



GARDEN GROVE



# Fiscal Years 2021-23 Biennial Budget Housing Authority

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**June 22, 2021**



# FY 2021-23 Housing Authority

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- Federally funded through HUD
- Rental subsidies up to 2,529 low income families
  - 75 Mainstream Vouchers Program (\$1.2M and up to \$100K for admin costs)
  - 117 Emergency Housing Vouchers (\$1.7M and up to \$455K for admin costs)



# FY 2021-23 Housing Authority

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- Outreach activities to tenants and landlords
- Initial and annual inspections
- Continue family self-sufficiency program
- Maintain owned properties
- Monitor former Agency affordable housing agreements



# FY 2021-23 Housing Authority

(\$ in '000)

	<b>FY 2021-22 Proposed</b>	<b>FY 2022-23 Proposed</b>
<b>Sources</b>		
Beginning Balance	\$ 4,400	\$ 4,475
Housing Allocation	45,394	45,017
<b>Total Resources</b>	<b>49,794</b>	<b>49,492</b>
<b>Uses</b>		
Voucher Program	(36,349)	(36,349)
HAP Portability	(4,765)	(4,765)
City Administration	(4,205)	(3,829)
<b>Total Uses</b>	<b>(45,319)</b>	<b>(44,943)</b>
<b>Balance</b>	<b>\$ 4,475</b>	<b>\$ 4,549</b>



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# Fiscal Years 2021-23 Biennial Budget Successor Agency

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**June 22, 2021**



## FY 2021-23 Successor Agency

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- Recognized Obligation Payment Schedule (ROPS)
- Implementation of Department of Finance approved development and disposition agreements for various projects:
  - Brookhurst Triangle
  - Site B2



# FY 2021-23 Successor Agency

(\$ in '000)

	<b>FY 2021-22 Proposed</b>	<b>FY 2022-23 Proposed</b>
<b>Sources</b>		
RPTTF Distribution	\$ 19,640	\$ 19,971
Other Revenue	-	-
<b>Total Resources</b>	<u>19,640</u>	<u>19,971</u>
<b>Uses</b>		
Administration	(378)	(359)
Recognized Obligation Payments	<u>(19,262)</u>	<u>(19,612)</u>
<b>Total Uses</b>	<u>(19,640)</u>	<u>(19,971)</u>
<b>Balance</b>	<u>\$ -</u>	<u>\$ -</u>



GARDEN GROVE



# **Fiscal Years 2021-23 Biennial Budget Garden Grove Sanitary District**

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**June 22, 2021**





## FY 2021-23 Sanitary District

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- Continue planned sewer capital program
- Continue manhole inspection and replacement
- Public Education for fats, oils, and grease control
- Additional staff for compliance with new regulations
- Implement commercial organic waste program
- Funding for street sweeping and bus shelter trash clean-up
- Monitor landfill



# FY 2021-23 Sanitary District - Sewer

(\$ in '000)

	<b>FY 2021-22 Proposed</b>	<b>FY 2022-23 Proposed</b>
<b>Sources</b>		
Beginning Working Capital	\$ 39,340	\$ 31,972
Operating Revenue	12,390	12,390
<b>Total Sources</b>	51,730	44,362
<b>Uses</b>		
Operations & Maintenance	(5,484)	(5,635)
Contractual Services	(1,629)	(1,642)
Debt Service	(1,197)	(1,196)
Capital Replacement	(1,589)	(1,583)
Capital Improvement	(5,432)	(3,717)
Capital Carryover	(4,426)	-
<b>Total Uses</b>	(19,757)	(13,773)
<b>Ending Working Capital</b>	\$ 31,973	\$ 30,590



# FY 2021-23 Sanitary District - Refuse

(\$ in '000)

	<b>FY 2021-22 Proposed</b>	<b>FY 2022-23 Proposed</b>
<b>Sources</b>		
Beginning Working Capital	\$ 10,103	\$ 10,765
Operating Revenue	3,123	3,196
<b>Total Sources</b>	<u>13,226</u>	<u>13,961</u>
<b>Uses</b>		
Operations & Maintenance	(1,961)	(2,004)
Landfill Reserve	(500)	(500)
<b>Total Uses</b>	<u>(2,461)</u>	<u>(2,504)</u>
<b>Ending Working Capital</b>	<u>\$ 10,765</u>	<u>\$ 11,457</u>



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# FY 2021-23 Biennial Budget

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**City of Garden Grove**  
**June 22, 2021**

# The American Rescue Plan Act of 2021



## Eligible Uses

- ✓ Respond to the public health emergency or its negative economic impacts
- ✓ Provide premium pay for essential workers
- ✓ Fund for government services up to the amount of revenue loss
- ✓ Invest in water, sewer, or broadband infrastructure

## Available Funds

- ✓ \$48.4M based on 2021 CDBG entitlement
- ✓ \$24.2M received in FY 2021

## Proposed Uses

- ✓ COVID Recovery & Balanced Budget
- ✓ Infrastructure
- ✓ Public Safety/Facility Improvement
- ✓ Quality of Life

