344)	267,290
Total other financing sources (uses)	<u>(883,634)</u>	<u>(883,634)</u>	<u>(616,344)</u>	<u>267,290</u>
Net change in fund balance	(883,634)	(883,634)	152,444	1,036,078
Fund balance, beginning of year	<u>132,940</u>	<u>132,940</u>	<u>132,940</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (750,694)</u>	<u>\$ (750,694)</u>	<u>\$ 285,384</u>	<u>\$ 1,036,078</u>

**CITY OF GARDEN GROVE**  
**STREET REHABILITATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Investment earnings (loss)	\$ -	\$ -	\$ (64,259)	\$ (64,259)
From other agencies	3,927,531	3,927,531	3,498,197	(429,334)
Total revenues	<u>3,927,531</u>	<u>3,927,531</u>	<u>3,433,938</u>	<u>(493,593)</u>
<b>EXPENDITURES:</b>				
Current:				
Traffic safety	-	-	164,177	(164,177)
Public right of way	3,722,531	4,010,132	2,332,502	1,677,630
Community services	205,000	298,333	35,175	263,158
Total expenditures	<u>3,927,531</u>	<u>4,308,465</u>	<u>2,531,854</u>	<u>1,776,611</u>
Net change in fund balance	-	(380,934)	902,084	1,283,018
Fund balance, beginning of year	<u>1,158,086</u>	<u>1,158,086</u>	<u>1,158,086</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,158,086</u>	<u>\$ 777,152</u>	<u>\$ 2,060,170</u>	<u>\$ 1,283,018</u>

**CITY OF GARDEN GROVE**  
**HOME GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 394,390	\$ 394,390
From other agencies	893,015	893,015	1,404,484	511,469
Other revenues	-	-	-	-
Total revenues	<u>893,015</u>	<u>893,015</u>	<u>1,798,874</u>	<u>905,859</u>
<b>EXPENDITURES:</b>				
Current:				
Community planning and development	<u>893,015</u>	<u>1,290,193</u>	<u>612,435</u>	<u>677,758</u>
Total expenditures	<u>893,015</u>	<u>1,290,193</u>	<u>612,435</u>	<u>677,758</u>
Net change in fund balance	-	(397,178)	1,186,439	1,583,617
Fund balance, beginning of year	<u>17,501,138</u>	<u>17,501,138</u>	<u>17,501,138</u>	-
Fund balance, end of year	<u>\$ 17,501,138</u>	<u>\$ 17,103,960</u>	<u>\$ 18,687,577</u>	<u>\$ 1,583,617</u>

**CITY OF GARDEN GROVE**  
**HOUSING AUTHORITY ASSETS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Investment earnings (loss)	\$ -	\$ -	\$ 51,175	\$ 51,175
Total revenues	-	-	51,175	51,175
<b>EXPENDITURES:</b>				
Current:				
Economic development	37,000	181,084	351	(180,733)
Total expenditures	37,000	181,084	351	(180,733)
Net change in fund balance	(37,000)	(181,084)	50,824	(129,558)
Fund balance, beginning of year	2,552,597	2,552,597	2,552,597	-
Fund balance, end of year	\$ 2,515,597	\$ 2,371,513	\$ 2,603,421	\$ (129,558)

**CITY OF GARDEN GROVE**  
**HOUSING SUCCESSOR AGENCY LOW/MOD CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Investment earnings (loss)	\$ -	\$ -	\$ (179,294)	\$ (179,294)
Other revenues	329,343	329,343	89,877	(239,466)
Total revenues	<u>329,343</u>	<u>329,343</u>	<u>(89,417)</u>	<u>(418,760)</u>
<b>EXPENDITURES:</b>				
Current:				
Community planning and development	300,954	462,033	299,435	162,598
Total expenditures	<u>300,954</u>	<u>462,033</u>	<u>299,435</u>	<u>162,598</u>
Net change in fund balance	28,389	(132,690)	(388,852)	(256,162)
Fund balance, beginning of year	<u>20,762,881</u>	<u>20,762,881</u>	<u>20,762,881</u>	<u>-</u>
Fund balance, end of year	<u>\$ 20,791,270</u>	<u>\$ 20,630,191</u>	<u>\$ 20,374,029</u>	<u>\$ (256,162)</u>

**CITY OF GARDEN GROVE**  
**PUBLIC SAFETY CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 81	\$ 81
Total revenues	-	-	81	81
<b>EXPENDITURES:</b>				
Current:				
Police	-	1,550,000	649,198	900,802
Total expenditures	-	1,550,000	649,198	900,802
Net change in fund balance	-	(1,550,000)	(649,117)	900,883
Fund balance, beginning of year	1,634,171	1,634,171	1,634,171	-
Fund balance, end of year	<u>\$ 1,634,171</u>	<u>\$ 84,171</u>	<u>\$ 985,054</u>	<u>\$ 900,883</u>

**CITY OF GARDEN GROVE  
NONMAJOR ENTERPRISE FUNDS**

***Solid Waste Disposal Fund***

The Solid Waste Disposal fund accounts for the operation of trash and solid waste collections and disposal services.

***Golf Course Fund***

The fund was established to account for operations of the Willowick Golf Course.

**CITY OF GARDEN GROVE**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2022**

	<b>Solid Waste Disposal</b>	<b>Golf Course</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>			
Current Assets:			
Cash and cash investments	\$ 13,191,804	\$ 417,744	\$ 13,609,548
Taxes receivable	376,800	-	376,800
Accounts receivable	452,321	18,594	470,915
Interest receivable	8,466	98	8,564
Inventory	-	12,589	12,589
Prepaid Items	-	89,141	89,141
Total current assets	<u>14,029,391</u>	<u>538,166</u>	<u>14,567,557</u>
Noncurrent Assets:			
Capital assets			
Land	-	3,132,711	3,132,711
Construction in progress	-	20,325	20,325
Depreciable capital assets, net	-	232,050	232,050
Total noncurrent assets	<u>-</u>	<u>3,385,086</u>	<u>3,385,086</u>
Total assets	<u>14,029,391</u>	<u>3,923,252</u>	<u>17,952,643</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB related	243,922	-	243,922
Pension related	269,056	-	269,056
Total Deferred Outflows	<u>512,978</u>	<u>-</u>	<u>512,978</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	119,086	119,692	238,778
Accrued liabilities	9,531	-	9,531
Interest payable	-	14	14
Refundable deposits	1,014,030	-	1,014,030
Due to other funds	87	-	87
Current portion of long term liabilities			
Leases payable	-	111,454	111,454
Total current liabilities	<u>1,142,734</u>	<u>231,160</u>	<u>1,373,894</u>
Noncurrent liabilities:			
Leases payable	-	57,586	57,586
Net pension liability	1,351,984	-	1,351,984
OPEB liability	404,458	-	404,458
Total noncurrent liabilities	<u>1,756,442</u>	<u>57,586</u>	<u>1,814,028</u>
Total liabilities	<u>2,899,176</u>	<u>288,746</u>	<u>3,187,922</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB related	93,831	-	93,831
Pension related	570,406	-	570,406
Total Deferred Inflows	<u>664,237</u>	<u>-</u>	<u>664,237</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	3,216,046	3,216,046
Unrestricted	<u>10,978,956</u>	<u>418,460</u>	<u>11,397,416</u>
Total net position	<u>\$ 10,978,956</u>	<u>\$ 3,634,506</u>	<u>\$ 14,613,462</u>



**CITY OF GARDEN GROVE**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Solid Waste Disposal</b>	<b>Golf Course</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Operating revenues:</b>			
Charges for services	\$ -	\$ 1,744,025	\$ 1,744,025
Solid waste disposal fees	2,519,405	-	2,519,405
Property assessments	502,231	-	502,231
Other	919,054	-	919,054
Total operating revenues	<u>3,940,690</u>	<u>1,744,025</u>	<u>5,684,715</u>
<b>Operating expenses:</b>			
Salaries and benefits	606,783	-	606,783
Contractual services	1,271,073	-	1,271,073
Materials and supplies	7,671	-	7,671
Golf course operations	-	1,647,260	1,647,260
Depreciation	-	115,522	115,522
Total operating expenses	<u>1,885,527</u>	<u>1,762,782</u>	<u>3,648,309</u>
Operating income (loss)	<u>2,055,163</u>	<u>(18,757)</u>	<u>2,036,406</u>
<b>Nonoperating revenues:</b>			
Investment income (loss)	(425,581)	(4,909)	(430,490)
Interest expense	-	(376)	(376)
Total nonoperating revenue	<u>(425,581)</u>	<u>(5,285)</u>	<u>(430,866)</u>
Change in net position	1,629,582	(24,042)	1,605,540
<b>Total net position, beginning of year, as restated</b>	<u>9,349,374</u>	<u>3,658,548</u>	<u>13,007,922</u>
<b>Total net position, end of year</b>	<u><u>\$ 10,978,956</u></u>	<u><u>\$ 3,634,506</u></u>	<u><u>\$ 14,613,462</u></u>

**CITY OF GARDEN GROVE**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Solid Waste Disposal</b>	<b>Golf Course</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 3,943,770	\$ 1,737,771	\$ 5,681,541
Payments to suppliers	(1,231,959)	(1,694,200)	(2,926,159)
Payments to employees	(697,484)	-	(697,484)
Net cash provided (used) by operating activities	2,014,327	43,571	2,057,898
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>			
Cash paid to other funds	(21,663)	-	(21,663)
Net cash provided (used) by non capital financing activities	(21,663)	-	(21,663)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	-	(56,484)	(56,484)
Principal payments on capital debt	-	(111,280)	(111,280)
Interest paid on capital debt	-	(362)	(362)
Net cash (used) by capital and related financing activities	-	(168,126)	(168,126)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earnings	143,273	2,022	145,295
Increase (decrease) in fair value of investments	(527,378)	(6,130)	(533,508)
Net cash provided by investing activities	(384,105)	(4,108)	(388,213)
Net increase (decrease) in cash and cash equivalents	1,608,559	(128,663)	1,479,896
Cash and cash equivalents, beginning of year	11,583,245	546,407	12,129,652
Cash and cash equivalents, end of year	<u>\$ 13,191,804</u>	<u>\$ 417,744</u>	<u>\$ 13,609,548</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 2,055,163	\$ (18,757)	\$ 2,036,406
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	115,522	115,522
Changes in assets and liabilities:			
(Increase) decrease in taxes receivable	(180,925)	-	(180,925)
(Increase) decrease in accounts receivable	(275,495)	(6,254)	(281,749)
(Increase) decrease in inventory	-	(4,918)	(4,918)
(Increase) decrease in prepaid expense	-	8,104	8,104
Increase (decrease) in accounts payable	46,785	(50,126)	(3,341)
Increase (decrease) in accrued liabilities	(14,078)	-	(14,078)
Increase (decrease) in refundable deposits	459,500	-	459,500
Increase (decrease) in OPEB liability and related changes in deferred outflows and inflows of resources	51,365	-	51,365
Increase (decrease) in net pension liability and related changes in deferred outflows and inflows of resources	(127,988)	-	(127,988)
Total adjustments	(40,836)	62,328	21,492
Net cash provided (used) by operating activities	<u>\$ 2,014,327</u>	<u>\$ 43,571</u>	<u>\$ 2,057,898</u>

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**CITY OF GARDEN GROVE  
INTERNAL SERVICE FUNDS**

***Workers' Compensation Fund***

The City's self-funded workers' compensation program, which is accounted for in this fund, is financed by charges to all City departments based on number and classification of employees. Expenses include operating costs and all payments relating to injured employees.

***Fleet Management Fund***

The costs of operating and maintaining City owned vehicles and other gasoline-powered equipment are accounted for in this fund. The fund is financed by charges to the various City departments for actual cost plus a contributory sum for vehicles/equipment replacement. Actual costs include depreciation, maintenance and other factors necessary for the provision of the service.

***Employee Benefits Fund***

This fund encompasses all other employee benefits such as retirement contributions, health, dental, disability, life insurance, and sick leave, vacation, and other paid leaves. Revenues for this fund are derived from periodic charges to all departments based on the number of employees, length of service, and insurance coverage. Funds are used to pay actual expenses and to accrue existing liabilities.

***Information Systems Fund***

This fund encompasses the cost of operating and maintaining the City's computer system. The fund is financed by charges to the various City departments based on computer usage.

***Warehouse Operations Fund***

This fund is used to account for the provision of materials and supplies to the various City departments. Financing is provided by the user City departments by payment of costs of material and supplies plus an overhead charge.

***Telephone System Fund***

This fund accounts for the operation of the City's telephone system. The financing comes from charges to the various City departments based on actual toll charges and the lease cost prorated on the number of instruments.

***Risk Management Fund***

This fund is used to account for the City's self-insured liability program and for the purchase of various types of property and casualty insurance protection as required by the City. The funds are used to pay any liability losses, program operating costs, insurance premiums and insurance deductibles. Revenues for this fund are generated from assessments made to all City departments for their pro-rata share of the total costs of the insurance administration program.

***Communication Replacement Fund***

This fund is used to account for both the operating and capital costs of the City's communication system in relation to the county-wide 800MHZ backbone project. Funds are used to pay for the City's backbone costs and the capital costs incurred to upgrade its communications equipment to integrate with the county-wide communications system. The financing comes from charges to the various City departments based on an allocation of actual costs. Actual costs include depreciation and maintenance.

