



City of Garden Grove

Fiscal Year 2015-16 Proposed Budget Workshop

June 11, 2015



City of Garden Grove

FY 15-16 Operating Budget

- **Enterprise Funds**
 - Housing Authority
 - Sewer,
 - Solid Waste
 - Water Supply

- **Garden Grove Successor Agency**

- **Grant Funds**
 - CDBG, Home, Public Safety Grants, Etc.

- **Special Assessment Funds**
 - Lighting, Parking, Main Street, Tourism, etc. Districts

- **Basic Services Funds**
 - General Purpose Fund, Self Supporting Recreation and Operating Gas Tax fund

Community Vision Implementation





Garden Grove Housing Authority

Fiscal Year 2015-16
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June 11, 2015



Garden Grove Housing Authority

- FY 2015-16 Budget – Objectives/Highlights
 - Federally Funded Through The Department of Housing and Urban Development (HUD)
 - Rental Subsidies To 2,337 Low-Income Families
 - Outreach Activities to Tenants, Landlords, and Others
 - Conduct Initial and Planned Annual Inspections
 - Continue Family Self-Sufficiency Program
 - Monitor and Maintain Owned Civic Center Properties
 - Monitor Former Agency Affordable Housing Agreements



FY 2015-16 Proposed Budget Housing Authority Balanced Budget

Sources	(In Thousands)
Beginning Balance	\$ 110
Rents - Civic Center Properties	80
Housing Allocation	31,579
Total Resources	\$ 31,769
Expenditures	
Voucher Program	(30,981)
Family Self Sufficiency Program	(114)
Property Management	(190)
City Administration	(484)
Total Expenditures	\$ (31,769)
Balance	0



END

QUESTIONS



GG Successor Agency

Fiscal Year 2015-16 Proposed Budget Workshop

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Garden Grove Successor Agency

- FY 2015-16 Budget Objectives/Highlights
 - Balanced Budget
 - Complete and File Recognized Obligation Payment Schedules (ROPS) Through June 30, 2016
 - Manage and Pay The ROPS as Approved
 - Implement the Oversight Board and State Department of Finance Approved DDA Projects
 - Great Wolf Hotel
 - Site B2
 - Brookhurst Triangle



FY 15-16 Proposed Budget

Garden Grove Successor Agency

	(In thousands)	Proposed Budget
Sources		
	Beginning Balance	0
	Projected Revenue	18,179
	Total Funds Available	18,179
Uses		
	Operations and Overhead	(624)
	Recognized Obligation Payments(ROPs)	(17,555)
	Total Uses of Funds	(18,179)
	Balance	0



END

QUESTIONS



Garden Grove Sanitary District

Fiscal Year 2015-16
Proposed Budget Workshop

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Garden Grove Sanitary District

SEWER/SOLID WASTE

- FY 2015-16 Budget Highlights
 - Balanced Budget
 - Continue Planned Sewer Capital Program (Capacity/Structural)
 - Continue Manhole Inspection and Replacement Program
 - Continue Fats, Oils, and Grease Control Education
 - Continue AB 939 Waste Diversion Efforts



FY 2015-16 Proposed Budget

SEWER FUNDS

	(In Thousands)	Proposed Budget
Sources		
	Beginning Balance	9
	Bond Proceeds	-
	Projected Revenue	9,600
	Total Funds Available	9,609
Uses		
	Operations and Maintenance	(4,341)
	Contractual Services	(1,208)
	Debt Service	(1,467)
	Capital Replacement	(1,900)
	Capital Improvements	-
	Total Uses of Funds	(8,916)
	Balance	693



FY 2015-16 Proposed Budget SOLID WASTE FUNDS

	Proposed Budget
(In Thousands)	
Sources	
Beginning Balance	\$ -
Projected Revenue (City Collections)	3,276
Total Funds Available	3,276
Uses	
Operations and Maintenance	(1,240)
Contributions to Reserves	(200)
Contractual Services	(1,797)
Total Uses of Funds	(3,237)
Balance	\$ 39