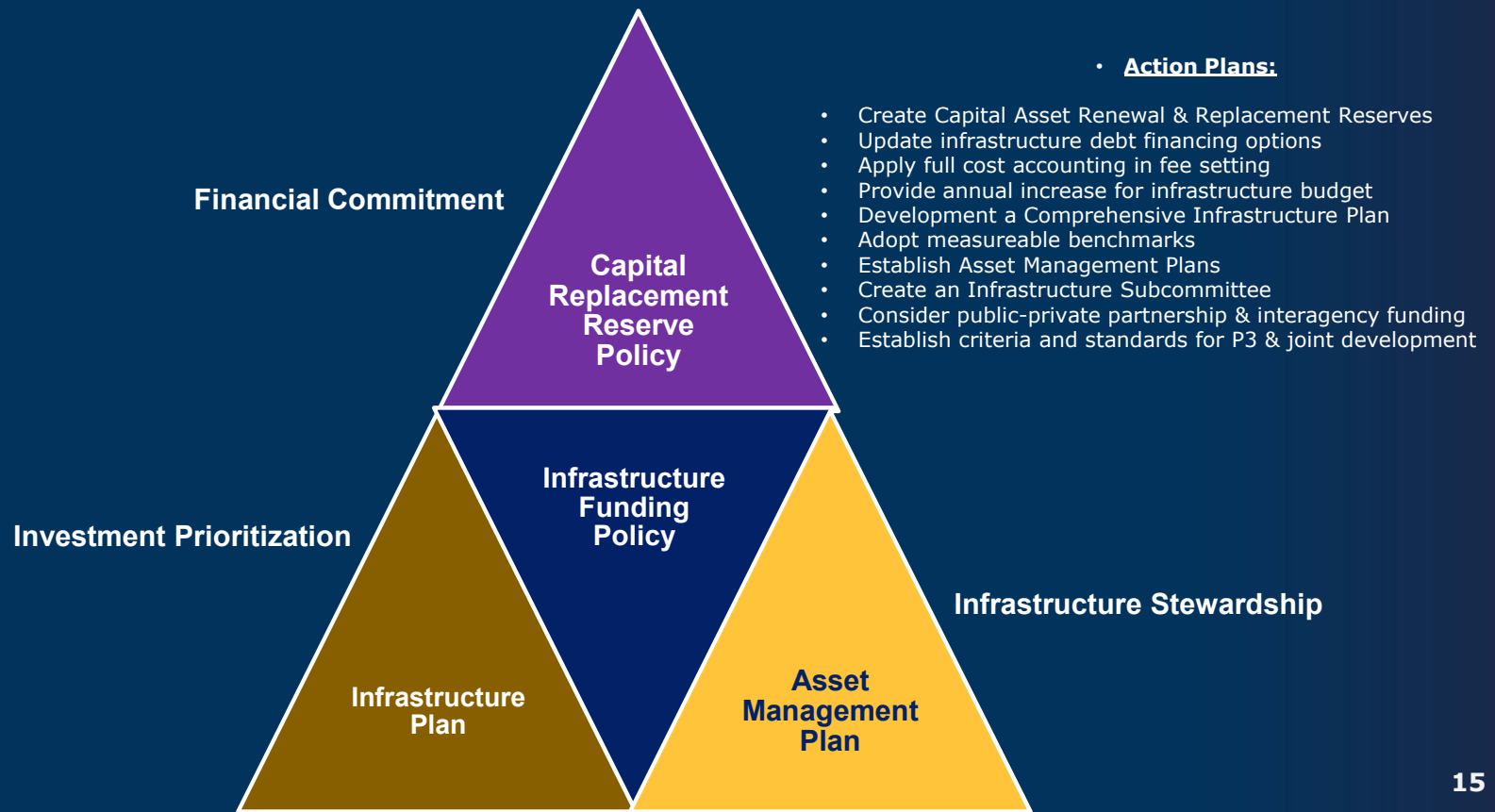


# COVID Recovery and Balanced Budget

	Estimated FY2020-21	Proposed FY2021-22	Proposed FY2022-23
<b>Beginning Funds Available</b>	\$ -	\$ 21,412	\$ 303
<b>Estimated Operating Revenue</b>	151,571	155,037	145,276
<b>Proposed Expenditure</b>	130,159	176,146	145,560
<b>Projected Deficit</b>	<u>\$ 21,412</u>	<u>\$ 303</u>	<u>\$ 19</u>

- Restore to the pre-pandemic staffing level
- Resume funding for deferred maintenance needs
- Fund scheduled equipment and capital replacement

# Infrastructure



# Public Safety and Quality of Life

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## Financial Overview – FY 2020-21

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- Impact of pandemic required City to amend FY 2020-21 budget
- \$28 million cumulative loss from hotel taxes
- Defunded 22 vacant positions
- Decreased contributions to Fleet Fund

# Financial Overview – FY 2020-21

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- Reduced travel, training, conferences
- Reductions in part-time staff & recreation programs
- Anticipated \$10.5 million deficit



# FY 2020-21 General Fund Budget

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Structural Deficit (\$ in millions) \$ (10.5)

## Balance Measures

Reserve for Legal	0.5
Fleet Fund	2.5
FY 2020 Est. Surplus	3.2
Unreserved Fund	<u>4.3</u>

Total One-Time Sources \$ 10.5

# FY 2020-21 Year-End Forecast

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## *The Good News*

- Sales Tax
- Property Tax
- Building Permits
- Interest Earnings
- CARES Act
- American Rescue Plan

## *The Bad News*

- TOT



# FY 2020-21 Year-End Forecast

Revenue (\$'000)	FY 2020-21 Adopted	FY 2020-21 Year-End Est.
Sales Tax - Bradley Burns	\$ 21,436	\$ 23,206
Sales Tax - Measure O	18,026	21,008
Property Tax	49,965	54,258
Transient Occupancy Tax	10,514	5,322
American Rescue Plan	-	24,000
Other	19,778	23,777
Total Revenue	<u>119,719</u>	<u>151,571</u>
Expenditure	<u>130,159</u>	<u>130,159</u>
Surplus / (Deficit)	<u>\$ (10,440)</u>	<u>\$ 21,412</u>



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# **Fiscal Years 2021-23 Biennial Budget All Funds**

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# Budget Development Foundation City Council Priorities

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## COVID Recovery & Balanced Budget

- Maintain City Services
- Support Businesses
- Protect Reserves

## Public Safety

- Maintain Staffing
- Crime Reduction
- Facility Improvement

# Budget Development Foundation City Council Priorities

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## Quality of Life

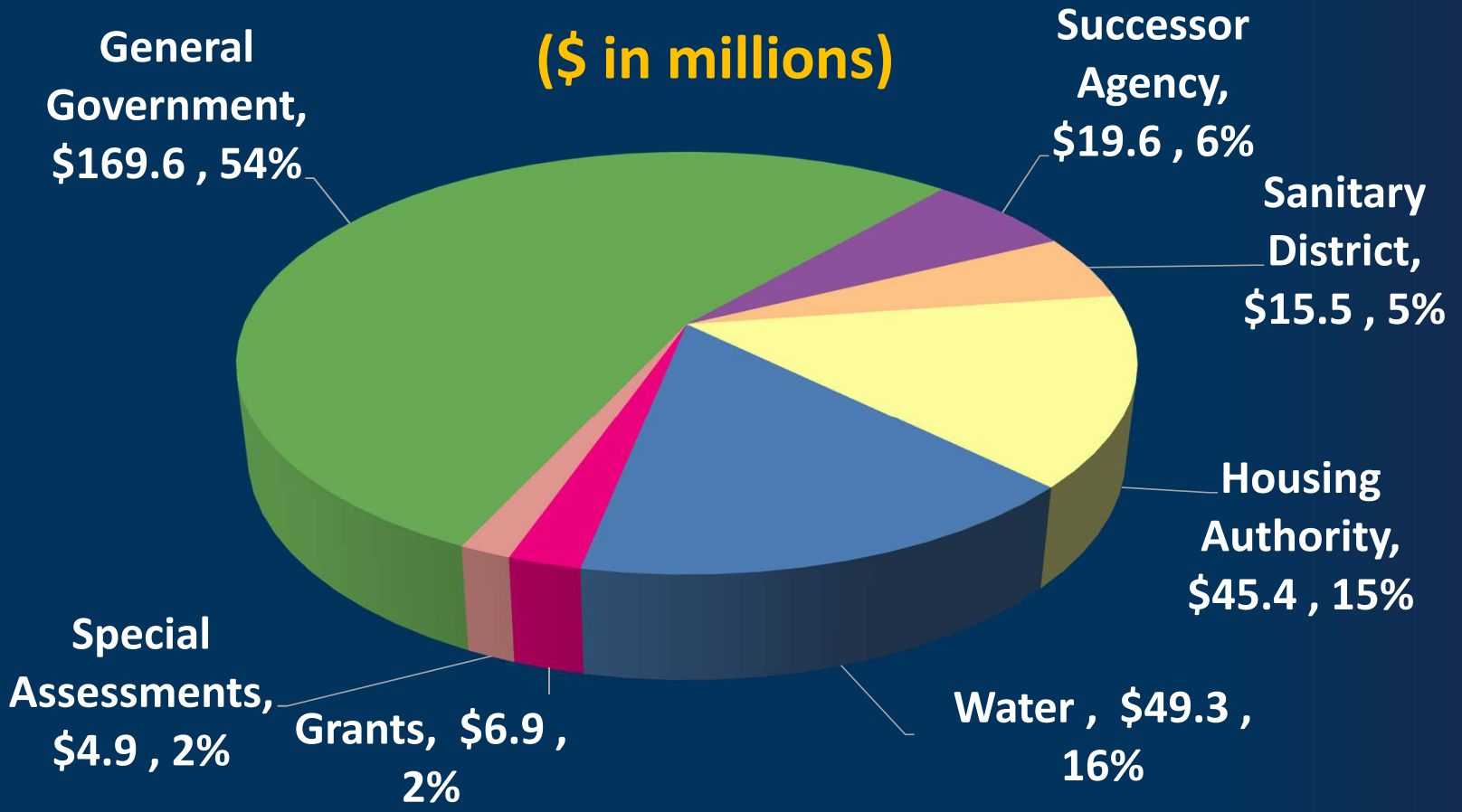
- Graffiti
- Trash
- Code Enforcement
- Homelessness
- Parking
- Signage