**CITY OF GARDEN GROVE**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2022**

	<b>Workers'</b>	<b>Fleet</b>	<b>Employee</b>	<b>Information</b>
	<b>Compensation</b>	<b>Management</b>	<b>Benefits</b>	<b>Systems</b>
<b>ASSETS</b>				
Current Assets:				
Cash and cash investments	\$ 36,431,803	\$ 40,496,130	\$ 17,067,160	\$ 5,756,829
Accounts receivable, net	48	-	26,317	-
Interest receivable	23,207	25,970	13,174	3,688
Due from other funds	91,247	-	239,694	-
Inventory	-	93,736	-	-
Prepaid items	-	138	30,786	153,929
Total current assets	<u>36,546,305</u>	<u>40,615,974</u>	<u>17,377,131</u>	<u>5,914,446</u>
Noncurrent Assets:				
Intercity loans receivable	-	1,602,024	-	-
Capital assets:				
Construction in progress	-	695,173	-	9,960
Depreciable capital assets, net	-	10,957,651	-	86,356
Total noncurrent assets	<u>-</u>	<u>13,254,848</u>	<u>-</u>	<u>96,316</u>
Total assets	<u>36,546,305</u>	<u>53,870,822</u>	<u>17,377,131</u>	<u>6,010,762</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB related	-	348,460	-	731,766
Pension related	-	371,740	-	712,285
Total Deferred Outflows	<u>-</u>	<u>720,200</u>	<u>-</u>	<u>1,444,051</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	2,773	241,450	28,366	603,009
Accrued liabilities	19,899	23,009	566,991	50,021
Due to other funds	48	1,352	-	395
Current portion of long term liabilities				
Leases payable	-	-	-	15,976
Accrued compensated absences	-	-	7,677,171	-
Claims payable	4,832,896	-	-	-
Total current liabilities	<u>4,855,616</u>	<u>265,811</u>	<u>8,272,528</u>	<u>669,401</u>
Noncurrent liabilities:				
Accrued compensated absences	-	-	237,438	-
Claims payable	34,732,351	-	-	-
Intercity loans payable	-	-	-	-
Net pension liability	-	1,867,958	-	3,579,165
OPEB liability	-	577,798	-	1,213,375
Total noncurrent liabilities	<u>34,732,351</u>	<u>2,445,756</u>	<u>237,438</u>	<u>4,792,540</u>
Total liabilities	<u>39,587,967</u>	<u>2,711,567</u>	<u>8,509,966</u>	<u>5,461,941</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB related	-	134,044	-	281,493
Pension related	-	788,098	-	1,510,061
Total Deferred Inflows	<u>-</u>	<u>922,142</u>	<u>-</u>	<u>1,791,554</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	11,652,824	-	80,340
Unrestricted	<u>(3,041,662)</u>	<u>39,304,489</u>	<u>8,867,165</u>	<u>120,978</u>
Total net position	<u>\$ (3,041,662)</u>	<u>\$ 50,957,313</u>	<u>\$ 8,867,165</u>	<u>\$ 201,318</u>

<b>Warehouse Operations</b>	<b>Telephone System</b>	<b>Risk Management</b>	<b>Communication Replacement</b>	<b>Total</b>
\$ 602,014	\$ 1,809,031	\$ 8,989,745	\$ 1,311,528	112,464,240
-	-	-	-	26,365
386	1,160	5,724	842	74,151
-	-	-	-	330,941
382,292	-	-	-	476,028
-	-	34,357	-	219,210
984,692	1,810,191	9,029,826	1,312,370	113,590,935
-	-	2,435,745	-	4,037,769
-	-	-	-	705,133
-	-	-	1,603,076	12,647,083
-	-	2,435,745	1,603,076	17,389,985
984,692	1,810,191	11,465,571	2,915,446	130,980,920
-	-	-	-	1,080,226
-	-	-	-	1,084,025
-	-	-	-	2,164,251
51,422	4,804	23,837	19	955,680
4,400	3,164	2,482	-	669,966
338	24	20	-	2,177
-	-	-	-	15,976
-	-	-	-	7,677,171
-	-	2,505,697	-	7,338,593
56,160	7,992	2,532,036	19	16,659,563
-	-	-	-	237,438
-	-	4,406,402	-	39,138,753
-	-	-	1,602,024	1,602,024
-	-	-	-	5,447,123
-	-	-	-	1,791,173
-	-	4,406,402	1,602,024	48,216,511
56,160	7,992	6,938,438	1,602,043	64,876,074
-	-	-	-	415,537
-	-	-	-	2,298,159
-	-	-	-	2,713,696
-	-	-	1,603,076	13,336,240
928,532	1,802,199	4,527,133	(289,673)	52,219,161
\$ 928,532	\$ 1,802,199	\$ 4,527,133	\$ 1,313,403	\$ 65,555,401

**CITY OF GARDEN GROVE**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Workers' Compensation</b>	<b>Fleet Management</b>	<b>Employee Benefits</b>	<b>Information Systems</b>
<b>Operating revenues:</b>				
Charges for services	\$ 4,452,747	\$ 5,628,666	\$ 24,256,145	\$ 3,123,197
Total operating revenues	4,452,747	5,628,666	24,256,145	3,123,197
<b>Operating expenses:</b>				
Salaries and benefits	1,578,339	1,094,649	23,583,743	2,580,719
Contractual services	34,076	2,027,670	9,694	1,305,686
Liability claims	9,048,681	-	178,162	-
Materials and supplies	-	8,189	-	212,575
Depreciation	-	1,552,480	-	97,621
Total operating expenses	10,661,096	4,682,988	23,771,599	4,196,601
Operating income (loss)	(6,208,349)	945,678	484,546	(1,073,404)
<b>Nonoperating revenues (expenses):</b>				
Investment income (loss)	(1,161,772)	(1,281,845)	(763,425)	(183,500)
Gain (loss) on disposal of assets	-	119,416	-	-
Interest expense	-	-	-	(451)
Total nonoperating revenue (expenses)	(1,161,772)	(1,162,429)	(763,425)	(183,951)
Income (loss) before transfers and capital contributions	(7,370,121)	(216,751)	(278,879)	(1,257,355)
Capital contributions	-	519,953	-	-
Transfers in	-	38,554	-	-
Transfers out	-	-	(826,958)	-
Change in net position	(7,370,121)	341,756	(1,105,837)	(1,257,355)
<b>Total net position, beginning of year</b>	4,328,459	50,615,557	9,973,002	1,458,673
<b>Total net position, end of year</b>	\$ (3,041,662)	\$ 50,957,313	\$ 8,867,165	\$ 201,318

<b>Warehouse Operations</b>	<b>Telephone System</b>	<b>Risk Management</b>	<b>Communication Replacement</b>	<b>Total</b>
\$ 378,020	\$ 427,555	\$ 2,743,037	\$ 600,000	\$ 41,609,367
378,020	427,555	2,743,037	600,000	41,609,367
327,465	160,986	389,539	-	29,715,440
33,588	178,797	365,145	315	3,954,971
-	-	4,742,011	-	13,968,854
3,437	-	2,316	-	226,517
-	62,028	-	301,497	2,013,626
364,490	401,811	5,499,011	301,812	49,879,408
13,530	25,744	(2,755,974)	298,188	(8,270,041)
(18,680)	(58,188)	(197,475)	(42,213)	(3,707,098)
-	-	-	-	119,416
-	-	-	(22,919)	(23,370)
(18,680)	(58,188)	(197,475)	(65,132)	(3,611,052)
(5,150)	(32,444)	(2,953,449)	233,056	(11,881,093)
-	-	-	-	519,953
-	-	-	-	38,554
-	-	-	-	(826,958)
(5,150)	(32,444)	(2,953,449)	233,056	(12,149,544)
933,682	1,834,643	7,480,582	1,080,347	77,704,945
\$ 928,532	\$ 1,802,199	\$ 4,527,133	\$ 1,313,403	\$ 65,555,401



**CITY OF GARDEN GROVE**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Workers' Compensation</b>	<b>Fleet Management</b>	<b>Employee Benefits</b>	<b>Information Systems</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from user departments	\$ 4,452,699	\$ 5,636,134	\$ 24,273,946	\$ 3,123,197
Payments to suppliers	(5,408,721)	(1,904,405)	(187,856)	(1,043,087)
Payments to employees	(1,578,339)	(1,145,940)	(8,544,422)	(2,404,326)
Payments for employee benefits	-	-	(16,109,833)	-
Net cash (used) provided by operating activities	(2,534,361)	2,585,789	(568,165)	(324,216)
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>				
Cash received from other funds	149,627	404,719	1,666,067	-
Cash paid to other funds	-	-	-	(55,043)
Net cash (used) provided by non capital financing activities	149,627	404,719	1,666,067	(55,043)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	-	(1,380,757)	-	(63,063)
Proceeds from sale of capital assets	-	123,884	-	-
Principal paid on capital debt	-	-	-	(47,440)
Interest paid on capital debt	-	-	-	(470)
Net cash (used) by capital and related financing activities	-	(1,256,873)	-	(110,973)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest earnings	432,213	482,001	116,935	70,151
Increase (decrease) in fair value of investments	(1,445,684)	(1,617,790)	(820,655)	(229,716)
Net cash provided by investing activities	(1,013,471)	(1,135,789)	(703,720)	(159,565)
Net increase (decrease) in cash and cash equivalents	(3,398,205)	597,846	394,182	(649,797)
Cash and cash equivalents, beginning of year	39,830,008	39,898,284	16,672,978	6,406,626
Cash and cash equivalents, end of year	\$ 36,431,803	\$ 40,496,130	\$ 17,067,160	\$ 5,756,829
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (6,208,349)	\$ 945,678	\$ 484,546	\$ (1,073,404)
Adjustments to reconcile operating income (income) to net cash (used) provided by operating activities:				
Depreciation expense	-	1,552,480	-	97,621
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(48)	7,468	17,801	-
(Increase) decrease in inventory	-	(39,005)	-	-
(Increase) decrease in prepaid expense	140	-	(30,786)	(65,497)
Increase (decrease) in accounts payable	2,773	181,700	(1,173,857)	552,035
Increase (decrease) in compensated absences	-	-	(199,438)	-
Increase (decrease) in accrued liabilities	(78,100)	(11,241)	333,569	(11,364)
Increase (decrease) in claims payable	3,749,223	-	-	-
Increase (decrease) in OPEB liability and related changes in deferred outflows and inflows of resources	-	54,409	-	96,110
Increase (decrease) in net pension liability and related changes in deferred outflows and inflows of resources	-	(105,700)	-	80,283
Total adjustments	3,673,988	1,640,111	(1,052,711)	749,188
Net cash (used) provided by operating activities	\$ (2,534,361)	\$ 2,585,789	\$ (568,165)	\$ (324,216)

<b>Warehouse Operations</b>	<b>Telephone System</b>	<b>Risk Management</b>	<b>Communication Replacement</b>	<b>Total</b>
\$ 378,020	\$ 427,555	\$ 2,743,037	\$ 600,000	\$ 41,634,588
(4,196)	(183,274)	(4,964,671)	(296)	(13,696,506)
(327,465)	(160,986)	(389,539)	-	(14,551,017)
-	-	-	-	(16,109,833)
46,359	83,295	(2,611,173)	599,704	(2,722,768)
-	-	59,555	-	2,279,968
(9,557)	(3,974)	-	(400,506)	(469,080)
(9,557)	(3,974)	59,555	(400,506)	1,810,888
-	-	-	-	(1,443,820)
-	-	-	-	123,884
-	(49,623)	-	-	(97,063)
-	-	-	(22,919)	(23,389)
-	(49,623)	-	(22,919)	(1,440,388)
7,495	20,803	203,446	14,430	1,347,474
(24,053)	(72,257)	(356,546)	(52,426)	(4,619,127)
(16,558)	(51,454)	(153,100)	(37,996)	(3,271,653)
20,244	(21,756)	(2,704,718)	138,283	(5,623,921)
581,770	1,830,787	11,694,463	1,173,245	118,088,161
\$ 602,014	\$ 1,809,031	\$ 8,989,745	\$ 1,311,528	\$ 112,464,240
\$ 13,530	\$ 25,744	\$ (2,755,974)	\$ 298,188	\$ (8,270,041)
-	62,028	-	301,497	2,013,626
-	-	-	-	25,221
(7,188)	-	-	-	(46,193)
30	7,528	(29,563)	-	(118,148)
45,080	(10,932)	15,924	19	(387,258)
-	-	-	-	(199,438)
(5,093)	(1,073)	(12,429)	-	214,269
-	-	170,869	-	3,920,092
-	-	-	-	150,519
-	-	-	-	(25,417)
32,829	57,551	144,801	301,516	5,547,273
\$ 46,359	\$ 83,295	\$ (2,611,173)	\$ 599,704	\$ (2,722,768)

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# Statistical Section

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## Statistical Section

This part of the City of Garden Grove Comprehensive Annual Financial Report provides detailed information to better understand information presented within the Financial Statements, note disclosures, and required supplementary information say about the City's overall financial health.

### Financial Trends

*These schedules contain trend information to assist the reader understand and assess how the City's financial position has changed over time.*

Schedule I	-	Net Position by Component
Schedule II	-	Changes in Net Position
Schedule III	-	Balance of Governmental Funds
Schedule IV	-	Changes in Fund Balances of Governmental Funds
Schedule V	-	General Government Major Tax Revenues by Source

### Revenue Capacity

*These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.*

Schedule VI	-	Assessed Value and Estimated Actual Value of Taxable Property
Schedule VII	-	Property Tax Rates Direct and Overlapping Governments
Schedule VIII	-	Principal Property Tax Payers
Schedule IX	-	Property Tax Levies and Collections

### Debt Capacity

*This information is intended to assist the user in understanding and assessing the affordability of the City's outstanding debt and the City's ability to issue additional debt.*

Schedule X	-	Ratios of Outstanding Debt by Type
Schedule XI	-	Ratios of General Bonded Debt Outstanding
Schedule XII	-	Direct and Overlapping Bonds and Debt
Schedule XIII	-	Legal Debt Margin Information
Schedule XIV	-	Pledged-Revenue Coverage

### Demographics and Economic Information

*This information assists the reader in understanding the socioeconomic environment within which the City's financial activities take place.*

Schedule XV	-	Demographic and Economic Statistics
Schedule XVI	-	Principal Employers

### Operating Information

*Provides service and infrastructure information to assist readers using the City's financial statement to understand how it relates to the services and activities performed by the City.*

Schedule XVII	-	Full-Time and Part-Time City Employees by Department
Schedule XVIII	-	Operating Indicators by Function
Schedule XIX	-	Capital Assets Statistics by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

The City implemented GASB 34 in FY 2002; the government-wide schedules include information beginning in that year.

The City implemented GASB 54 in FY 2011; the balance of governmental funds schedule include information beginning in that year.

The City implemented GASB 65 in FY 2013; as a result, effective FY 2013, the names of Schedule I and Schedule II are changed to "Net Position by Component" and "Changes in Net Position", respectively.

The City implemented GASB 68 in FY 2015; the government-wide schedules include information beginning in that year.