END

QUESTIONS



FY 2015-16 Proposed Budget Other Funds

- Grant Funds



Grant Funds

- Calhome Reuse
- Community Development Block Grant (CDBG)
- HOME Investment Partnerships (HOME)
- Emergency Solutions Grants (ESG)
- Justice Assistance Grant
- POST Reimbursements
- Families And Communities Together (FACT)
- Public Safety/Proposition 172
- Air Quality Improvement (AQMD AB2766)
- California Dept. of Conservation
- Used Oil
- Cal Hispanic Commission
- State Park & Recreation Grants
- Federal Park Grants
- Measure M-2 and Measure M Regional



FY 2015-16 Proposed Budget

Grant Funds

		Proposed Budget
(In Thousands)		
Sources		
Beginning Balance		\$ 308
Projected Receipts		6,453
Total Funds Available		6,761
Uses		
Operational Grants		(4,605)
Capital Grants Projects		(1,992)
Total Uses of Funds		(6,597)
Balance		\$ 164



END

QUESTIONS



FY 2015-16 Proposed Budget

Water Supply Funds



Garden Grove

Water Supply Program

- FY 2015-16 Budget Highlights
 - Balanced Budget
 - Continue the Implementation of the Water Financial Plan
 - Continue the Implementation of the Water Master Plan
 - Continue the Approved Capital Replacement Projects
 - Implement Energy Conservation Program for Water Production
 - Comply with New Mandates (Water Quality, NPDES Permit, AQMD, Etc.)



FY 2015-16 Proposed Budget Water Supply Program

Sources		(In Thousands)
	Beginning Balance	\$ 3,414
	Projected Revenue	32,500
	Total Funds Available	35,914
Uses		
	Operations & Maintenance	(10,886)
	Purchased Water	(14,881)
	Debt Service	(2,672)
	Capital Replacement	(2,600)
	Street Repair Charge	(1,550)
	Capital Improvements	(2,000)
	Total Uses of Funds	(34,589)
	Balance	\$ 1,325



END

QUESTIONS



FY 2015-16 Proposed Budget Other Funds

- Special Assessment Funds



Special Assessment Funds

Special Assessment Funds Include:

- **Street Lighting**
- **Parking District (Maintenance & Acquisition)**
- **Main Street Assessment District**
- **Garden Grove Tourism Improvement District**
- **Park Maintenance Assessment District**



FY 2015-16 Proposed Budget Special Assessment Funds

(In Thousands)	Proposed Budget
Beginning Balance	\$ 77
Transfer Out	(716)
FY 2014-15 Assessments	4,981
Total Funds Available	4,342
Projected Expenses	
Operations and Maintenance	(4,281)
Balance	\$ 61



END

QUESTIONS

Community Vision Implementation





Basic Services

General Fund/Gas Tax/Recreation

Fiscal Year 2015-16
Proposed Budget Workshop

June 11, 2015



Fiscal Year 2015-16 Budget Workshop

- Current Year (FY 2014-15) Update
- Economic Climate
- FY 2014-15 Proposed Budgets
 - Basic Services Budget
 - General Fund, Gas Tax, and Self Supporting Recreation.

FY 2014-15 Review/Update

- Resources/Revenues:
 - Revenue Outpacing Budget Target ~ \$500K

- Expenditure:
 - Budget on Target with Some Savings Anticipated
 - Labor Cost Savings ~ \$3 Million

- Reserves/Special Funds Drawdown
 - Less Drawdown Versus Budget Projected
 - \$4.4 Million Versus \$8.00 Million Budgeted

- No Projected FY 14-15 Carryover Balance



GARDEN GROVE FISCAL YEAR 2014-15 - BASIC BUDGET (Funds 111, 060, 118)