## Infrastructure

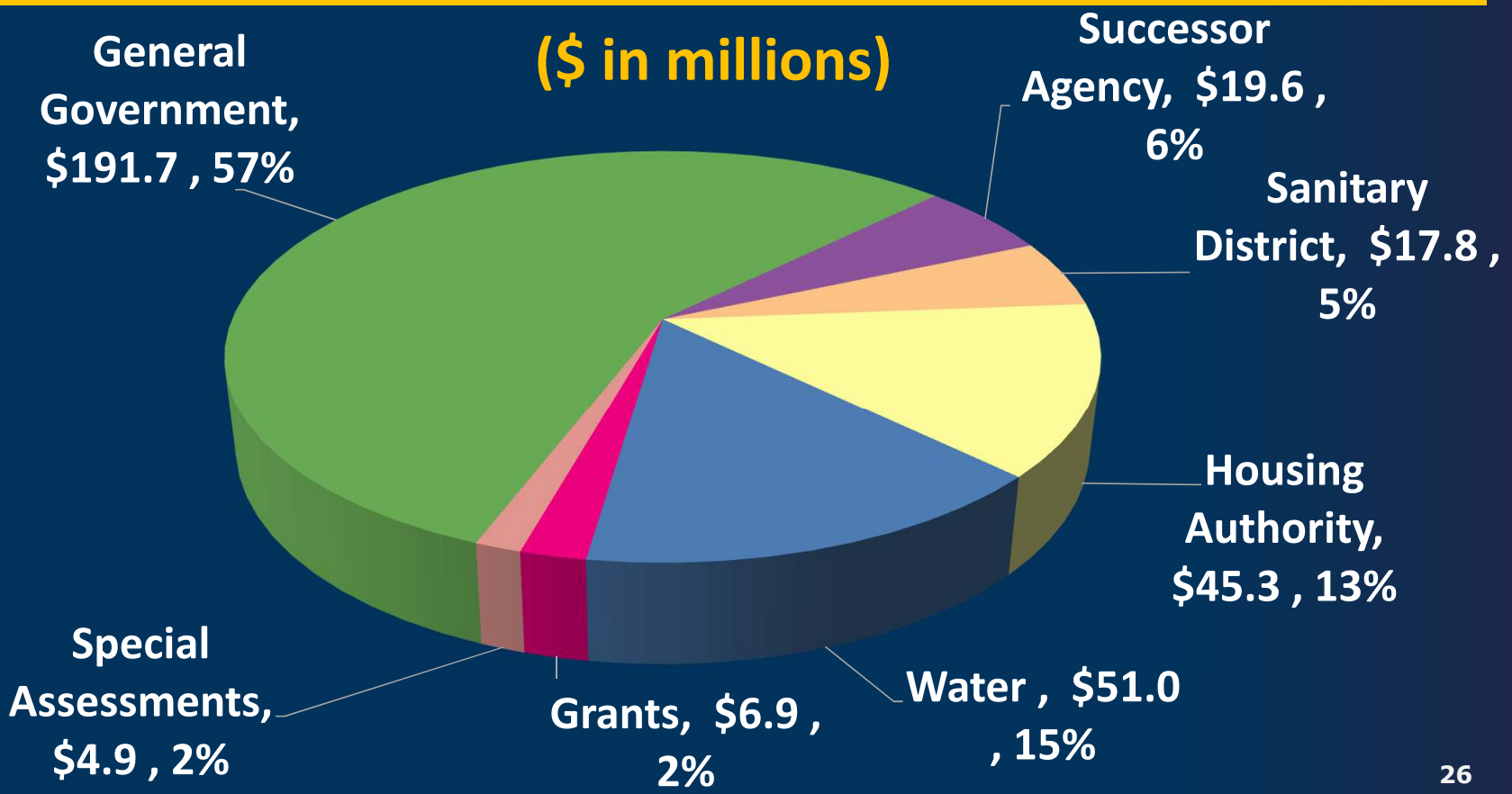
- Streets
- Long-term Funding Plan



# FY 2021-22 Revenue - \$311.3M

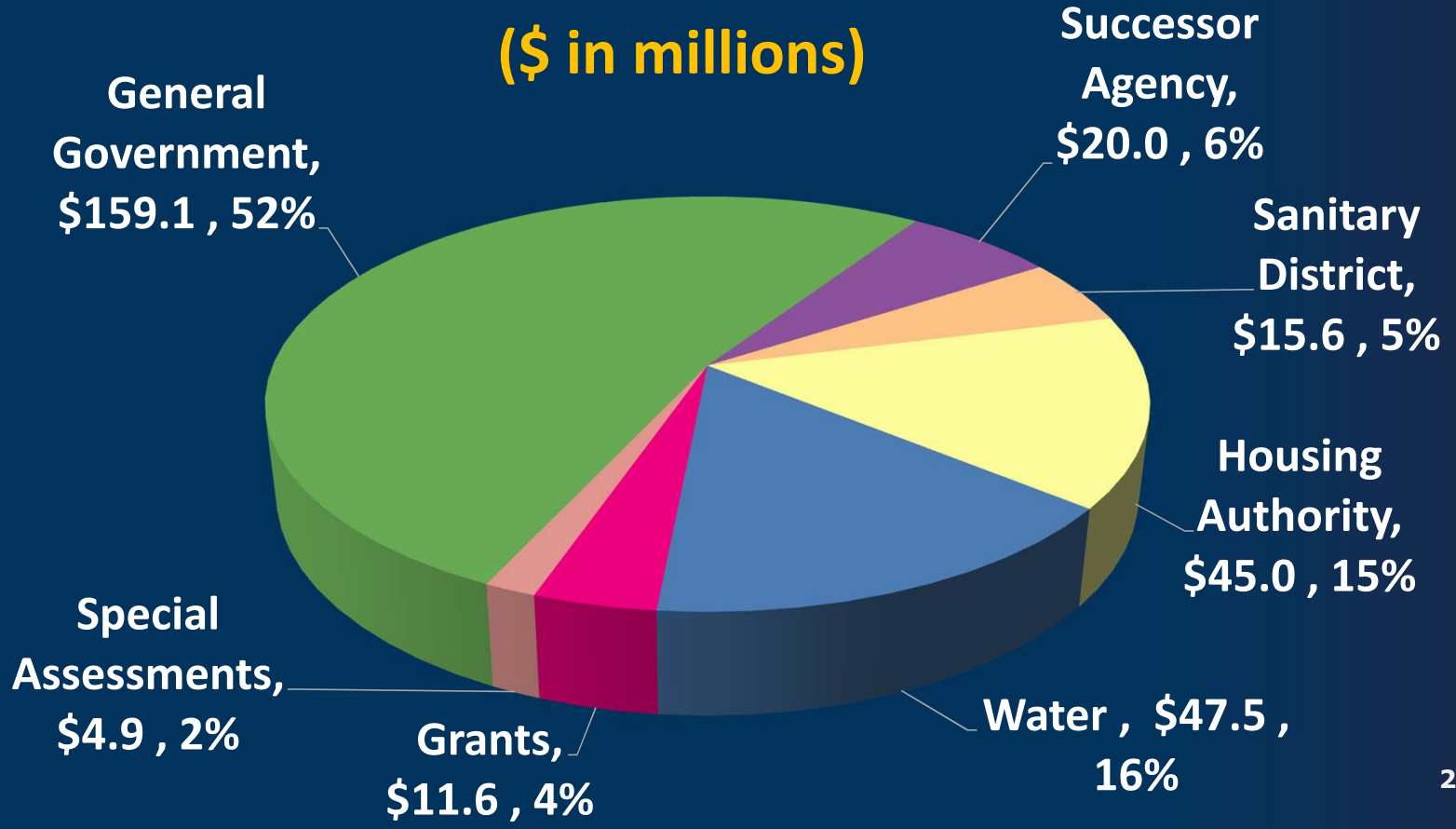


# FY 2021-22 Expenses - \$337.3M

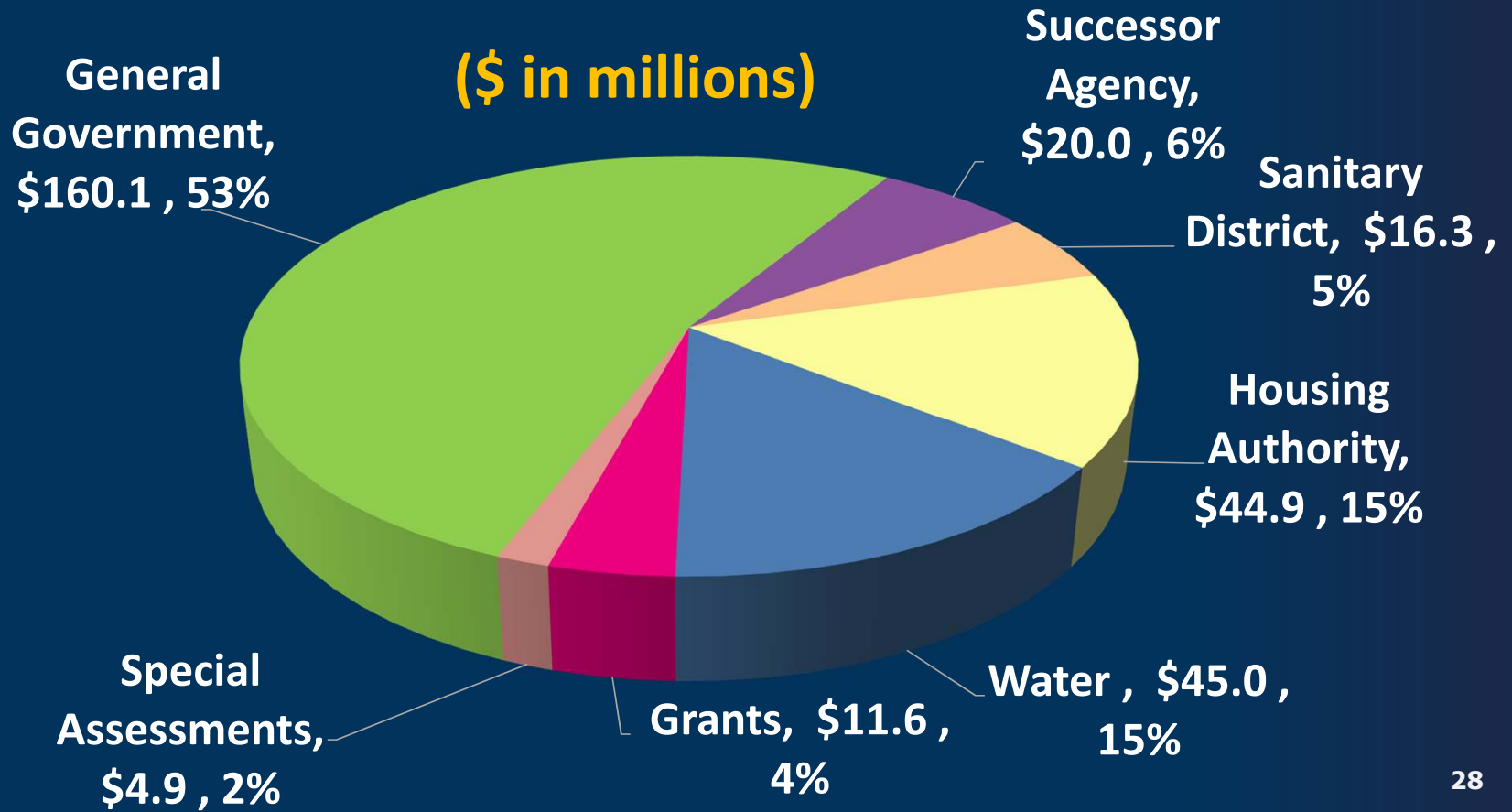


# FY 2022-23 Revenue - \$303.6M

**(\$ in millions)**



# FY 2022-23 Expenses - \$302.7M





## Authorized Positions

FY 2019-20  
Budget

FY 2020-21  
Adopted

FY 2021-23  
Proposed

	FY 2019-20 Budget	FY 2020-21 Adopted	FY 2021-23 Proposed
<b>Police</b>			
Sworn	182	182	182
Civilian	72	69	71
<b>Police Total</b>	<u>254</u>	<u>251</u>	<u>253</u>
<b>City Manager</b>	33	32	33
<b>Comm &amp; Econ Dev.</b>	34	33	34
<b>Community Services</b>	20	20	20
<b>Finance</b>	35	31	34
<b>Human Resources</b>	10	9	9
<b>Information Technology</b>	19	17	18
<b>Public Works</b>	155	145	154
<b>Total Non-Public Safety</b>	<u>306</u>	<u>287</u>	<u>302</u>
<b>City Totals</b>	<u><u>560</u></u>	<u><u>538</u></u>	<u><u>555</u></u>

# Authorized Positions Changes

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## CEDD

- Add full-time Code Enforcement Officer
- Restored 1 Sr Planner

## Police

- Vacant Sr CSO converted to enhance traffic enforcement program
- Restored 2 Records Specialists