**SCHEDULE I  
CITY OF GARDEN GROVE  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
(In Thousands)**

	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Governmental activities:				
Net investment in capital assets	\$ 643,095	\$ 644,220	\$ 642,786	\$ 641,661
Restricted	22,114	22,150	17,848	21,967
Unrestricted	123,504	117,646	(83,857)	(88,223)
Total governmental activities net position	<u>\$ 788,713</u>	<u>\$ 784,016</u>	<u>\$ 576,777</u>	<u>\$ 575,405</u>
Business-type activities:				
Net investment in capital assets	\$ 97,657	\$ 107,299	\$ 111,947	\$ 117,488
Restricted	-	-	-	-
Unrestricted	39,457	44,291	29,703	26,011
Total business-type activities net position	<u>\$ 137,114</u>	<u>\$ 151,590</u>	<u>\$ 141,650</u>	<u>\$ 143,499</u>
Primary government:				
Net investment in capital assets	\$ 740,752	\$ 751,519	\$ 754,733	\$ 759,149
Restricted	22,114	22,150	17,848	21,967
Unrestricted	162,961	161,937	(54,154)	(62,212)
Total primary government net position	<u>\$ 925,827</u>	<u>\$ 935,606</u>	<u>\$ 718,427</u>	<u>\$ 718,904</u>

The City of Garden Grove implemented GASB 63 and GASB 65 for the fiscal year ended June 30, 2013, and GASB 68 for the fiscal year ended June 30, 2015.

Source: Finance Department, City of Garden Grove

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 631,964	\$ 622,932	\$ 621,163	\$ 619,138	\$ 617,316	\$ 618,070
24,613	65,456	69,820	72,470	75,669	77,360
(86,633)	(111,538)	(104,976)	(108,833)	(94,620)	(35,673)
<u>\$ 569,944</u>	<u>\$ 576,850</u>	<u>\$ 586,007</u>	<u>\$ 582,775</u>	<u>\$ 598,365</u>	<u>\$ 659,757</u>
\$ 118,371	\$ 119,954	\$ 125,805	\$ 132,671	\$ 120,399	\$ 129,173
-	-	-	-	-	-
28,288	29,677	32,485	37,725	63,654	64,562
<u>\$ 146,659</u>	<u>\$ 149,631</u>	<u>\$ 158,290</u>	<u>\$ 170,396</u>	<u>\$ 184,053</u>	<u>\$ 193,735</u>
\$ 750,335	\$ 742,886	\$ 746,968	\$ 751,809	\$ 737,715	\$ 747,243
24,613	65,456	69,820	72,470	75,669	77,360
(58,345)	(81,861)	(72,491)	(71,108)	(30,966)	28,889
<u>\$ 716,603</u>	<u>\$ 726,481</u>	<u>\$ 744,297</u>	<u>\$ 753,171</u>	<u>\$ 782,418</u>	<u>\$ 853,492</u>



**SCHEDULE II  
CITY OF GARDEN GROVE  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
(In Thousands)**

	Fiscal Year			
	2013	2014	2015	2016
Expenses:				
Governmental activities:				
Fire	\$ 20,273	\$ 20,876	\$ 21,939	\$ 20,700
Police	45,467	49,289	50,837	47,309
Traffic safety	3,097	3,872	3,517	3,001
Public right of way	16,541	14,051	16,903	16,917
Drainage	1,426	1,284	1,445	1,453
Community buildings	4,596	4,504	4,973	4,691
Community services	4,452	4,679	4,797	4,606
Economic Development	-	-	1,944	2,333
Parks and greenbelts	1,838	1,973	2,146	1,957
Community planning and development	7,938	8,491	7,837	5,633
Municipal support	6,344	7,112	7,609	6,151
Interest on long-term debt	1,815	1,305	862	1,962
Total governmental activities expenses	113,787	117,436	124,809	116,713
Business-type activities:				
Water	26,419	26,761	30,003	26,982
Sanitary District	8,641	7,092	8,128	8,095
Mobile home parks/RV park	-	-	-	-
Housing authority	31,586	30,489	30,707	36,947
Golf course	-	-	-	-
Total business-type activities expenses	66,646	64,342	68,838	72,024
Total primary government expenses	180,433	181,778	193,647	188,737
Program revenues:				
Governmental activities:				
Charges for services:				
Fire	1,106	1,422	1,011	1,683
Police	3,486	3,169	3,019	2,717
Traffic safety	1,349	1,349	1,351	1,347
Public right of way	249	358	272	391
Drainage	-	-	-	-
Community buildings	-	-	-	-
Community services	851	859	986	768
Economic development	-	-	-	-
Parks and greenbelts	1,319	1,282	1,264	1,226
Community planning and development	1,491	2,128	1,839	2,320
Municipal support	2,553	2,693	2,656	3,109
Operating grants and contributions	10,012	13,277	13,295	15,819
Capital grants and contributions	5,789	5,435	6,032	3,569
Total governmental activities program revenues	28,205	31,972	31,725	32,949
Business-type activities:				
Charges for services:				
Water	33,738	35,186	33,145	29,158
Sanitary District	13,204	12,051	12,095	12,339
Mobile home parks	-	-	-	-
Golf course	-	-	-	-
Operating grants and contributions	30,582	30,656	30,726	31,730
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	77,524	77,893	75,966	73,227
Total primary government program revenues	105,729	109,865	107,691	106,176
Net revenues (expenses):				
Governmental activities	(85,582)	(85,464)	(93,084)	(83,764)
Business-type activities	10,878	13,551	7,128	1,203
Total net revenues (expenses)	<u>\$ (74,704)</u>	<u>\$ (71,913)</u>	<u>\$ (85,956)</u>	<u>\$ (82,561)</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 23,934	\$ 27,428	\$ 27,053	\$ 32,910	\$ 29,810	\$ 27,035
53,783	64,245	62,965	76,176	78,689	64,172
4,425	5,088	5,214	5,734	5,947	5,839
18,456	18,952	19,108	17,499	18,389	16,553
1,438	1,561	1,464	1,396	1,547	1,589
4,998	5,096	4,552	4,802	4,958	4,780
5,184	5,677	5,684	6,268	5,250	5,090
4,271	3,099	3,235	2,950	2,595	3,595
1,861	5,628	2,367	2,190	2,161	2,295
6,989	9,590	8,235	9,352	10,521	9,248
8,434	8,721	10,812	9,914	9,360	7,595
1,212	1,133	1,049	1,112	1,083	1,058
134,985	156,218	151,738	170,303	170,310	148,849
31,109	35,410	34,062	37,937	36,220	35,862
8,709	9,671	9,554	9,509	8,984	10,424
-	-	-	-	-	-
30,390	33,130	34,218	37,038	39,631	43,524
70,208	78,211	77,834	1,479	1,589	1,763
205,193	234,429	229,572	85,963	86,424	91,573
1,347	1,830	1,329	698	596	740
3,150	3,599	3,293	3,470	3,058	2,889
1,356	1,355	1,350	1,352	1,356	1,365
394	406	450	362	272	429
-	-	-	-	-	-
401	-	510	508	230	444
1,015	1,145	1,446	761	682	968
108	-	-	-	-	-
1,265	834	678	776	754	577
2,031	3,605	4,360	3,275	4,252	4,118
3,555	3,730	3,646	3,256	3,456	1,806
14,868	14,771	21,660	22,125	49,746	49,242
497	2,329	3,739	3,036	1,906	3,442
29,987	33,604	42,461	39,619	66,308	66,020
32,130	35,595	36,966	38,575	42,246	43,256
12,939	12,837	14,002	14,413	13,959	15,966
-	-	-	-	-	-
-	-	-	1,243	1,837	1,744
31,379	31,461	34,417	37,376	41,155	43,400
-	-	-	-	-	-
76,448	79,893	85,385	91,607	99,197	104,366
106,435	113,497	127,846	131,226	165,505	170,386
(104,998)	(122,614)	(109,277)	(130,684)	(104,002)	(82,829)
6,240	1,682	7,551	5,644	12,773	12,793
\$ (98,758)	\$ (120,932)	\$ (101,726)	\$ (125,040)	\$ (91,229)	\$ (70,036)

(Continued)

**SCHEDULE II**  
**CITY OF GARDEN GROVE**  
**CHANGES IN NET POSITION (Continued)**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(In Thousands)**

	Fiscal Year			
	2013	2014	2015	2016
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Sales taxes	\$ 19,805	\$ 20,285	\$ 19,251	\$ 22,052
Property taxes	35,145	35,286	36,972	40,574
Transient occupancy taxes	14,448	16,443	17,217	20,897
Other taxes	7,316	7,438	7,761	8,214
Motor vehicle taxes, levied for general purposes	90	75	72	71
Investment income	1,757	1,945	2,005	3,344
Other general revenues	1,210	297	534	7,270
Gain/(Loss) on sale of capital assets	-	(1,002) <sup>5</sup>	3 <sup>5</sup>	2,774
Transfers	-	-	(7)	-
Capital Contribution	2,309 <sup>4</sup>	-	-	-
Special Item	-	-	-	-
Total governmental activities	<u>82,080</u>	<u>80,767</u>	<u>83,808</u>	<u>105,196</u>
Business-type activities:				
Investment income	437	715	523	428
Gain/(Loss) on sale of capital assets	-	41	169	59
Other general revenues	-	169	29	159
Discontinued operations	-	-	-	-
Transfers	-	-	7	-
Total business-type activities	<u>437</u>	<u>925</u>	<u>728</u>	<u>646</u>
Total primary government	<u>82,517</u>	<u>81,692</u>	<u>84,536</u>	<u>105,842</u>
Changes in net position				
Governmental activities	(3,502)	(4,697)	(9,276)	21,432
Business-type activities	<u>11,315</u>	<u>14,476</u>	<u>7,856</u>	<u>1,849</u>
Total primary government	<u>\$ 7,813</u>	<u>\$ 9,779</u>	<u>\$ (1,420)</u>	<u>\$ 23,281</u>

Source: Finance Department, City of Garden Grove

The City of Garden Grove implemented GASB 63 and GASB 65 for the fiscal year ended June 30, 2013.

<sup>1</sup> FY11-12: The \$18.9 million loss in governmental activities represents a one-time loss as a result of the dissolution of Redevelopment Agency in 2012.

<sup>2</sup> FY11-12: The \$2.9 million loss in business-type activities represents a one-time loss due to the transfer of the remaining net position of RV Park enterprise fund to the Successor Agency Trust fund.

<sup>3</sup> FY11-12: The \$20.4 million was primarily related to the \$19.6 million transfer from the Mobile Home Park enterprise fund to the General fund as a result of the discontinuance of operations of the Mobile Home Park fund.

<sup>4</sup> FY12-13: The \$2.3 million capital contribution was related to the transfer of land from the Successor Agency Trust fund to the General fund.

<sup>5</sup> FY13-14: The \$1.0 million loss in governmental activities represents a one-time loss due to the disposal of land.

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 21,793	\$ 20,737	\$ 24,612	\$ 43,122	\$ 49,305	\$ 59,703
42,113	47,033	49,356	50,765	55,004	59,509
25,121	25,983	26,285	18,277	7,136	24,509
8,314	8,660	8,350	8,010	5,866	8,027
79	93	85	139	128	199
1,337	1,870	7,666	9,067	1,739	(8,007)
488	622	766	1,672	233	242
-	-	-	-	-	-
292	581	1,000	50	178	39
-	-	-	-	-	-
-	30,058	-	-	-	-
99,537	135,637	118,120	131,102	119,589	144,221
142	410	1,917	2,658	253	(3,072)
-	-	-	-	-	-
182	208	191	204	810	-
-	-	-	-	-	-
(292)	(581)	(1,000)	(50)	(178)	(39)
32	37	1,108	2,812	885	(3,111)
99,569	135,674	119,228	133,914	120,474	141,110
(5,461)	13,023	8,843	418	15,589	61,392
6,272	1,719	8,659	8,456	13,657	9,682
\$ 811	14,742	17,502	\$ 8,874	\$ 29,246	\$ 71,074

**SCHEDULE III**  
**CITY OF GARDEN GROVE**  
**BALANCE OF GOVERNMENTAL FUNDS**  
**THE LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(In Thousands)**

	Fiscal Year			
	2013	2014	2015	2016
General fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Non-Spendable:				
Agency reimbursement agreement	-	-	-	-
COP reimbursement agreement	-	-	-	-
Intercity loan	13,375	13,375	13,375	13,375
Land held for resale	-	-	-	-
Prepaid items	-	-	-	13
Deposits	-	-	-	-
Restricted:				
Public safety	-	-	-	-
Public right of way	-	-	-	-
Community services	-	-	-	-
Community planning and development	-	-	-	-
Municipal support	-	-	-	-
Pension Trust	-	-	-	-
Committed:				
Post-Employment Benefits	-	-	-	-
Community planning and development	-	-	-	-
Stability reserve	-	-	-	-
Assigned:				
Post-Employment Benefits	1,000	1,000	1,000	1,000
Garden Grove tourism improvement	139	231	231	314
Property tax lawsuit	500	500	500	500
Building improvements	1,300	1,300	1,300	1,300
General Plan	132	223	273	239
Paramedic Tax	-	-	-	-
Other purposes	-	-	-	-
Unreserved	-	-	-	-
Unassigned	16,016	16,217	16,330	18,331
Total general fund	<u>\$ 32,462</u>	<u>\$ 32,846</u>	<u>\$ 33,009</u>	<u>\$ 35,072</u>
All other governmental funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Non-Spendable:				
Intercity loan	-	-	-	-
Land held for resale	-	-	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Restricted:				
Fire	-	-	-	-
Police	2,793	2,814	1,754	9,260
Public right of way	8,433	3,665	5,358	7,639
Drainage	453	569	647	754
Community services	650	-	180	196
Community planning and development	12,200	12,695	10,385	16,712
Municipal support	242	304	-	755
Committed:				
Community planning and development	-	-	-	-
Assigned:				
Post-Employment Benefits	-	-	-	-
Property tax lawsuit	-	-	-	-
Building improvements	-	-	-	-
Other purposes	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Unassigned	(67)	(551)	(755)	(4)
Total all other governmental funds	<u>\$ 24,704</u>	<u>\$ 19,496</u>	<u>\$ 17,569</u>	<u>\$ 35,312</u>

Source: Finance Department, City of Garden Grove

The City of Garden Grove implemented GASB 54 for the fiscal year ended June 30, 2011.

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
13,414	13,456	12,793	12,102	8,873	8,197
-	-	-	2,300	2,300	2,300
10	17	21	40	90	85
-	-	-	-	-	-
103	84	90	90	90	90
-	-	-	-	-	-
161	166	177	177	177	177
7	2,764	3,469	4,039	4,039	4,261
15	35	57	57	48	48
-	-	-	662	1,635	1,635
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	22,500	22,500	22,500
1,000	1,000	1,000	1,000	1,000	1,000
404	-	-	-	-	-
500	500	500	500	-	-
1,300	1,300	1,300	1,300	1,300	1,300
325	301	262	357	428	428
-	617	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22,629	29,428	47,448	37,206	69,951	120,244
<u>\$ 39,868</u>	<u>\$ 49,668</u>	<u>\$ 67,117</u>	<u>\$ 82,330</u>	<u>\$ 112,431</u>	<u>\$ 162,265</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	519	-
-	-	-	195	238	31
-	-	-	-	-	-
-	-	-	-	-	-
9,521	5,336	3,210	4,103	4,064	3,682
8,434	9,021	11,502	10,355	12,195	12,347
529	412	273	76	129	107
945	2,370	4,505	5,841	6,401	8,166
18,080	48,376	48,098	44,971	45,947	47,945
-	-	-	-	-	1,264
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
466	-	(40)	(59)	(18)	(4)
<u>\$ 37,975</u>	<u>\$ 65,515</u>	<u>\$ 67,548</u>	<u>\$ 65,482</u>	<u>\$ 69,475</u>	<u>\$ 73,538</u>

**SCHEDULE IV**  
**CITY OF GARDEN GROVE**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(In Thousands)**

	Fiscal Year		
	2013	2014	2015
Revenues:			
Taxes	\$ 77,231	\$ 80,010	\$ 81,823
Licenses and permits	1,128	1,405	1,139
Fines, forfeitures and penalties	2,960	2,755	2,629
Investment earnings	1,800	1,780	1,546
Charges for current services	10,084	10,267	9,528
From other agencies	13,324	12,857	15,945
Other revenues	3,332	1,991	2,079
Total revenues	<u>109,859</u>	<u>111,065</u>	<u>114,689</u>
Expenditures			
Current:			
Fire	20,447	20,143	21,672
Police	45,478	47,027	49,389
Traffic safety	2,595	3,105	3,102
Public right of way	5,730	5,662	6,886
Drainage	-	-	-
Community buildings	3,082	3,086	3,408
Community services	4,453	4,562	4,793
Economic development	-	-	1,944
Parks and greenbelts	1,927	2,019	2,247
Community planning and development	7,761	8,156	7,359
Municipal support	6,797	7,215	7,600
Capital outlay	10,366	14,956	9,032
Debt service:			
Principal retirement	1,939	2,036	1,937
Interest	1,383	1,280	1,199
Total expenditures	<u>111,958</u>	<u>119,247</u>	<u>120,568</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,099)</u>	<u>(8,182)</u>	<u>(5,879)</u>
Other financing sources (uses):			
Transfers in	1,239	3,232	7,761
Transfers out	(1,139)	(1,181)	(3,558)
Issuance of debt	-	-	-
Proceeds of debt	-	-	-
Gain/(Loss) on sale of capital assets	-	1,307	22
Contribution to Housing Authority	-	-	-
Extraordinary Gain/(Loss)	-	-	-
Payment to bond escrow agent	-	-	-
Total other financing sources (uses)	<u>100</u>	<u>3,358</u>	<u>4,225</u>
Special Item			
Net change in fund balances	<u>\$ (1,999)</u>	<u>\$ (4,824)</u>	<u>\$ (1,654)</u>
Debt service as a percentage of noncapital expenditures	3.3%	3.2%	2.8%

Source: Finance Department, City of Garden Grove

Fiscal Year						
2016	2017	2018	2019	2020	2021	2022
\$ 92,268	\$ 98,042	\$ 103,090	\$ 114,078	\$ 119,853	\$ 118,044	\$ 150,869
1,554	1,687	2,005	2,645	2,647	2,419	2,763
2,222	2,622	3,134	2,850	3,157	2,859	2,546
1,285	1,275	1,846	4,344	6,402	793	(4,594)
9,943	10,041	11,945	15,122	11,180	11,670	13,301
15,991	11,640	12,047	13,599	17,884	47,729	45,322
11,071	3,847	4,193	3,940	4,386	3,003	3,494
134,334	129,154	138,260	156,578	165,509	186,517	213,701
23,195	23,707	25,067	24,483	27,975	28,470	26,975
51,942	53,168	56,128	56,282	64,770	68,032	71,121
2,959	4,215	3,925	4,282	4,471	4,997	5,663
7,515	7,257	7,197	7,107	7,155	17,543	19,057
-	-	66	-	-	-	-
3,317	3,185	3,421	3,007	2,781	3,164	3,713
5,470	4,852	4,687	4,855	5,333	4,839	5,767
2,333	2,757	3,099	3,212	2,950	2,609	3,592
2,217	1,939	2,325	2,300	2,057	2,607	2,952
7,229	6,497	7,982	7,124	8,130	10,588	11,095
8,012	7,903	7,626	9,353	8,467	8,684	9,011
7,371	6,754	10,938	13,635	14,021	-	-
2,097	3,342	573	580	495	494	592
939	1,184	1,087	1,064	1,137	1,112	1,094
124,596	126,760	134,121	137,284	149,742	153,139	160,632
9,738	2,394	4,139	19,294	15,767	33,378	53,069
11,783	1,396	2,826	1,403	4,380	1,346	2,275
(11,683)	(1,296)	(1,253)	(1,303)	(7,357)	(629)	(1,448)
25,962	-	-	-	-	-	-
-	-	-	-	-	-	-
1,735	4,965	-	-	874	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(17,462)	-	-	-	-	-	-
10,335	5,065	1,573	100	(2,103)	717	827
		30,029			-	-
\$ 20,073	\$ 7,459	\$ 35,741	\$ 19,394	\$ 13,664	\$ 34,095	\$ 53,896
2.6%	3.8%	1.3%	1.3%	1.2%	1.1%	1.1%



**SCHEDULE V  
CITY OF GARDEN GROVE  
GENERAL GOVERNMENT MAJOR TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Sales Tax</b>	<b>Property Tax</b>	<b>Franchise Tax</b>	<b>Business Operation Tax</b>	<b>Transient Occupancy Tax</b>	<b>Motor Vehicle Tax</b>	<b>Total</b>
2013	19,804,727	35,145,142	2,506,722	4,809,344	14,447,817	90,025	76,803,777
2014	20,285,111	35,286,424	2,483,878	4,953,958	16,442,817	74,506	79,526,694
2015	19,251,431	36,972,309	2,532,706	5,228,239	17,216,510	71,970	81,273,165
2016	22,051,778	40,574,176	2,577,292	5,636,389	20,897,283	70,518	91,807,436
2017	21,792,872	42,113,373	2,532,462	5,781,098	25,121,419	79,429	97,420,653
2018	20,736,558	47,032,917	2,408,395	6,251,994	25,982,696	92,789	102,505,349
2019	29,371,450	49,355,823	2,404,867	5,945,451	26,285,461	84,911	113,447,963
2020	43,122,113	50,764,849	2,414,897	5,595,421	18,277,467	138,627	120,313,374
2021	49,305,114	55,004,385	2,331,476	3,534,201	7,136,525	128,205	117,439,906
2022	59,702,605	59,508,746	2,538,622	5,489,432	24,508,840	199,254	151,947,499

Source: Finance Department, City of Garden Grove

**SCHEDULE VI  
CITY OF GARDEN GROVE  
ASSESSED VALUE AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(In Thousands)**

<b>Fiscal Year Ended June 30</b>	<b>City</b>		<b>Taxable Assessed Value</b>	<b>Successor Agency</b>		<b>Taxable Assessed Value <sup>1</sup></b>	<b>Total Direct Tax Rate</b>
	<b>Secured</b>	<b>Unsecured</b>		<b>Secured <sup>1</sup></b>	<b>Unsecured <sup>1</sup></b>		
2013	9,580,743	303,685	9,884,428	2,720,784	271,370	2,992,154	1.074%
2014	9,933,103	308,944	10,242,047	2,785,756	295,259	3,081,015	1.140%
2015	10,538,784	356,435	10,895,219	2,897,658	328,394	3,226,052	1.145%
2016	10,568,876	234,280	10,803,156	3,070,910	317,449	3,388,359	1.151%
2017	12,226,724	364,776	12,591,500	3,579,711	363,489	3,943,200	1.150%
2018	12,873,943	335,785	13,209,728	3,797,471	366,576	4,164,047	1.189%
2019	12,373,687	263,636	12,637,323	3,801,697	361,772	4,163,469	1.183%
2020	13,000,870	232,485	13,233,355	3,913,862	391,616	4,305,478	1.184%
2021	14,167,631	252,597	14,420,228	4,270,427	468,777	4,739,204	1.185%
2022	15,071,294	278,284	15,349,578	4,359,480	446,933	4,806,413	1.189%

**NOTE:**

*In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.*

<sup>1</sup> The Redevelopment Agency was dissolved in February 2012.  
The Successor Agency was created to close out the Redevelopment Agency.

Source: Orange County Assessor's Office/HdL Coren & Cone

**SCHEDULE VII  
CITY OF GARDEN GROVE  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Basic Levy</b>	<b>City Paramedic</b>	<b>Metropolitan Water District</b>	<b>Orange County</b>	<b>Sanitation and Water</b>	<b>School Services</b>	<b>Other</b>	<b>Total</b>
2013	1.0000	0.07000	0.00350	-	-	-	-	1.07350
2014	1.0000	0.07000	0.00350	-	-	0.06602	-	1.13952
2015	1.0000	0.07000	0.00350	-	-	0.07163	-	1.14513
2016	1.0000	0.07000	0.00350	-	-	0.07748	-	1.15098
2017	1.0000	0.07000	0.00350	-	-	0.07603	-	1.14953
2018	1.0000	0.08000	0.00350	-	-	0.10599	-	1.18949
2019	1.0000	0.08000	0.00350	-	-	0.09900	-	1.18250
2020	1.0000	0.08000	0.00350	-	-	0.10022	-	1.18372
2021	1.0000	0.08000	0.00350	-	-	0.10137	-	1.18487
2022	1.0000	0.08000	0.00350	-	-	0.10527	-	1.18877

*Assessed values are expressed as 100% of "full value" as prescribed by California Revenue and Taxation Code Section 135.*

*Property tax in California is levied in accordance with Article 13A of the State Constitution at \$1 per \$100 county-wide assessed valuations plus other voter approved debt. Rates shown above are \$100 of assessed valuation. The one percent is allocated pursuant to State law to the appropriate units of local government.*

Source: Orange County Tax Rates Book

**SCHEDULE VIII  
CITY OF GARDEN GROVE  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND TEN YEARS AGO**

<b>Taxpayer</b>	<b>2022</b>		<b>2012</b>	
	<b>Taxable Assessed Value</b>	<b>Percent of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Percent of Total City Taxable Assessed Value</b>
GWGG LLC	\$ 243,436,738	1.25%		
Investel Harbor Resorts LLC	133,529,116	0.68%		
Landmark Hotel LLC	85,973,917	0.44%		
Rexford Industrial Realty LP	78,781,333	0.40%		
House Foods Holding USA INC	35,534,706	0.18%		
TNA Distributions LLC	60,311,809	0.31%		
SPS Techonolgies LLC	2,808,874	0.01%		
New Age Brookhurst LLC	56,728,104	0.29%		
Park Grove Fee Owner LLC	54,909,472	0.28%		
Khanna Enterprises Limited	51,000,940	0.26%		
Chatham Rigg LLC			33,248,490	0.26%
Landmark Marriott Suites			96,590,256	0.76%
American Lodging			55,212,639	0.43%
Newage Garden Grove			41,754,998	0.33%
Car Noa GGT			35,411,511	0.28%
Ohi Resort Hotels			40,196,781	0.31%
Walton CWCA Garden Grove			54,378,992	0.43%
Swedlow Inc.			25,280,557	0.20%
MPT of Garden Grove Hospital			25,128,544	0.20%
BB Promenade			25,571,348	0.20%
	<u>\$ 803,015,009</u>	<u>4.10%</u>	<u>\$ 432,774,116</u>	<u>3.40%</u>

Source: Hdl Coren & Cone The City of Garden Grove Top Ten Property Taxpayers

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**SCHEDULE IX  
CITY OF GARDEN GROVE  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>City Tax Rate (Per \$100)</b>	<b>Total Tax Levied</b>	<b>Current Tax Collections</b>	<b>Percent of Current Taxes Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collections to Total Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Total Tax Levy</b>
2013	0.0030	19,080,983	18,555,697	97.2	339,959	18,895,656	99.0	264,446	1.4%
2014	0.0030	20,112,895	19,256,287	95.7	281,184	19,537,471	97.1	231,857	1.2%
2015	0.0025	21,411,687	20,704,013	96.7	237,945	20,941,958	97.8	230,751	1.1%
2016	0.0025	22,611,366	21,721,987	96.1	213,997	21,935,984	97.0	517,198	2.3%
2017	0.0025	23,155,878	22,914,391	99.0	206,984	23,121,375	99.9	326,133	1.4%
2018	0.0025	26,376,092	25,752,153	97.6	174,164	25,926,316	98.3	134,739	0.5%
2019	0.0025	26,866,637	26,606,288	99.0	202,200	26,808,488	99.8	176,785	0.7%
2020	0.0025	28,019,537	27,164,413	96.9	567,147	27,731,560	99.0	248,420	0.9%
2021	0.0025	30,281,268	26,169,198	86.4	3,616,591	29,785,789	98.4	197,557	0.7%
2022	0.0025	31,282,250	30,586,260	97.8	305,759	30,892,019	98.8	220,514	0.7%

*In implementing Article XIIIa of the State Constitution, the Revenue and Taxation Code provides for a single Basic Tax Rate Levy for County/City/School/Special Districts and other rates necessary to retire bonded and other indebtedness.*

Source: Orange County Property Tax Ledger  
Finance Department, City of Garden Grove

**SCHEDULE X  
CITY OF GARDEN GROVE  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Governmental Activities					Capital Leases <sup>7</sup>	Total Governmental Activities
	Certificates of Participation 2002 <sup>1</sup>	Lease Revenue Bonds <sup>2</sup>	RDA 2008 Bonds <sup>3</sup>	Tax Allocation Bonds <sup>4</sup>	Loans <sup>5 6</sup>		
2013	18,410,000	-	-	-	6,345,613	1,371,910	26,127,523
2014	17,830,000	-	-	-	5,276,879	817,516	23,924,395
2015	17,210,000	-	-	-	4,128,913	812,176	22,151,089
2016	-	25,568,492	-	-	2,895,399	546,422	29,010,313
2017	-	25,104,126	-	-	69,826	622,676	25,796,628
2018	-	24,624,760	-	-	23,732	589,293	25,237,785
2019	-	24,120,394	-	-	-	373,317	24,493,711
2020	-	23,601,028	-	-	-	229,928	23,830,956
2021	-	23,056,662	-	-	-	113,963	23,170,625
2022	-	22,487,297	-	-	-	167,990	22,655,287

<sup>1 2</sup> The City refunded the 2002 COP in 2015 with the 2015A Lease Revenue Bonds and upsized with additional issuance of approximately \$8,500,000.