# Authorized Positions Changes

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## Information Technology

- 1 Repro Operator → 1 Sr Admin Analyst
- 1 Admin Aide

## Finance

- 2 Acct Specialists → 1 Accounting Tech
- Restored:
  - Principal Analyst
  - Division Manager
  - Office Assistant
  - Sr. Accountant

# Authorized Positions Changes

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## Public Works

- 1 Maint. Repair Worker → Contracts
- 1 Sr. Project Planner (Eng) → 1 Sr. Analyst Environmental Compliance
- Restored:
  - 2 PW Foreman (Facilities, Parks)
  - 1 Park Maint. Worker
  - 1 Heavy Equipment Operator
  - 2 Sr. Street Maint. Worker
  - 1 Sr. Program Specialist (ROW)
  - 1 Associate Engineer



# Authorized Positions Changes

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## Human Resources

- Restored Personnel Analyst

## City Manager

- Restored Principal Office Asst. (City Clerk)
- Non General Fund Positions:
  - Eliminate Sr Admin Analyst (Successor Agency)
  - Eliminate Sr. Admin Aide (HR-Sewer)



GARDEN GROVE



# **Fiscal Years 2021-23 Biennial Budget General Fund**

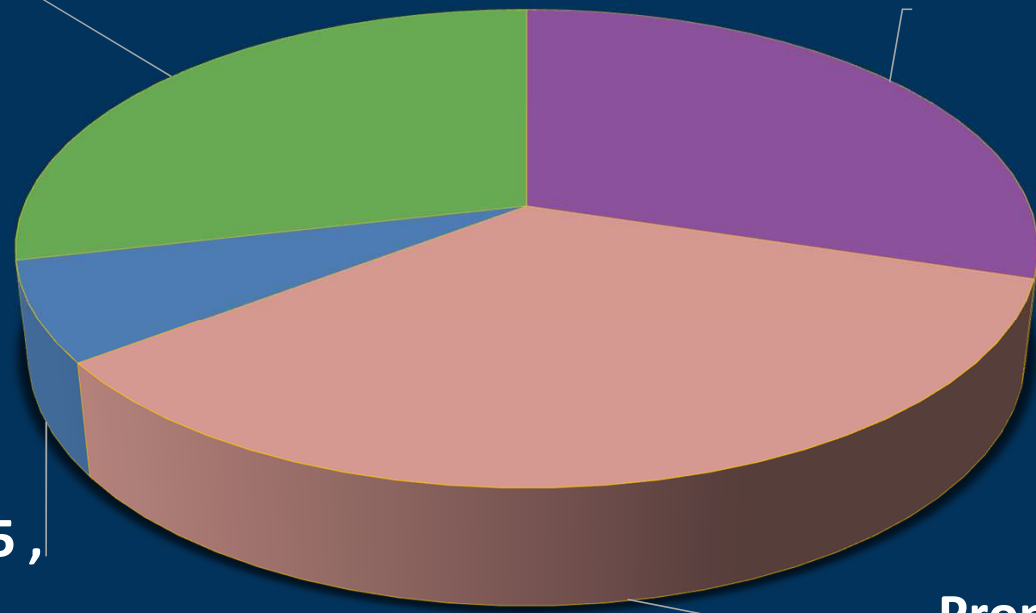
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# FY 2021-22 General Fund Revenue - \$155.0M

(\$ in millions)

Other, \$44.4 ,  
28%

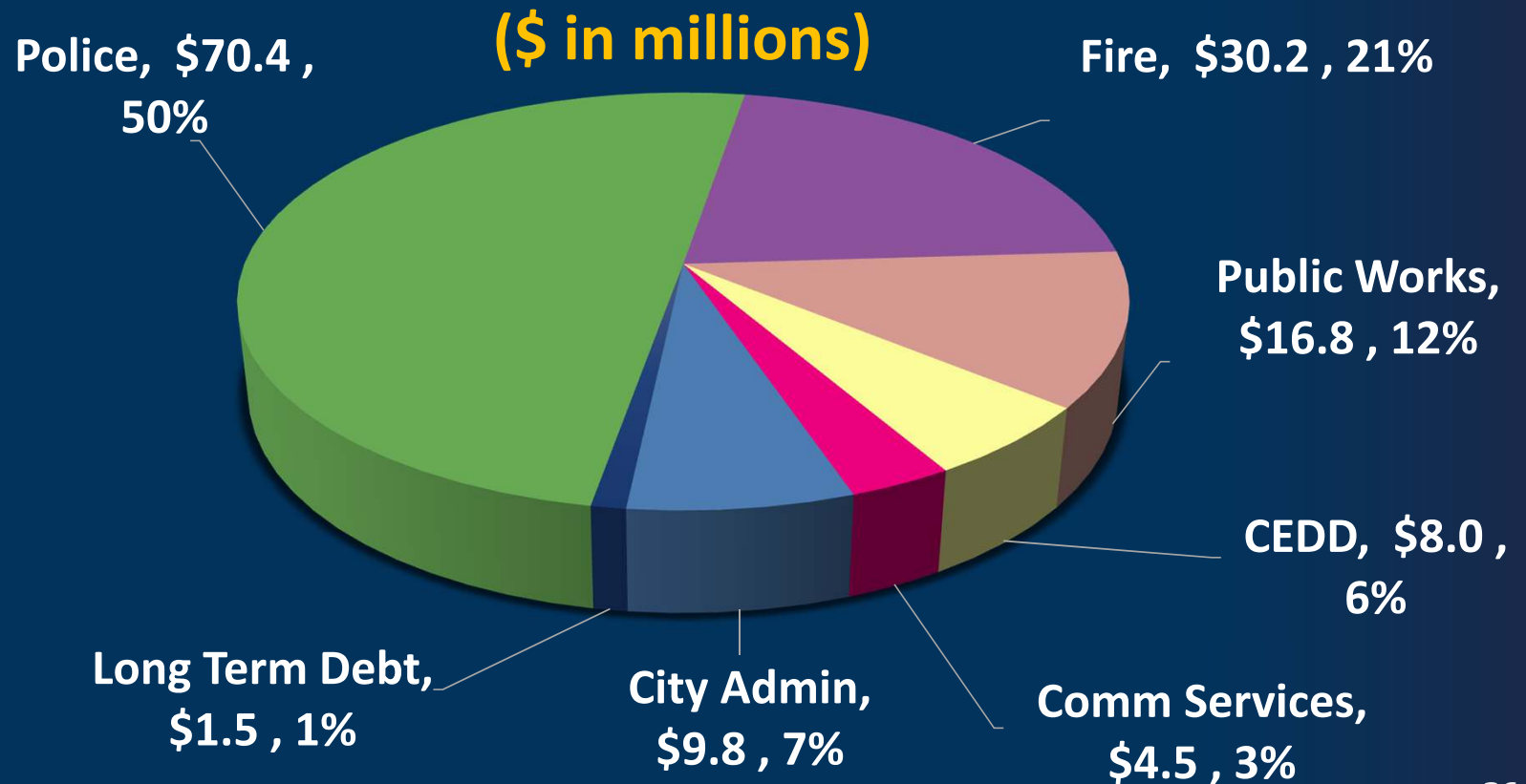
Sales Tax, \$46.2 ,  
30%



TOT, \$10.5 ,  
7%

Property Tax,  
\$54.0 , 35%

# FY 2021-22 General Fund Operating Budget - \$141.1M



# FY 2021-22 General Fund Budget

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- Restored 17 positions (\$2.1 million) – including addition of full-time Code Enforcement Officer
- Be Well mobile mental health services (\$400K)
- Additional graffiti abatement services (\$137K)
- Street sign replacement (\$95K)

# FY 2021-22 General Fund Budget

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- Traffic/parking enforcement (\$104K)
- Street & traffic signal maintenance (\$433K)
- Reinvestment in information technology (\$217K)
- Public Facilities/Infrastructure (\$17.5M)
- Pavement Management Plan Acceleration Program (\$17.5M)



# FY 2021-22 General Fund Budget

<b>FY 2020-21 Surplus</b>	<b>\$ 21,412</b>
<b>Estimated Operating Revenue</b>	<b>155,037</b>
<b>Available Sources</b>	<b>\$ 176,449</b>
<b>Uses:</b>	
<b>Baseline Expenditure Budget</b>	<b>137,848</b>
<b>Restore Staffing Levels</b>	<b>2,158</b>
<b>Mandates</b>	<b>138</b>
<b>Council Priorities</b>	
<b>Quality of Life</b>	<b>696</b>
<b>Infrastructure</b>	<b>34,657</b>
<b>Economic Recovery</b>	<b>100</b>
<b>Public Safety</b>	<b>182</b>
<b>Other Service Enhancements</b>	<b>367</b>
<b>Total Uses</b>	<b>176,146</b>
<b>Estimated Surplus</b>	<b>\$ 303</b>



# FY 2022-23 General Fund Budget

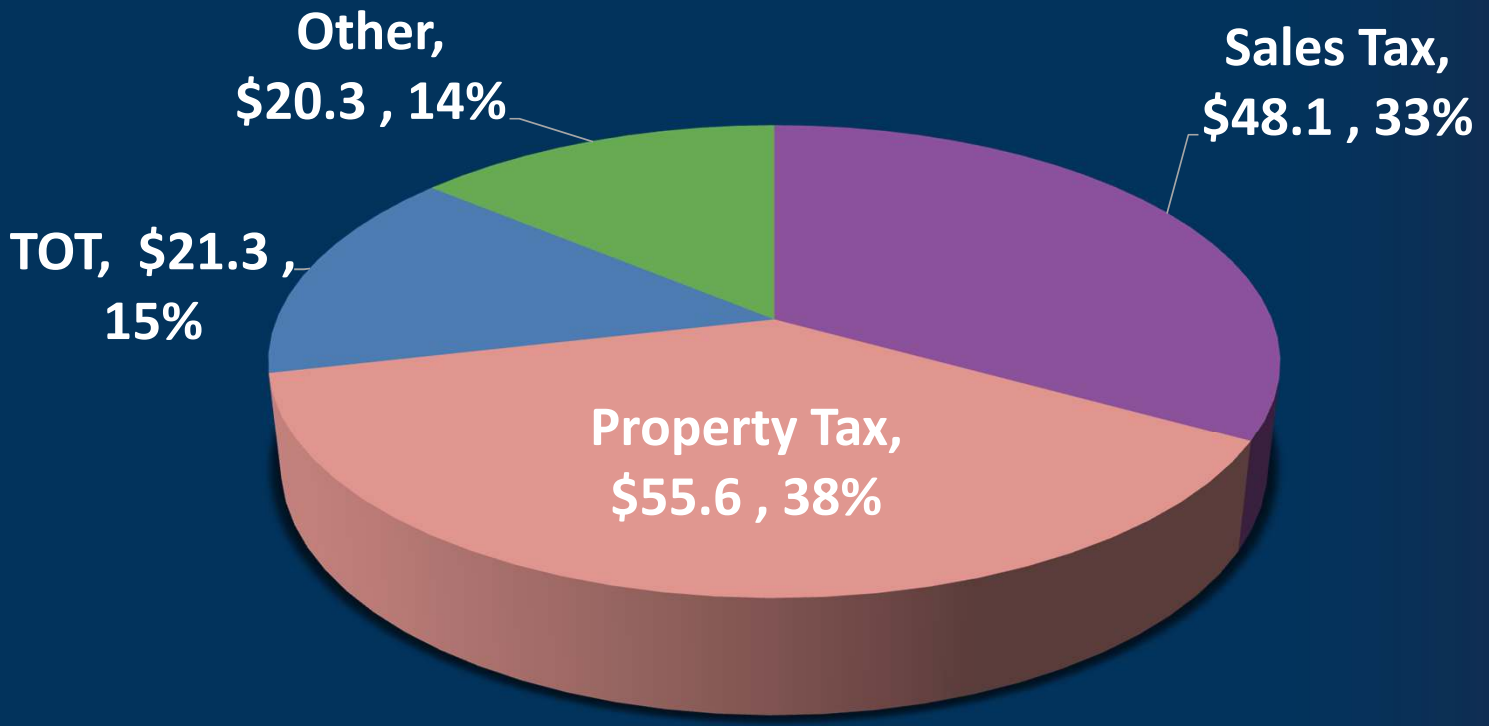
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- Continue quality of life service enhancements
- Maintain staffing levels
- Park reseeding (\$70K)
- Facility maintenance (\$145K)
- Main Street parking lot rehabilitation (\$190K)
- Election costs (\$85K)