<sup>3</sup> The former Redevelopment Agency entered into a subordinate note purchase agreement in the amount of \$2,015,000 in June 2008 to refund a note issued to Katella Cottages. After dissolution, this liability is the responsibility of the State of California. Since dissolution in February 2012, the RDA 2008 Bonds (above) no longer report the Katella Cottages Loan.

<sup>4</sup> The City refunded the \$52,325,000 tax allocation bonds in 2003.

<sup>5</sup> The former Redevelopment Agency borrowed \$32,000,000 from Union Bank in 2008. After dissolution this liability is the responsibility of the State of California. Since dissolution in February 2012, Loans (above) no longer report the Union Bank loan.

<sup>6</sup> The Housing Authority refunded the \$9,010,000 HUD Section 108 loan, of which \$7,660,000 borrowed from HUD in 2008 was paid off in fiscal year 2015-2016.

<sup>7</sup> The City entered into various capital leases for energy retrofitting, mail machines, copiers, and telephones.

<sup>8</sup> The City issued \$16,625,000 Water Revenue Bond in 2010.

<sup>9</sup> The City issued \$21,845,000 Sewer COP in 2006; and refunded the 2006 Sewer COPs in 2017.

<sup>10</sup> 1993 COP was issued to finance acquisition of real property by the Garden Grove Housing Authority.

<sup>11</sup> These ratios are calculated using personal income and population for the prior calendar year.

Source: Finance Department, City of Garden Grove

Business-type Activities			Total Business-type Activities	Total Primary Government	Percentage of Personal Income <sup>11</sup>	Debt Per Capita <sup>11</sup>
Water Revenue Bonds <sup>8</sup>	Sewer Revenue COP <sup>9</sup>	Certificates of Participation <sup>10</sup>				
26,826,738	20,298,745	-	47,125,483	73,253,006	0.16%	423
25,382,945	19,769,567	-	45,152,512	69,076,907	0.15%	397
23,884,150	19,220,388	-	43,104,538	65,255,627	0.13%	373
20,775,000	18,365,000	-	39,140,000	68,150,313	0.14%	384
19,571,107	16,740,627	-	36,311,734	62,108,362	0.12%	352
18,039,382	16,148,171	-	34,187,553	59,425,338	0.11%	336
16,381,152	15,535,716	-	31,916,868	56,410,579	0.10%	322
14,667,922	14,908,260	-	29,576,182	53,407,138	0.09%	306
29,697,566	14,406,843	-	44,104,409	67,275,034	0.11%	390
28,342,104	13,558,347	-	41,900,451	64,555,738	0.10%	379



**SCHEDULE XI  
CITY OF GARDEN GROVE  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(In Thousands, except Per Capita)**

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value <sup>1</sup>	Per Capita	
	Certificates of Participation	Lease Revenue Bonds	Tax Allocation Bonds			
			Total			
2013	18,410	-	-	18,410	0.14%	106
2014	17,830	-	-	17,830	0.13%	102
2015	17,210	-	-	17,210	0.12%	98
2016	-	25,568	-	25,568	0.18%	144
2017	-	25,104	-	25,104	0.15%	142
2018	-	24,625	-	24,625	0.14%	139
2019	-	24,120	-	24,120	0.14%	138
2020	-	23,601	-	23,601	0.13%	135
2021	-	23,057	-	23,057	0.12%	134
2022	-	22,487	-	22,487	0.11%	132

*General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).*

<sup>1</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: Finance Department, City of Garden Grove

**SCHEDULE XII  
CITY OF GARDEN GROVE  
DIRECT AND OVERLAPPING BONDS AND DEBT  
JUNE 30, 2022**

CITY OF GARDEN GROVE

2021-22 Assessed Valuation:

19,305,133,053

	Total Debt 6/30/2022	% Applicable (1)	City's Share of Debt 6/30/22
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Metropolitan Water District	20,175,000	0.569	114,796
Coast Community College District	945,799,424	6.251	59,121,922
North Orange County Joint Community College District	209,339,039	2.294	4,802,238
Rancho Santiago Community College District	196,772,727	6.482	12,754,808
Rancho Santiago Community College District School Facilities Improvement District No. 1	154,720,000	11.112	17,192,486
Garden Grove Unified School District	532,420,000	58.023	308,926,057
Orange Unified School District	277,865,000	1.220	3,389,953
Anaheim Union High School District	256,268,955	0.077	197,327
Huntington Beach Union High School District	163,654,998	1.285	2,102,967
Anaheim School District	253,610,063	0.096	243,466
Magnolia School District	19,498,305	0.222	43,286
Westminster School District	125,314,596	7.254	9,090,321
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>417,979,627</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Orange County General Fund Obligations	376,780,000	2.832	10,670,410
Orange County Pension Obligation Bonds	521,784,000	2.832	14,776,923
Orange County Board of Education General Fund Obligations	11,620,000	2.832	329,078
North Orange Regional Occupation Program Certificates of Participation	8,200,000	0.028	2,296
Coast Community College District General Fund Obligations	1,865,000	6.251	116,581
Coast Community College District Pension Obligation Bonds	1,825,000	6.251	114,081
Orange Unified School District Certificates of Participation	17,195,278	1.220	209,782
Orange Unified School District Benefit Obligations	60,835,000	1.220	742,187
Anaheim Union High School District Certificates of Participation	30,670,000	0.077	23,616
Huntington Beach Union High School District Certificates of Participation	58,406,090	1.285	750,518
Magnolia School District General Fund Obligations	13,010,307	0.222	28,883
Westminster School District Certificates of Participation	29,660,000	7.254	2,151,536
<b>City of Garden Grove General Fund Obligations</b>	<b>22,655,287</b>	<b>100.000</b>	<b>22,655,287</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>52,571,178</b>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</b>	<b>52,590,000</b>	<b>2.174 - 100.000</b>	<b>52,571,178</b>
<b>TOTAL DIRECT DEBT</b>			<b>22,655,287</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>499,712,693</b>
<b>COMBINED TOTAL DEBT</b>			<b>520,967,693 (2)</b>

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2021-22 Assessed Valuation:

1	Total Overlapping Tax and Assessment Debt	2.17%
	<b>Total Direct Debt</b>	<b>0.12%</b>
	<b>22,655,287</b>	
2	Combined Total Debt	2.70%
	<u>Ratios to Redevelopment Successor Agencies Incremental Valuation</u>	
	Total Overlapping Tax Increment Debt	1.19%
	<u>4,372,730,035</u>	

Source: California Municipal Statistics, Inc. / MuniServices, LLC

**SCHEDULE XIII  
CITY OF GARDEN GROVE  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year</b>			
	<b>2013 1</b>	<b>2014 1</b>	<b>2015</b>	<b>2016</b>
Assessed valuation	\$ 9,884,428	\$ 10,242,047	\$ 10,895,219	\$ 10,803,156
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	2,471,107	2,560,512	2,723,805	2,700,789
Debt limit percentage	15%	15%	15%	15%
Debt limit	370,666	384,077	408,571	405,118
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 370,666</u>	<u>\$ 384,077</u>	<u>\$ 408,571</u>	<u>\$ 405,118</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

<sup>1</sup> The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Finance Department, City of Garden Grove  
Orange County Tax Assessor's Office

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 12,591,500	\$ 13,209,728	\$ 12,637,323	\$ 13,233,355	\$ 14,420,228	\$ 15,349,578
25%	25%	25%	25%	25%	25%
3,147,875	3,302,432	3,159,331	3,308,339	3,605,057	3,837,395
15%	15%	15%	15%	15%	15%
472,181	495,365	473,900	496,251	540,759	575,609
-	-	-	-	-	-
<u>\$ 472,181</u>	<u>\$ 495,365</u>	<u>\$ 473,900</u>	<u>\$ 496,251</u>	<u>\$ 540,759</u>	<u>\$ 575,609</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**SCHEDULE XIV  
CITY OF GARDEN GROVE  
PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Expenses <sup>1</sup>	Water Revenue Bonds				
			Resources Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
2013	33,933,081	22,848,625	11,084,456	1,320,000	1,340,727	2,660,727	4.17
2014	35,721,417	22,876,255	12,845,162	1,375,000	1,286,725	2,661,725	4.83
2015	33,573,575	25,146,241	8,427,334	1,430,000	1,225,677	2,655,677	3.17
2016	29,519,804	25,781,906	3,737,898	1,490,000	1,165,202	2,655,202	1.41
2017	32,345,481	26,404,580	5,940,901	1,515,000	861,491	2,376,491	2.50
2018	35,946,867	30,301,866	5,645,001	1,570,000	817,465	2,387,465	2.36
2019	37,832,009	28,891,265	8,940,744	1,600,000	775,290	2,375,290	3.76
2020	39,490,046	31,574,927	7,915,119	1,655,000	724,740	2,379,740	3.33
2021	40,621,520	31,439,166	9,182,354	1,705,000	899,621	2,604,621	3.53
2022	43,256,322	31,628,164	11,628,158	955,000	894,825	1,849,825	6.29

Source: Finance Department, City of Garden Grove

<sup>1</sup> Total operating expense less depreciation and amortization.

<sup>2</sup> The City entered into a sewer revenue bond agreement on April 1, 2006; the first year's interest was prorated from bond commencement. The debt amortization started in FY09-10 with an annual principal repayment on June 15. In FY 16/17 the City refunded 2006 Sewer COP with the issuance of the Garden Grove Sanitary District, Revenue Refunding bonds, Series 2017.

Sewer Revenue Bond							
Fiscal Year	Gross Revenue	Expenses	Resources Available for Debt Service	Debt Service Requirement			Coverage
				Principal <sup>2</sup>	Interest <sup>2</sup>	Total	
2013	10,302,890	3,645,873	6,657,017	495,000	968,341	1,463,341	4.55
2014	10,361,393	3,264,411	7,096,982	515,000	948,541	1,463,541	4.85
2015	10,242,532	3,814,961	6,427,571	535,000	927,941	1,462,941	4.39
2016	10,521,214	3,880,996	6,640,218	560,000	906,541	1,466,541	4.53
2017	10,356,150	4,424,966	5,931,184	580,000	884,141	1,464,141	4.05
2018	10,641,504	5,009,287	5,632,217	520,000	676,575	1,196,575	4.71
2019	11,951,932	5,152,423	6,799,509	540,000	660,975	1,200,975	5.66
2020	12,673,629	4,993,491	7,680,138	555,000	639,375	1,194,375	6.43
2021	10,868,065	4,113,918	6,754,147	590,000	611,625	1,201,625	5.62
2022	12,025,031	5,958,254	6,066,777	615,000	582,125	1,197,125	5.07

(Continued)

**SCHEDULE XIV  
CITY OF GARDEN GROVE  
PLEDGED-REVENUE COVERAGE (Continued)  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Tax Increment <sup>1</sup></b>	<b>2014 Tax Allocation Refunding Bonds Debt Service Requirement</b>			<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2013	20,003,696	2,020,000	2,320,413	4,340,413	4.61
2014	20,205,156	2,105,000	2,232,756	4,337,756	4.66
2015	20,526,084	2,195,000	2,130,406	4,325,406	4.75
2016	15,837,862	2,360,000	1,526,300	3,886,300	4.08
2017	18,484,197	2,430,000	1,454,450	3,884,450	4.76
2018	17,693,119	2,505,000	1,380,425	3,885,425	4.55
2019	17,445,206	2,380,000	1,295,250	3,675,250	4.75
2020	18,868,786	2,685,000	1,193,950	3,878,950	4.86
2021	11,170,386	2,795,000	1,084,350	3,879,350	2.88
2022	3,301,040	2,905,000	514,225	3,419,225	0.97

Source: Finance Department, City of Garden Grove

<sup>1</sup> Due to the dissolution of the Redevelopment Agency in February 2012, the Tax Increment is now deposited in the City of Garden Grove RPTTF project area.

**SCHEDULE XIV  
CITY OF GARDEN GROVE  
PLEDGED-REVENUE COVERAGE (Continued)  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>2016 Tax Allocation Bonds Debt Service Requirement</b>				<b>Coverage</b>
	<b>Tax Increment <sup>1</sup></b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2012				-	
2013				-	
2014				-	
2015				-	
2016				-	
2017	18,484,197		1,716,504	1,716,504	10.77
2018	17,693,119		1,652,250	1,652,250	10.71
2019	17,445,206		1,652,250	1,652,250	10.56
2020	18,868,786		1,652,250	1,652,250	11.42
2021	11,170,386	1,900,000	1,614,250	3,514,250	3.18
2022	3,301,040	1,975,000	1,536,750	3,511,750	0.94

Source: Finance Department, City of Garden Grove

<sup>1</sup> Due to the dissolution of the Redevelopment Agency in February 2012, the Tax Increment is now deposited in the City of Garden Grove RPTTF project area.



**SCHEDULE XV  
CITY OF GARDEN GROVE  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2013	173,075	4,696,862	27,205	7.8%
2014	173,953	4,747,258	27,429	6.5%
2015	174,774	4,924,023	28,307	4.2%
2016	177,303	4,999,605	28,606	4.4%
2017	176,277	5,087,579	28,694	4.8%
2018	176,896	5,243,712	29,747	3.4%
2019	175,155	5,490,131	31,344	3.3%
2020	174,801	5,763,401	32,971	14.9%
2021	172,476	5,972,287	34,627	7.7%
2022	170,526	6,275,992	36,804	3.6%

Source: State Employment Development Department  
California Department of Finance  
Center for Demographic Research / Fullerton.edu / Ycharts.com

**SCHEDULE XVI  
CITY OF GARDEN GROVE  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO**

<b>Employer</b>	<b>2022</b>		<b>2012</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment</b>	<b>Number of Employees</b>	<b>Percent of Total Employment</b>
Great Wolf Lodge Southern California	700	0.82%		
Air Industries Company	625	0.73%	465	0.60%
Garden Grove Hospital Medical Center	516	0.61%		
Hyatt Regency Orange County	424	0.50%	350	0.45%
GKN Aerospace Transparency Systems Inc	409	0.48%	331	0.43%
Safran Cabin Inc	350	0.41%		
Costco #126	323	0.38%	265	0.34%
Full Clip	310	0.36%		
Walmart #4171	272	0.32%		
Saint Gobain Performance Plastics Corp.	226	0.27%		
Saint Gobain Performance Plastics			363	0.47%
Prime Healthcare Services			516	0.67%
Driessen Aircraft Interior Systems			370	0.48%
Office Max Inc.			360	0.47%
Crystal Cathedral				
C&D Zodiac			286	0.37%
NBTY Acquisition, LLC			298	0.39%

*Total employment as used above represents the total employment of all employers located within City limits.*

Source: Business Tax Division, City of Garden Grove

**SCHEDULE XVII  
CITY OF GARDEN GROVE  
FULL-TIME AND PART-TIME CITY EMPLOYEES  
BY DEPARTMENT  
LAST TEN FISCAL YEARS**

<b>Department</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
City Manager	9	9	9	10	29	29	30	35	33	33
Community Development	58	58	58	53	37	37	35	37	37	31
Community Services	156	157	151	147	146	153	157	116	106	97
Economic Development	-	-	-	-	-	-	-	-	-	-
Finance	39	40	40	41	38	38	37	36	33	31
Fire	107	109	111	111	106	106	103	- *	- *	- *
Information Technology	20	19	19	19	20	20	20	20	18	17
Personnel	9	9	9	10	11	11	12	12	11	11
Police	275	268	273	272	289	293	263	282	281	260
Public Works	194	195	194	196	198	198	186	184	176	150
<b>Total</b>	<b>867</b>	<b>864</b>	<b>864</b>	<b>859</b>	<b>874</b>	<b>885</b>	<b>843</b>	<b>722</b>	<b>695</b>	<b>630</b>
Full time employees	621	623	633	632	640	641	642	560	538	510
Part time employees	246	241	231	227	234	244	201	162	157	120

Source: Budget Division, City of Garden Grove

\* On August 16, 2019 Garden Grove Fire Department transitioned to the Orange County Fire Authority (OCFA).

**SCHEDULE XVIII  
CITY OF GARDEN GROVE  
OPERATING INDICATORS  
BY FUNCTION  
LAST TEN FISCAL YEARS**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Arrests Report	6,774	6,423	6,478	5,468	6,358	7,476	6,112	5,436	4,439	4,921
Traffic citations issued	13,815	10,903	9,604	9,890	9,114	11,114	8,598	7,403	3,921	6,264
Fire:										
Number of emergency calls	26,739	26,785	26,785	14,627	15,134	15,297	15,142	13,092 *	13,557 *	14,936 *
Public Right-of-Way:										
Parking citations issued	24,571	25,919	28,017	25,500	27,127	33,797	34,508	28,430	45,931	35,746
Permits issued	406	501	605	546	482	566	563	560	700	757
Community Services:										
Number of recreation classes	1,987	2,016	2,416	1,918	1,947	1,701	2,057	1,932	977	1,038
Housing vouchers	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337
Community Planning and Development										
Building permits issued	2,427	2,808	2,041	2,259	2,233	3,066	3,986	3,954	4,723	5,133
Water:										
Number of accounts	34,206	33,807	33,834	33,870	33,892	33,893	33,911	34,054	34,150	34,292
Average daily consumption (thousands of gallons)	21,324	22,024	20,391	17,563	17,946	20,249	18,298	18,038	18,669	17,815
Solid Waste Disposal:										
Number of accounts	33,886	34,136	33,658	33,968	33,966	33,786	33,700	33,542	33,213	33,720
Drainage:										
Channels cleaned (miles)	5	5	5	5	5	5	5	5	5	5
Municipal Support:										
Passports issued <sup>1</sup>	673	507	247	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: City of Garden Grove

<sup>1</sup> Passport services discontinued as of July 1, 2015.

\* On August 16, 2019 Garden Grove Fire Department transitioned to the Orange County Fire Authority (OCFA).

**SCHEDULE XIX  
CITY OF GARDEN GROVE  
CAPITAL ASSETS STATISTICS  
BY FUNCTION  
LAST TEN FISCAL YEARS**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police: Stations	1	1	1	1	1	1	1	1	1	1
Fire: Fire stations	7	7	7	7	7	7	7	7	7 *	7 *
Public Right-of-Way: Streets (miles)	305	305	305	305	305	305	305	305	305	305
Community Services: Parks	16	16	16	19	19	20	19	19	19	19
Park acreage	142	142	142	137	137	140	124	124	124	124
Community centers	2	2	2	2	2	2	9	9	9	9
Water: Water mains (miles)	433	433	433	433	433	433	433	433	433	433
Number of connections	34,206	34,257	34,294	34,313	34,336	34,347	34,380	34,459	34,447	34,447
Sewage Collection: Sanitary sewers (miles)	320	320	320	320	320	320	320	320	320	320
Drainage: Storm drains (miles)	35	35	35	35	35	35	35	35	35	35

Source: City of Garden Grove

\* On August 16, 2019 Garden Grove Fire Department transitioned to the Orange County Fire Authority (OCFA). However, the City retains the ownership of the Fire stations and OCFA leases for \$1 per year for each facility.

## **INDEPENDENT ACCOUNTANT'S REPORT**

The Honorable Mayor and City Council  
City of Garden Grove, California

We have performed the procedures enumerated below on the City of Garden Grove, California (City) appropriations limit worksheets for compliance with the requirements of Section 1.5 of Article XIII B of the California Constitution for the year ended June 30, 2022. The City is responsible for compliance with Section 1.5 of Article XIII B of the California Constitution.

The City has agreed to and acknowledged that these procedures are appropriate to meet the intended purpose of evaluating compliance with the requirements of Section 1.5 of Article XIII B of the California Constitution and the League of California Cities publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines* for the year ended June 30, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the worksheets referred to above and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote.

Results: No exceptions were noted as a result of our procedures.

2. We recalculated the mathematical computations reflected in the City's worksheets.

Results: No exceptions were noted as a result of our procedures.

3. We compared the current year information used to determine the current year limit and agreed it to worksheets prepared by the City and to information provided by the State Department of Finance.

Results: No exceptions were noted as a result of our procedures.

4. We compared the amount of the prior year appropriations limit presented in the worksheets to the amount adopted by the City Council for the prior year.

Results: No exceptions were noted as a result of our procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the worksheets referred to above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Management of the City of Garden Grove, California and is not intended to be, and should not be, used by anyone other than the specified party.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
January 31, 2023

**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of the Air Quality  
Improvement Special Revenue Fund Performed  
in Accordance with *Government Auditing Standard***

The Honorable Mayor and City Council  
City of Garden Grove, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the City of Garden Grove, California (the City) including the Air Quality Improvement Special Revenue Fund (the Fund) of the City, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 31, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit of the Fund's financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions include those provisions of laws and regulations identified in Assembly Bill 2766 Chapter 1705 [Health and Safety Code Sections 44220 through 44247] (the Guide). However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not



express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Guide in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
January 31, 2023

City Council  
City of Garden Grove  
Garden Grove, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden Grove as of and for the year ended June 30, 2022 and have issued our report thereon dated January 31, 2023. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated May 2, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Garden Grove solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence under the American Institute of Certified Public Accountants ("AICPA") independence standards, contained in the *Code of Professional Conduct*.

We identified independence threats related to proposing adjusting or correcting journal entries detected during the audit and the preparation of the financial statements. We have applied

certain safeguards to reduce the threats to an acceptable level, including having the City's management review and approve all proposed journal entries and using an independent party within the firm to perform a quality control review of the financial statements, and obtaining confirmation from the City of Garden Grove's management that their review of the financial statements included comparing the financial statements and footnotes to the underlying accounting records.

### **Significant Risks Identified**

We are required by the auditing standards to evaluate significant risks. We have identified the following areas for purposes of additional testing:

- The new lease accounting standard, Governmental Accounting Standards Board (GASB) Statement No. 87. As a result, we received the City's inventory of leases, reviewed a sample of lease agreements, tested the calculations of the lease transactions, and ensured the City's lease disclosure footnotes are accurate and complete in accordance with the new standard.
- Federal government grant compliance for COVID-19 related grants. As a result, we tested the City's federal expenditures of COVID-19 related grants for compliance with federal guidelines when performing our single audit procedures. We also evaluated grant revenue for proper revenue recognition in the financial statements.

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Garden Grove is included in Note A to the financial statements. As described in Note A to the financial statements, during the year, the entity changed its method of accounting for leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of amount recorded as claims and liabilities is based on management's reliance on a third-party claims administrator. We evaluated the key factors and assumptions used to develop the amounts by the third-party claims administrator and determined that it is reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

- Management's estimate of transactions related to net pension and OPEB liabilities based on actuarial information. We evaluated the key factors and assumptions used to develop the amounts by the actuary and determined that it is reasonable in relation to the financial statements taken as a whole.
- Management's determination that certain notes receivable with third parties are fully collectible. We evaluated the key factors and assumptions used to arrive at that determination and determined that it is reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City of Garden Grove's financial statements relate to the net pension liability and related amounts and the net OPEB liability and related amounts.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management: adjustments to correct capital assets, adjustments related to the new lease accounting standard, adjustments to correct interest payable, accrued liabilities, compensated absences, other post employment benefit liabilities, and claims payable.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of Garden Grove's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in our letter dated January 31, 2023.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Information Included in the Annual Comprehensive Financial Report**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City of Garden Grove's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the City Council of the City of Garden Grove, and management of the City of Garden Grove and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Davis Lam" followed by a stylized flourish.

Irvine, California  
January 31, 2023

City Council  
City of Garden Grove, California

In planning and performing our audit of the financial statements of the City of Garden Grove as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to *be* significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following issue to conform to that definition:

(1) Accounting Adjustments Recorded During the Audit

During the audit we identified material and immaterial adjustments to correct the accounting records. Adjustments were made to correct capital assets, to correct balances related to the new lease accounting standard, and to correct interest payable, accrued liabilities, compensated absences, other post employment benefit liabilities, and claims payable. The City also identified and recorded adjustments to the records after the year end close was completed. The auditing standards acknowledge that the auditor should not be part of the City's system of internal controls because adjusting material transactions in the financial statements creates an independence threat and reduces auditor transparency.

### Recommendation

To minimize adjustments identified during the audit, the City should establish procedures to, whenever possible, identify adjustment in the reporting period in which the related transactions occurred. These procedures could include performing a comprehensive review of the year end accounting balances prior to the start of the audit fieldwork.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
January 31, 2023

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Scott C. Stiles	From:	Lisa L. Kim
Dept.:	City Manager	Dept.:	Community and Economic Development
Subject:	Adoption of a Resolution to authorize participation in the Encampment Resolution Funding Grant Program. ( <i>Action Item</i> )		
		Date:	2/14/2023

---

**OBJECTIVE**

To request approval of a Resolution to authorize participation in the Encampment Resolution Grant Funding program.

**BACKGROUND**

A Notification of Funding Availability was issued on December 1, 2022 for the Encampment Resolution Funding Grant Program (ERF-2-R) through the California Interagency Council on Homelessness (CalICH). The CalICH has made available up to \$237,301,738 to local agencies in California and the members of the Continuum of Care (CoC) to resolve the experience of unsheltered homelessness for at-risk individuals residing in encampments. This program prioritizes activities that address the safety and wellness of individuals experiencing homelessness within encampments, resolve critical encampment concerns, and transition individuals into interim shelter with clear pathways to permanent housing or directly into permanent housing, using data-informed, non-punitive, low-barrier, person-centered, Housing First, and coordinated approaches.

**DISCUSSION**

In coordination with the Garden Grove Police Department (GGPD) Special Resource Team, Caltrans and the County of Orange, a joint effort has been established to request and utilize the grant funding to deploy a fencing pilot program and provide homeless resources to individuals experiencing homelessness in these identified encampments areas within the City. The areas are as follows:

1. Site A- Beach and 22 Freeway
2. Site B- Euclid and 22 Freeway
3. Site C- Newhope and 22 Freeway
4. Site D- Haster and 22 Freeway



Summarized below is a preliminary budget of approximately \$3.4 million. The proposed Garden Grove Encampment Resolution Program would allocate resources for the Navigation Center operations, additional street outreach support in coordination with the Special Resource Team, County of Orange, and Moving Forward Psychological Institute, augment costs for continuation of the Be Well OC Mobile Response Team, expand the Workforce Activation and Readiness Program, utilize 2-1-1 OC Homeless Management Information System (HMIS) for data collection, and implement the Caltrans Collaborative Fencing Pilot Project. If awarded, the grant program would be administered by the Community and Economic Development Department.

## FINANCIAL IMPACT

There is no fiscal impact to the General Fund.