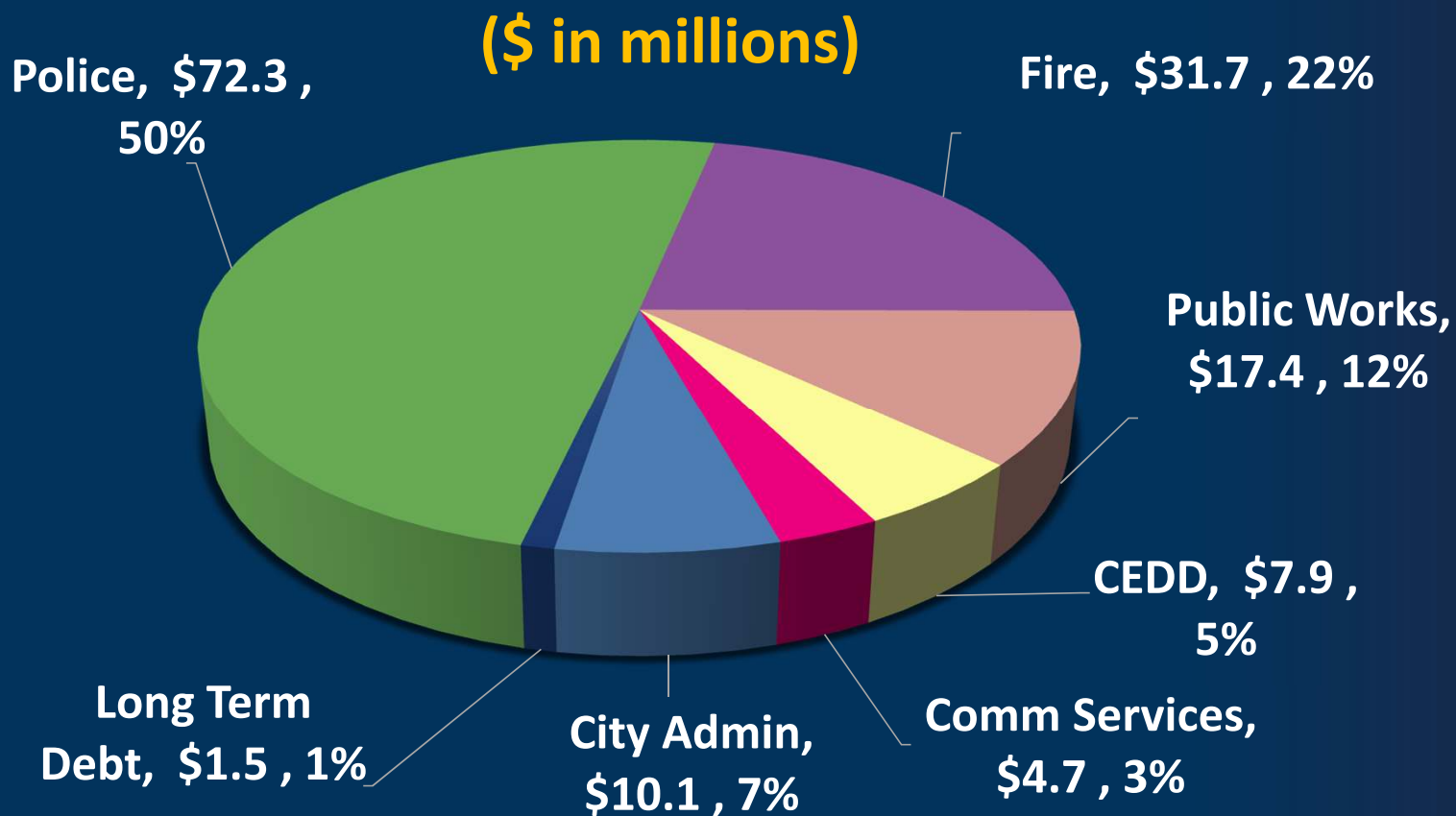


# FY 2022-23 General Fund Revenue - \$145.3M

(\$ in millions)



# FY 2022-23 General Fund Operating Budget - \$145.6M





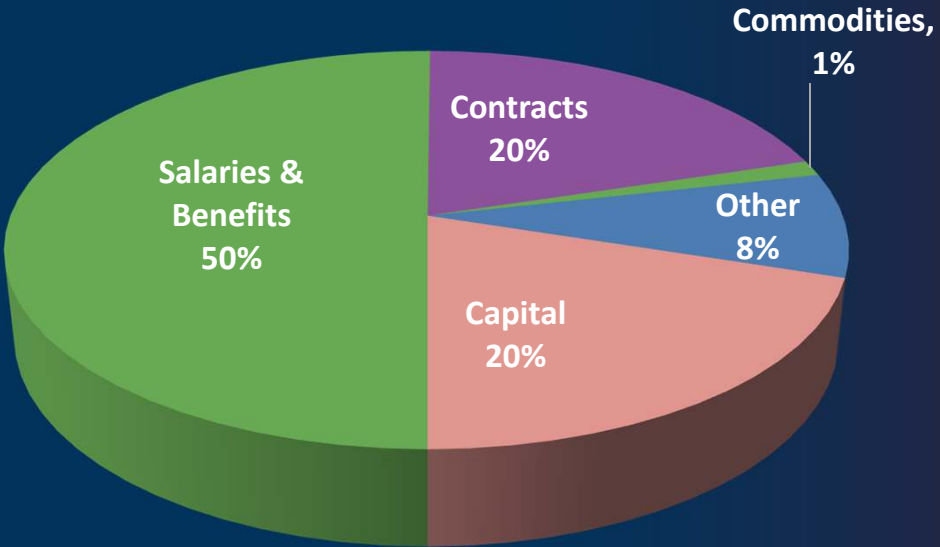
# FY 2022-23 General Fund Budget

<b>FY 2021-22 Surplus</b>	<b>\$</b>	<b>303</b>
<b>Estimated Operating Revenue</b>		<b>145,276</b>
<b>Available Sources</b>	<b>\$</b>	<b>145,579</b>
<b>Uses:</b>		
<b>Baseline Expenditure Budget</b>		<b>141,217</b>
<b>Restore Staffing Levels</b>		<b>2,221</b>
<b>Mandates</b>		<b>162</b>
<b>Council Priorities</b>		
<b>Quality of Life</b>		<b>296</b>
<b>Infrastructure</b>		<b>1,054</b>
<b>Economic Recovery</b>		<b>100</b>
<b>Public Safety</b>		<b>206</b>
<b>Other Service Enhancements</b>		<b>304</b>
<b>Total Uses</b>		<b>145,560</b>
<b>Estimated Surplus</b>	<b>\$</b>	<b>19</b>