The Encampment Resolution Funding Grant (ERF-2-R) Program does not require a match from the City. The budget summary is as follows:

<b>Encampment Resolution Grant Program Activities</b>	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>
Low-barrier Navigation Center Operations	\$500,000	\$0	\$0
Special Resource Team (SRT)	\$150,000	\$150,000	\$150,000
Street Outreach – Service Providers (Moving Forward & PATH)	\$190,000	\$177,500	\$12,500
Be Well OC Mobile Response Team	\$350,000	\$100,000	\$100,000
Workforce Activation and Readiness Program (WARP)	\$60,000	\$30,000	\$30,000
2-1-1 OC Homeless Management Information System Data	\$60,000	\$60,000	\$60,000
Caltrans Collaborative Project	\$1,000,000	\$50,000	\$50,000
<b>Total Cost (FY 23-24, 24-25, 25-26)</b>	\$3,280,000		
<b>Administrative costs (5%)</b>	\$164,000		
<b>Total Requested Amount</b>	<b>\$3,444,000</b>		

## RECOMMENDATION

It is recommended that the City Council

- Adopt the Resolution to authorize participation in the Encampment Grant Resolution Funding (ERF-2-R) Program by approval of the resolution;
- Direct the City Manager to finalize preparatoin and submittal of an Encampment Resolution Grant application, and authorize execution of necessary agreements for grant implementation.

By: Christy Le, Homeless Liaison Analyst

## Attachment 1: Resolution

### **ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
Resolution	2/8/2023	Resolution	ERF-2- R_Resolution._OS_020723._CL_020823.docx

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. XXXX-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE TO AUTHORIZE PARTICIPATION IN THE ENCAMPMENT RESOLUTION FUNDING GRANT PROGRAM (ERF-2-R) WITH THE PROPOSED BUDGET OF \$3,444,000 AND AUTHORIZE AGREEMENTS TO IMPLEMENT THE CALTRANS COLLABORATIVE PROJECT.

WHEREAS, the City of Garden Grove desires to undertake a certain project consistent with the California Interagency Council on Homelessness Encampment Resolution Funding Grant Program (Program) to assist in resolving the experience of unsheltered homelessness for people residing in encampments;

WHEREAS, the City of Garden Grove is eligible to receive funds for the Program made available through the California Interagency Council on Homelessness administered by the California Department of Business, Consumer Services and Housing Agency;

WHEREAS, the City will administer the Program through the Community and Economic Development Department;

WHEREAS, the City desires to be reimbursed from the eligible funds for operational and administrative tasks;

WHEREAS, it is necessary to grant authorization to participate in the Encampment Resolution Grant Program (ERF-2-R);

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF GARDEN GROVE:

1. Does hereby authorize the City Manager of the City of Garden Grove or his/her designee to approve and execute authorization to participate in the Program, and to execute and submit all other necessary grant documents, including but not limited to applications, agreements, modifications, payment requests, and amendments for the purpose of obtaining funding, that may be necessary for the completion of the 2023-24, 2024-25, 2025-26 Program and implementation of the same in subsequent fiscal years with the proposed budget of \$3,444,000.
2. The City Manager or his/her designee is further authorized to execute agreements with Caltrans consistent with the Program.
3. Grant funds received under the Program shall not be used to supplant ongoing law enforcement expenditures.

Resolution No. 6016-21

Page 2

Adopted this \_\_\_\_ day of February \_\_\_\_ 2023.

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Scott C. Stiles	From:	Lisa L. Kim
Dept.:	City Manager	Dept.:	Community and Economic Development
Subject:	Second reading of Ordinance No. 2941	Date:	2/14/2023

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Attached for second reading is Ordinance No. 2941 recommended for adoption.

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
Ordinance No. 2941	2/9/2023	Ordinance	2941_GG_ORDINANCE_PUD-018-2022.pdf

ORDINANCE NO. 2941

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING PLANNED UNIT DEVELOPMENT NO. PUD-018-2022 TO ESTABLISH RESIDENTIAL PLANNED UNIT DEVELOPMENT IMPLEMENTATION PROVISIONS AND STANDARDS OF DEVELOPMENT FOR PROPERTY LOCATED AT 9071, 9081, AND 9091 LAMPSON AVENUE (ASSESSOR'S PARCEL NOS. 133-183-55, 56, 57, AND 58)

**CITY ATTORNEY SUMMARY**

**This Ordinance approves Residential Planned Unit Development No. PUD-018-2022 to establish residential planned unit development zoning regulations applicable to an approximately 1.6 acre site in the City of Garden Grove located at 9071, 9081, and 9091 Lampson Avenue (Assessor's Parcel Nos. 133-183-55, 56, 57, and 58) in order to permit and facilitate the development of a small lot subdivision residential project consisting of 13 two-story, detached homes and related site improvements on the property. The subject site is currently zoned R-1 (Single-Family Residential), which will continue to be the base zone. The residential small-lot subdivision project authorized by Planned Unit Development No. PUD-018-2022 shall be implemented through development in compliance with Site Plan No. SP-118-2022 and Tentative Tract Map No. TT-19232, as approved by the Garden Grove City Council on January 24, 2023, and the development standards applicable to small lot subdivisions set forth in Section 9.12.040.060 of the Garden Grove Municipal Code in effect as of August 11, 2022 shall apply to the initial development of the Project.**

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE FINDS AND DETERMINES AS FOLLOWS:

WHEREAS, PLC Garden Grove, LLC, the applicant, submitted a request to develop a 13-unit residential small-lot subdivision project and associated site improvements on a 1.6-acre vacant site, located at 9071, 9081, and 9091 Lampson Avenue, Assessor's Parcel Nos. 133-183-55, 56, 57, and 58 (the "Property"), which is owned by the applicant; and

WHEREAS, the applicant has requested the following approvals to facilitate the proposed development: (a) adoption of Residential Planned Unit Development No. PUD-018-2022 for the Property to allow and facilitate the development of a small-lot subdivision residential project consisting of 13 two-story, detached homes on the Property; (b) approval of Site Plan No. SP-118-2022 to facilitate development of the 13 two-story, detached homes and associated site improvements; and (c) approval of Tentative Tract Map No. TT-19232 to subdivide the subject Property into 17 separate lots (collectively, the "Project"); and

WHEREAS, the Property has a General Plan Land Use Designation of Low Density Residential and is currently zoned R-1 (Single-Family Residential); and

WHEREAS, Planned Unit Development No. PUD-018-2022 will establish zoning regulations governing the Property and the development of the proposed residential small-lot subdivision project in accordance with Section 9.08.030.020 of the Garden Grove Municipal Code; and

WHEREAS, the implementation provisions and standards of development for Planned Unit Development No. PUD-018-2022 are set forth in Planning Commission Resolution No. 6054-22 and provide that the development standards applicable to small lot subdivisions set forth in Section 9.12.040.060 of the Garden Grove Municipal Code in effect as of August 11, 2022 shall apply to the initial development of the small-lot subdivision project; the base zone shall be R-1 (Single-Family Residential); and the small-lot subdivision project shall be implemented through development in compliance with Site Plan No. SP-118-2022 and Tentative Tract Map No. TT-19232, as approved by the Garden Grove City Council, including all related conditions of approval and/or duly approved amendments thereto; and

WHEREAS, following a public hearing held on December 1, 2022, the Planning Commission adopted Resolution No. 6054-22 recommending that the City Council adopt a Mitigated Negative Declaration for the Project and approve Planned Unit Development No. PUD-018-2022; and

WHEREAS, pursuant to a legal notice, a Public Hearing was held by the City Council on January 24, 2023, and all interested persons were given an opportunity to be heard;

WHEREAS, the City Council gave due and careful consideration to the matter; and

WHEREAS, on January 24, 2023, the City Council adopted Resolution No. 9781-23, adopting a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Project; and

WHEREAS, on January 24, 2023, the City Council adopted Resolution No. 9782-23, approving Site Plan No. SP-118-2022 and Tentative Tract Map No. TT-19232, subject to the adoption and effectiveness of this Ordinance; and

WHEREAS, adoption of this Ordinance is consistent with Subdivision (b) of Government Code Section 66300 because approval of the zoning regulations of Planned Unit Development No. PUD-018-2022 will not result in a change to the zoning of the Property to a less intensive use or reduce the intensity of land use under the zoning of the Property as in effect on January 1, 2018; and

WHEREAS, adoption of this Ordinance and implementation of the zoning regulations, provisions, and standards of development of Planned Unit Development No. PUD-018-2022 will not reduce, or require or permit the reduction of, the allowable residential density for any housing element parcel, or allow development of any housing element parcel at, a lower residential density, as defined in

Government Code Section 65863; therefore, the “no net loss” provisions of Government Code Section 65863 and Section 9.60.030 of the Garden Grove Municipal Code do not apply; and

WHEREAS, the City Council of the City of Garden Grove hereby makes the following findings regarding Planned Unit Development No. PUD-018-2022:

1. The PUD is internally consistent with the goals, objectives, and elements of the General Plan.

The City’s Land Use Element encourages Planned Unit Developments (PUD). A Planned Unit Development (PUD) is a precise plan, adopted by ordinance that provides the means for the regulation of buildings, structures and uses of land in order to facilitate the implementation of the General Plan. The PUD will facilitate the development of a 13-unit residential small-lot subdivision project on an approximately 1.6-acre site, with a resulting residential density of 10 dwelling units per acre.

The subject site has a General Plan Land Use designation of LDR, which is intended to create, maintain, and enhance residential areas characterized by detached, single unit structures, and single-family residential neighborhoods that: (i) provide an excellent environment for family life; (ii) preserve residential property values; (iii) provide access to schools, parks, and other community services; and (iv) provide a high-quality architectural design. The LDR land use designation allows for one (1) to 11 dwelling units per acre, or up to 17 dwelling units for the subject site.

The PUD will follow the Small-Lot Subdivision development standards of the Municipal Code for Small-Lot Subdivisions. In addition, the proposed project is consistent with several goals and policies of the General Plan, including:

- a. Policy LU-2.2: Strive to provide a diverse mix of housing types, along with uniformly high standards of residential property maintenance to preserve residents’ real estate values and their high quality of life.*

The proposed residential small-lot subdivision development will add to the mix of diverse housing types in the immediate neighborhood that is currently improved with multi-family and single-family dwellings. The proposed 13-unit housing project will provide detached, two-story residential dwellings, on a site where maintenance of all common areas, such as the private street, guest parking areas, the common recreation area, and street frontage landscaping, will be the responsibility of a Homeowner’s Association to ensure proper maintenance that preserves the resident’s real estate values. Furthermore, the Project will contribute to meeting the City’s Regional Housing Needs Allocation (RHNA), as well as the Housing Element policies



- b. *Policy LU-2.4: Assure that the type and intensity of land use shall be consistent with that of the immediate neighborhood.*

The immediate area consists of both multiple-family and single-family dwellings. The proposed 13-unit residential small-lot subdivision project was reviewed and determined to be within the allowed density and in compliance with the development standards of the Municipal Code for small-lot subdivisions and the LDR land use designation in the General Plan, which is 17 units maximum for the 1.6-acre site. Thus, the development is consistent with the type and intensity of land use of the immediate neighborhood.

- c. *LU-IMP-2B: New development shall be similar in scale to the adjoining residential neighborhood to preserve its character.*

The 1.6-acre site is proposed to be improved with a 13-unit small-lot subdivision development, which is within the allowable density pursuant to the LDR General Plan Land Use designation, which is 17 units maximum. The proposed project was reviewed by the City staff and deemed to be within the allowed density and similar in scale to the adjoining residential neighborhood. The proposed design will consist of two-story units, which is compatible with the physical scale of the immediate neighborhood currently improved with multi-family and single-family dwellings ranging from one to two stories. Thus, the Project is similar both in land use intensity and physical scale of the adjoining residential neighborhood.

- d. *Goal LU-4: The City seeks to develop uses that are compatible with one another.*

The proposed two-story small-lot subdivision project is located in a residential neighborhood that is improved with multi-family and single-family dwellings. The properties in the direct vicinity of the project site are zoned R-1 or R-2 (Multiple-Family Residential), and have a LDR or Low Medium Density Residential (LMR) land use designations, respectively. The properties directly to the west are developed with two-story multi-family residential buildings. Thus, the proposed housing project is consistent with the development pattern of the surrounding residential uses.

- e. *Policy H-3.7: Encourage infill housing development that is compatible in character with established residential neighborhoods.*

The 1.6-acre site is vacant and is comprised of four (4) parcels. The project site is located in a neighborhood improved with multi-family and single-family dwellings. As a vacant site that was previously developed with three (3) single-family dwellings, it offers an opportunity for in-fill housing development. The proposed 13-unit small-lot subdivision will

consist of two-story detached units, which is compatible with the character of the immediate neighborhood. Furthermore, the Project will contribute to meeting the City's Regional Housing Needs Allocation (RHNA), as well as the Housing Element policies.

2. The location of the buildings, architectural design, and proposed use are compatible with the character of existing residential development in the vicinity, and the Project will be well-integrated into its setting.

The applicant is requesting to construct a 13-unit residential small-lot subdivision project on an approximately 1.6-acre site that abuts R-1 zoned properties developed with single-family dwellings to the north, east, and south across Lampson Avenue, and an R-2 (Multiple-Family Residential) zoned property developed with a multi-family development to the west.

The proposed design consists of 13 small-lot subdivision units on separate lots. Each residential lot will range from 3,427 to 4,414 square feet and will be improved with a two-story dwelling, an attached two-car garage, a driveway for two (2) parking spaces, a private rear yard, a front yard, and side yards on each side. Each unit can be accessed from its attached garage, or from the public right-of-way via internal 4'-0" wide internal sidewalks leading to each unit's front entry that faces the private street. The internal sidewalks also lead to the common recreation area and guest parking spaces throughout the development.

The Project meets or exceeds the setbacks required for small-lot subdivisions by providing a 20'-0" setback to each unit, a 19'-0" setback to the garages, side setbacks that range from 4'-0" to 8'-7", and rear setbacks ranging from 15'-1" to 15'-7". Five (5) units will be located along the westerly side of the site, four (4) units will be located at the rear of the site along the northerly property line, and four (4) units will be located along the easterly side of the site. A common recreation area improved with play equipment and benches will be located on the east side of the private street. The units and common recreation area face a proposed internal 36'-0" wide private street that leads from a new drive approach located along the south property line off of Lampson Avenue. The proposed private street will serve as the only vehicular access point to the project site and will provide eight (8) on-street parallel parking spaces on both sides of the street. Each unit is improved with an attached garage and driveway for parking, which have access from the new private street. Four (4) additional visitor guest parking spaces are located toward the rear of the site: two (2) off of each side of the private street. The new drive approach, private street, and parking layout have been designed in accordance with City standards to provide adequate access for trash trucks and emergency vehicles.

The Project proposes two unit plans, Plan 1 and Plan 2. Each unit plan is also provided in two architectural styles: Spanish and Contemporary Spanish. The

Spanish homes will exhibit enhanced elevations with multi-toned stucco exteriors, varied rooflines, concrete tile roofing, building pop-outs, decorative shutters, arched doorways, decorative tile vents, roof eaves with exposed rafters, decorative window trims, balconies, and Spanish style wall lighting. The Contemporary Spanish homes will also exhibit enhanced elevations with multi-toned stucco exteriors, varied rooflines, flat concrete tile roofing, and building pop-outs, but updated modern features, such as squared doorways, fascia board at roof rafters, modern window trims, and contemporary wall lighting.

The proposed residential small-lot subdivision development will add to the mix of diverse housing types in the immediate neighborhood that is currently improved with multi-family and single-family dwellings. The proposed project was reviewed by the City staff and deemed to be within the allowed density and similar in scale to the adjoining residential neighborhood. The proposed design will consist of two-story units, which is compatible with the physical scale of the immediate neighborhood currently improved with multi-family and single-family dwellings ranging from one to two stories. Thus, the Project is similar both in land use intensity and physical scale of the adjoining residential neighborhood.

3. The plan will produce a stable and desirable environment and will not cause undue traffic congestion on surrounding streets.

The Project consists of 13 detached two-story small-lot subdivision homes. Units 1 thru 5 are located along the westerly side of the site, Units 6 thru 9 are located at the rear of the site along the northerly property line, and Units 10 thru 13 are located along the easterly side of the site. The units face a proposed internal, 36'-0" wide private street leading from a new drive approach located along the south property line off of Lampson Avenue. The proposed private street will provide the only vehicular access point to the project site. Per the Municipal Code, the Project is required to provide 3.75 parking spaces per unit, or 49 spaces. The required parking is to be provided in the form of a two-car garage for each unit, one (1) driveway space located in front of each two-car garage, and the remaining 0.75 parking spaces may be provided along the development's private street or a designated guest parking area. The Project has been designed to provide two-car garages for each unit, eight (8) guest parallel parking spaces along the private street, and four (4) guest parking spaces in two (2) separate guest parking designated areas. In addition, the Project provides one (1) required space in front of each two-car garage. The total parking will consist of 26 spaces within two-car garages, 12 open guest spaces, and 13 required spaces on the driveways of each garage. Therefore, the total parking provided is 51 spaces, which exceeds the required parking under the Small-Lot Subdivision Code by two (2) spaces. Moreover, although only one (1) driveway parking space can be used to satisfy the required number of parking spaces, each unit is able to provide two (2)

parking spaces on the driveway, resulting in an additional 13 parking spaces. Therefore, the Project is able to provide the required parking for a 13-unit small-lot subdivision project to minimize potential impacts to surrounding streets.

Additionally, as part of the Initial Study/Mitigated Negative Declaration for the Project, a traffic study was prepared for the Project. It was determined that due to the relatively small size of the 13-unit residential subdivision, it would not generate a substantial number of daily or peak-hour vehicle trips to cause undue traffic congestion on the surrounding streets. The City's Traffic Engineering Division reviewed the report and concurred with the report's findings. All appropriate conditions of approval have been incorporated to minimize any adverse impacts on surrounding streets. Therefore, the design of the Project complies with the spirit and intent of the Garden Grove Municipal Code for a small-lot subdivision development and will provide for a stable and desirable environment.

4. Provision is made for both public and private open spaces.

Per the Municipal Code requirements for small-lot subdivisions consisting of ten (10) or more units, a minimum of 200 square feet per unit of common recreation area is required for the development. The common recreation area is required to provide minimum dimensions of 30'-0" when located between two-story buildings and should be located in an area that is accessible to all residents within the subdivision. Based on the number of units proposed, the development is required to provide a common recreation area that is at least 2,600 square feet in area. The Project provides a 2,864 square foot active recreational open space area with minimum dimensions of 35'-0" that is accessible to the residents within the development. The recreation area features amenities which includes a playground and built-in bench seating. Additionally, each dwelling unit will provide a 15'-0" by 20'-0" private recreation area that is conveniently located in the rear yards off of the great room. Conditions of approval will require that all private recreation areas be open and unobstructed from the ground to the sky at all times. Therefore, the proposed Project complies with all recreation requirements of the Municipal Code.

5. Provision is made for the protection and maintenance of private areas reserved for common use.

Through the conditions of approval for the Project, all necessary agreements for the protection and maintenance of private areas reserved for common use will be in place prior to the start of construction and will be required to be adhered to for the life of the Project.

6. The quality of the Project achieved through the proposed Planned Unit Development zoning is greater than could be achieved under the current zoning.

The subject 1.6-acre site is currently zoned R-1 and has a LDR General Plan Land Use designation. The City's Zoning Code was recently amended to reduce the acreage for a residential PUD from three (3) acres to one (1) acre. The proposed PUD will establish R-1 as the base zoning for the site, which will be consistent with the site's LDR General Plan Land Use designation provided that the density does not exceed 11 dwelling units per acre, or 17 units for the subject site. The Project proposes 13 units, which is within density for the LDR General Plan Land Use designation. The PUD zoning will facilitate the development of the small-lot subdivision that would otherwise not be allowed under the current R-1 zoning of the property. Under the R-1 zone, the site would yield fewer units due to the 7,200 square-foot minimum lot size requirement for new single-family lots. Adopting a residential PUD for the site will ensure the development of additional units while maintaining consistency with the density established by the LDR General Plan Land Use designation. In addition, the PUD zoning allows the Project to have an overall quality that is greater than the current zoning as it allows a more integrated design of dwellings within a residential community. Moreover, the proposed development will be an added value to the neighborhood, and will add additional housing units that furthers the goals of the City's Housing Element.

7. The PUD will promote the public interest, health, and welfare.

The proposed 13-unit residential small-lot subdivision development will promote the public interest, health, and welfare. The proposed project is within the maximum allowable density, is compatible with surrounding uses, is similar in scale to the adjoining neighborhood, and is consistent with the land use type and intensity in the immediate neighborhood. Furthermore, the Project will contribute to meeting the City's Regional Housing Needs Allocation (RHNA), as well as the Housing Element policies.

8. The subject parcel is physically suitable for the requested PUD designation, compatible with surrounding land uses, and consistent with the General Plan.

The 1.6-acre site is physically suitable for the proposed 13-unit small-lot subdivision development. The small-lot subdivision is allowed under the proposed rezone to PUD with R-1 base zoning. The residential development has been designed per the Municipal Code development standards for small-lot subdivisions. As designed, the site is able to accommodate 13 units, along with the required parking, landscaping, private and common recreation areas, setbacks, and building height. Therefore, the property is sufficient in size to accommodate the proposed development, and complies with all applicable provisions of the City of Garden Grove Municipal Code for small-lot subdivisions.

The proposed project was designed to comply with all applicable development standards for small-lot subdivisions in existence at the time a complete application was submitted, with the exception of meeting the minimum lot size for a residential PUD. Although approval of a Variance would have previously been required to deviate from the minimum lot size, the City Council amended the prior Code provisions reducing the minimum lot size of a residential PUD from three (3) acres to one (1) acre through the adoption of Ordinance No. 2939, which took effect on November 10, 2022.

The site abuts R-1 zoned properties developed with single-family dwellings to the north, east, and south, across Lampson Avenue, and an R-2 zoned property developed with a multi-family development to the west. The proposed residential small-lot subdivision development will add to the mix of diverse housing types in the immediate neighborhood that is currently improved with multi-family and single-family dwellings. The proposed project was reviewed by the City staff and deemed to be within the allowed density and similar in scale to the adjoining residential neighborhood. The proposed design will consist of two-story units, which is compatible with the physical scale of the immediate neighborhood currently improved with multi-family and single-family dwellings ranging from one to two stories. Thus, the Project is similar both in land use intensity and physical scale of the adjoining residential neighborhood.

The subject site has a General Plan Land Use designation of LDR, which allows for one (1) to 11 dwelling units per acre, or 17 dwelling units for the subject 1.6-acre site. The Project proposes 13 units, which is within the density allowed for the site per the LDR land use designation. Therefore, the subject parcel is physically suitable for the requested PUD designation, compatible with surrounding land uses, and consistent with the General Plan.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES ORDAIN AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. Environmental Review. City Council Resolution No. 9781-23 adopting a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Project is incorporated herein by reference with the same force and effect as if set forth in full herein.

Section 3. The facts and reasons stated in Planning Commission Resolution No. 6054-22 recommending approval of Planned Unit Development No. PUD-018-2022, a copy of which is on file in the Office of the City Clerk, are hereby incorporated herein by reference with the same force and effect as if set forth in full.

Section 4. Planned Unit Development No. PUD-018-2022 is hereby approved, subject to the implementation provisions and standards of development set forth in Planning Commission Resolution No. 6054-22.

Section 5. The property shown on the map attached hereto is hereby zoned to Residential Planned Unit Development zoning (PUD-018-2022) with R-1 (Single-Family Residential) base zoning, as shown thereon. Zone Map part L-10 is amended accordingly.

Section 6. Severability. If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words, or portions thereof be declared invalid or unconstitutional.

Section 7. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect on the date that is thirty (30) days after adoption.

The foregoing Ordinance was passed by the City Council of the City of Garden Grove on the \_\_\_\_ day of \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
DEPUTY CITY CLERK

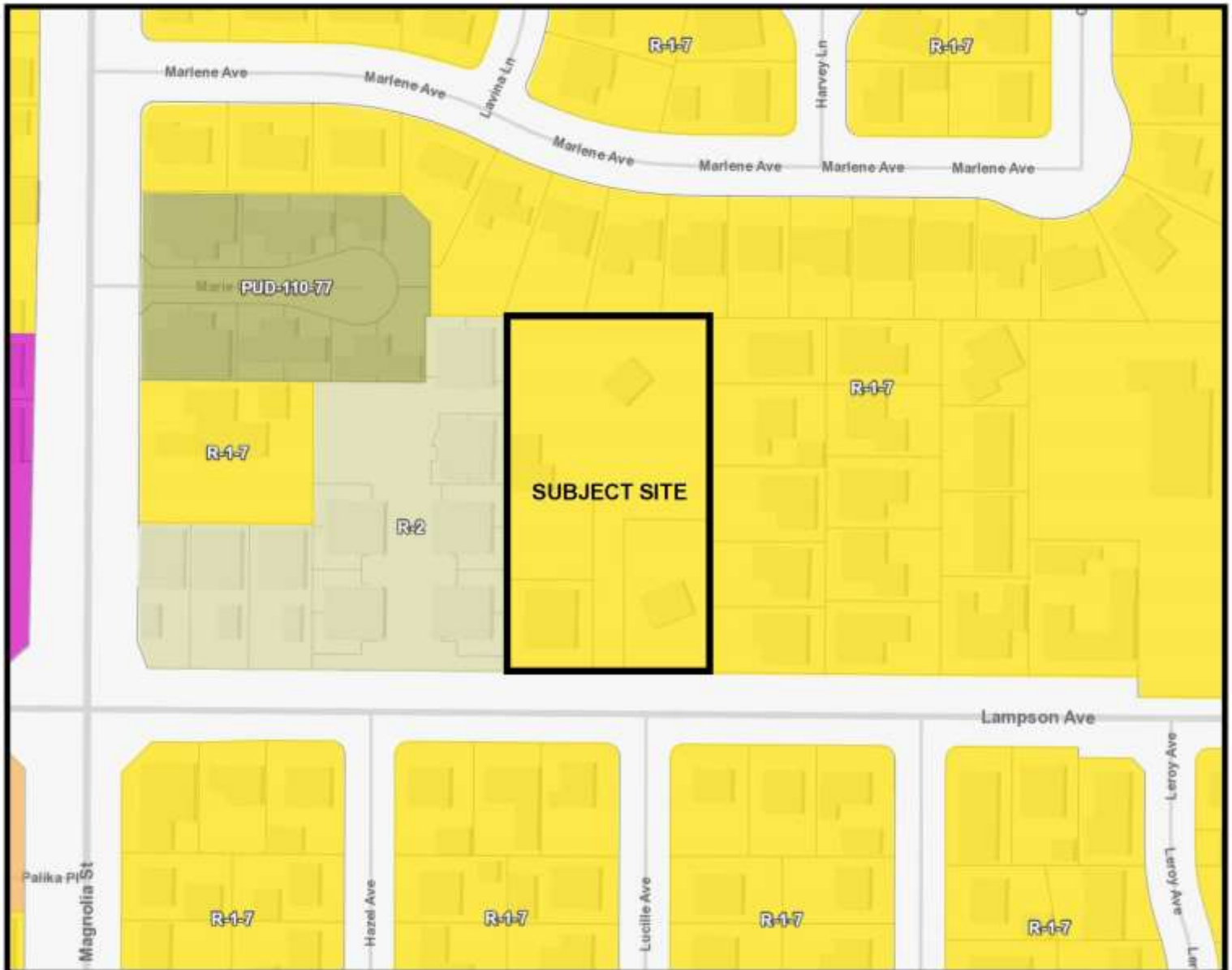
STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) SS:  
CITY OF GARDEN GROVE)

I, TERESA POMEROY, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Ordinance was introduced for first reading and passed to second reading on January 24, 2023, with a vote as follows:

AYES:	COUNCIL MEMBERS:	(7)	O'NEILL, TRAN, DOVINH, KLOPFENSTEIN, NGUYEN K., BRIETIGAM, JONES
NOES:	COUNCIL MEMBERS:	(0)	NONE
ABSENT:	COUNCIL MEMBERS:	(0)	NONE



## PLANNED UNIT DEVELOPMENT NO. PUD-018-2022



### LEGEND

 RE-ZONE FROM R-1 TO PUD-018-2022 WITH R-1 BASE ZONE



### NOTES

SITE ADDRESS - 9071, 9081, AND 9091 LAMPSON AVENUE  
(APN: 133-183-55, 56, 57 & 58)