# General Fund Budget Components

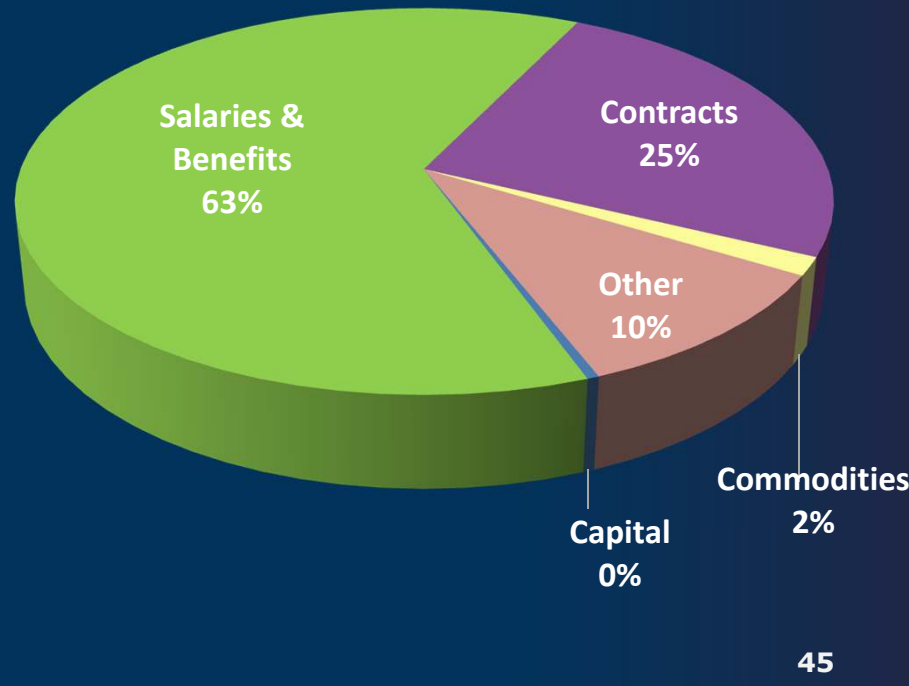
Expenditure Category	FY 2021-22
Salaries & Benefits	\$ 88.3
Contracts	35.4
Commodities	2.2
Other Expenditure/Transfers	14.9
Capital	35.3
<b>Total</b>	<b>\$ 176.1</b>





# General Fund Budget Components

Expenditure Category	FY 2022-23	
Salaries & Benefits	\$	91.4
Contracts		36.3
Commodities		2.2
Other Expenditure/Transfers		15.1
Capital		0.6
<b>Total</b>	<b>\$</b>	<b>145.6</b>



## Capital Improvement Program FY 2021-23

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- Street Improvements - \$35.4M
  - Arterial Street Rehabilitation
  - Residential Overlay
  - Concrete Replacement
  - Pavement Management Acceleration Program

# Capital Improvement Program FY 2021-23

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- Street Projects
  - Euclid / Westminster Intersection Improvements
  - Oranewood (Brookhurst to Euclid) Rehabilitation
  - Lampson Avenue (Dale to Magnolia) Rehabilitation
  - Lampson Avenue (Haster to Jetty) Sidewalk Installation
  - Acacia Neighborhood Street Improvements

## Capital Improvement Program FY 2021-23

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- Traffic Improvements - \$1.5M
  - New Signal at Chapman/Lamplighter
  - Euclid / Lampson – Installation of left turn phasing
  - 5 Traffic Signal Modifications/Upgrades
    - GG Blvd @ Gilbert, Galway, & Casa Linda
    - Stanford @ Euclid & Brookhurst



## Capital Improvement Program FY 2021-23

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- Acacia Storm Drain - \$2.5M
- Parks - \$3.6M (\*Pending \$6.2M Prop 68 State Grant)
  - Civic Center Park
  - Atlantis Play Center
  - Garden Grove Park
  - ADA Upgrades
  - Magnolia Park\*
  - Woodbury Park Expansion\*

## Capital Improvement Program FY 2021-23

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- Facilities \$17.6M
  - Public facilities/infrastructure
  - Courtyard Center HVAC
  - Police Annex roof replacement
  - Roof repairs at City Hall, Municipal Yard, and Public Safety

## Capital Improvement Program FY 2021-23

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- Water - \$18.5M
  - Magnolia Reservoir & booster pump station
  - SCADA Implementation
  - Water Improvement Projects
    - Alwood/Anthony
    - Oranewood/Yorkshire
  - Water Replacement – mains, hydrants, meters, valves
  - Well 16, 19, 25 Assessments

## Capital Improvement Program FY 2021-23

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- Sewer - \$11.9M
  - Partridge Lift Station
  - SCADA Upgrades
  - Sewer Rehabilitation Projects
    - N/o GG Blvd, E/o Nutwood, S/o Chapman Ave, W/o 9th St
    - N/o Trask, E/o Beach Blvd, S/o GG Blvd, W/o Brookhurst St.
    - N/o GG Blvd, E/o Dale St, W/o Gilbert St, S/o Lampson Av
  - Citywide Sewer Replacement – mains, manholes, covers



# Capital Improvement Program FY 2021-23

(\$ in millions)

<b>Capital Improvement</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
Street Improvements	\$ 26.4	\$ 9.0
Storm Drainage	2.5	-
Traffic	0.8	0.7
City Facilities	17.5	0.1
Parks	1.8	8.0
Water Infrastructure	10.8	7.7
Sewer Infrastructure	6.8	5.1
<b>Total CIP</b>	<b>\$ 66.5</b>	<b>\$ 30.7</b>



# Grants FY 2021-23

<b>Grant</b>	<b>FY 21-22 Expenditure</b>	<b>FY 22-23 Expenditure</b>
<b>Public Safety</b>		
<b>Prop 172</b>	<b>772,126</b>	<b>780,885</b>
<b>SLESF</b>	<b>314,178</b>	<b>296,364</b>
<b>BSCC Local Allocation</b>	<b>82,400</b>	<b>-</b>
<b>POST</b>	<b>50,000</b>	<b>50,000</b>
<b>Prop 69</b>	<b>2,878</b>	<b>-</b>
<b>CAPITAL INFRASTRUCTURE</b>		
<b>Measure M2</b>	<b>1,227,531</b>	<b>205,000</b>
<b>State Park &amp; Rec</b>	<b>177,000</b>	<b>6,100,521</b>



# Grants FY 2021-23 (Continued)

Grant	FY 21-22 Expenditure	FY 22-23 Expenditure
<b>COMMUNITY IMPROVEMENT</b>		
County Services	45,969	46,936
Senior Mobility	25,000	25,000
FACT	300,000	300,000
CDBG	2,371,665	2,119,723
Emergency Services	338,790	343,630
Home	893,015	937,862
<b>ENVIRONMENTAL</b>		
CA Dept of Conservation	44,000	44,000
Used Oil	19,059	20,000
Air Quality Mgmt District	276,587	280,195
<b>TOTAL</b>	<b>6,940,198</b>	<b>11,550,116</b>

## FY 2021-23 Water Services

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- Refinanced water bonds in October 2020
- Review and update water rates to develop a sustainable water utility financial plan
- Continue implement Water Master Plan
- Continue with major capital replacement
- Compliance with mandates (water quality, NPDES, AQMD, etc.)
- Continue joint efforts on construction of PFOA/PFOS treatment facilities



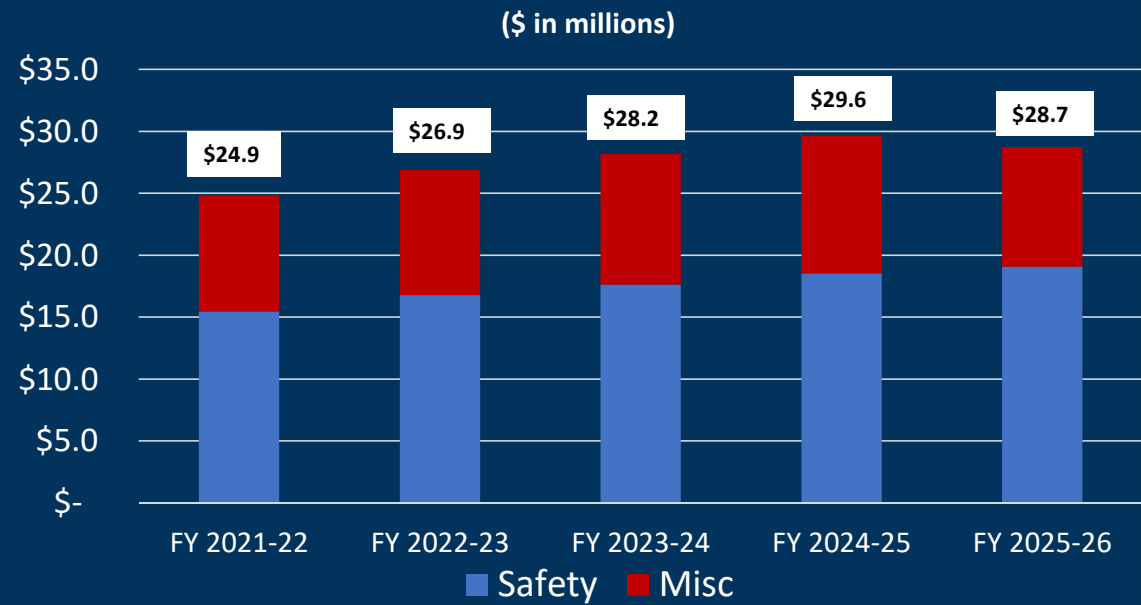


# FY 2021-23 Water Services

	FY 2021-22 Proposed	FY 2022-23 Proposed
<b>Sources</b>		
Beginning Working Capital	\$ 23,116	\$ 17,514
Operating Revenue	42,164	43,397
Bond Proceeds	7,157	4,122
<b>Total Sources</b>	<b>72,437</b>	<b>65,033</b>
<b>Uses</b>		
Operations & Maintenance	(13,060)	(13,264)
Purchased Water Supply	(23,091)	(19,640)
Debt Service	(3,151)	(3,483)
Capital Replacement	(3,720)	(3,669)
Capital Improvement	(7,156)	(4,122)
Street Repair Charge	(795)	(815)
Capital Carryover	(3,950)	-
<b>Total Uses</b>	<b>(54,923)</b>	<b>(44,993)</b>
<b>Ending Working Capital</b>	<b>\$ 17,514</b>	<b>\$ 20,040</b>

# Unfunded Pension Liability

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total
Safety	\$ 15.5	\$ 16.8	\$ 17.6	\$ 18.5	\$ 19.1	\$ 87.5
Misc	\$ 9.4	\$ 10.1	\$ 10.6	\$ 11.1	\$ 9.7	\$ 50.8
<b>Total</b>	<b>\$ 24.9</b>	<b>\$ 26.9</b>	<b>\$ 28.2</b>	<b>\$ 29.6</b>	<b>\$ 28.7</b>	<b>\$ 138.3</b>

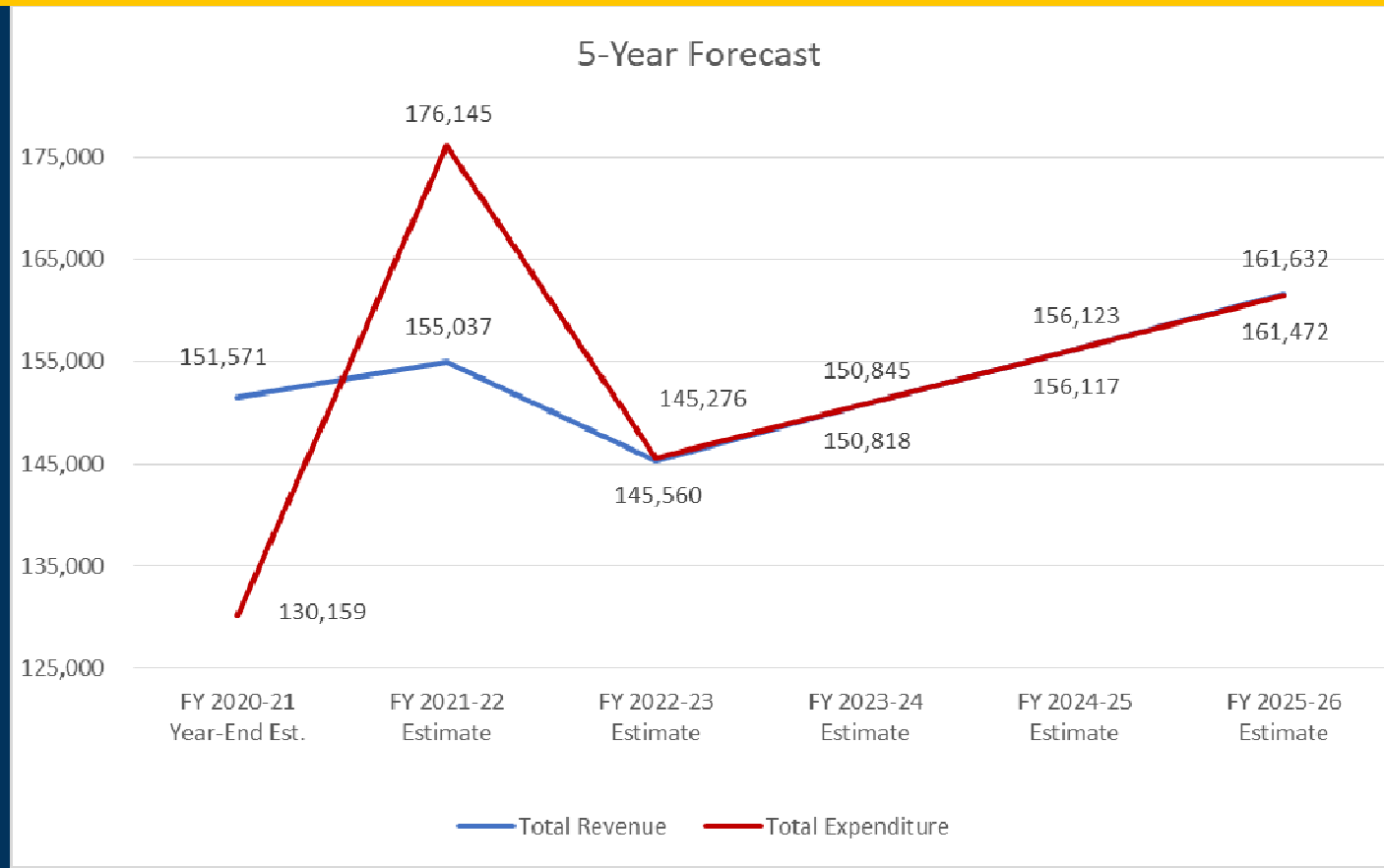


# General Fund 5-Year Forecast

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- Revenue
  - Continued economic recovery with modest sales tax increases of 2%
  - Property Tax growth of 3% as provided by HDL
  - 10% TOT increases after FY 2022-23
- Expenses
  - No changes to CalPERS discount rate
  - Status quo labor contracts
  - 3% increases to contracts and commodities
  - Modest reinvestment to infrastructure maintenance

# General Fund 5-Year Forecast



# Looking Forward...

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- Opportunities
  - Economic Recovery
  - Reopening of California
  - Recovery of tourism
  - Site C Development
  - American Rescue Plan

# Looking Forward...

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- Challenges
  - Deferred infrastructure improvements
  - Increase in labor costs
  - Risk management/workers' compensation funding
  - Rising costs for contracts and commodities
  - Mental health and homelessness

# Recommended Actions

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- A Resolution of the City Council of the City of Garden Grove adopting the City's General and Basic Funds, cable services, grants, water services, capital improvements, and special assessment districts' budgets for FY 2021-22 and FY 2022-23
- A Resolution of the City Council of the City of Garden Grove adopting the Housing Authority budget for FY 2021-22 and FY 2022-23
- A Resolution of the City Council of the City of Garden Grove adopting an appropriations limit for Fiscal Year 2021-22 implementing Article XIII B of the State Constitution pursuant to Section 7900 et. seq. of the Government Code
- A Resolution of the City Council of the City of Garden Grove appropriating fund balances as of June 30, 2021, to reserves for future year reappropriation
- A Resolution of the City Council of the City of Garden Grove reappropriating certain FY 2020-21 Project Balances and Encumbrances for the FY 2021-22
- Approve the Overnight Conference and Training List for FY 2021-22 and FY 2022-23



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# Questions?

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