<u>Year End Projection</u>				
		Adopted Budget	Updated April '15	Difference (+ -)
Projected Fund Balance FY 2013-14		\$ -	\$ -	\$ -
General Purpose Revenue		89,755	90,255	500
Gas Tax		1,800	1,700	(100)
Self-Supporting Recreation		675	675	-
Revenues		92,230	92,630	400
APPR - Expenditure Budget		(100,930)	(97,894)	3,036
Budget Surplus/(Deficit)		(8,700)	(5,264)	3,436
<u>BALANCING MEASURES</u>				
Use of PERS Stabilization Reserve		3,000	2,600	(400)
Draw from Development Fee Fund		2,000	1,000	(1,000)
Draw Down from Insurance Fund		1,500	500	(1,000)
Draw From W'kers Comp Fund		1,500	500	(1,000)
Transfers/Others		700	700	-
Misc.		50	50	-
Total Use of Reserves and Other Draws		8,750	5,350	(3,400)
Projected Year End BALANCE(DEFICIT)		\$ 50	\$ 86	36

FY 15-16 Proposed Basic Budget

- Context
 - Economic Landscape
 - Continuing Economic Recovery
 - Unemployment Down but Employment Levels Growing
 - Mixed Consumer Confidence
 - State of California Budget Issues
 - State “Balanced” Budget
 - City Issues/Financial Plan/Strategy
 - Contain Costs
 - Continue to Pursue New Revenue Sources/Cost Recovery
 - Bridge Budget Short-Term Gaps with One Time Funds

Economic Climate

Economy Recovering but Very Wobly



- Revenues Outlook - Positive
 - Driven By Ebb and Flow of the Economy
 - Sales Tax Recovering
 - Hotel Tax Growing
 - Property Tax Stable
 - Motor Vehicle Tax Stable and Growing
 - Major Revenue Generating Projects
 - Great Wolf Lodge
 - Brookhurst Triangle
 - Site C
 - Site B2



**Basic City Revenue Funds Estimates
FY 2008-09 Through FY 2017-18**

Assumes No Change In Revenue Authority Proposed June 5 2015

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14*	2014-15 *	2014-15 *	2015-16*	2016-17
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	Actual	(Budget)	(Revised)	(Proposed)	(Estimate)
BASIC CITY REVENUE FUNDS	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
General Purpose Fund										
Sales Tax	\$ 16,236	\$ 14,076	\$ 16,776	\$ 18,461	\$ 19,805	\$ 20,285	\$ 20,550	\$ 19,500	\$ 20,500	\$ 21,000
Property Tax										
- General	12,492	11,954	11,553	12,734	13,045	12,933	13,500	13,500	13,800	14,000
- Paramedic	2,737	2,588	5,887	6,968	7,612	8,048	8,300	8,300	8,600	8,700
Property Transfer Tax	455	346	328	326	511	461	400	450	480	480
Motor Vehicle Tax	14,088	13,519	13,594	12,975	13,921	13,903	14,300	14,800	15,000	15,100
Franchises	2,265	2,485	2,349	2,502	2,496	2,484	2,400	2,400	2,400	2,400
Bldg. Permits & Other Fees	1,345	1,610	1,443	1,395	1,661	2,311	1,650	2,000	2,200	2,200
Deferred Municipal Support	4,607	5,005	4,759	3,825	2,688	2,841	2,788	2,788	3,428	3,428
Transient Occupancy Tax	9,137	8,283	10,294	12,320	14,448	16,443	16,500	17,000	19,000	23,000
Business Tax	2,335	2,185	2,222	2,257	2,317	2,319	2,300	2,400	2,400	2,400
Other Income	3,240	2,947	2,790	2,426	3,790	2,791	2,815	2,815	2,815	2,815
Traffic Fines	927	1,026	1,095	1,061	1,013	975	1,000	900	1,000	1,000
Parking Fines	884	966	905	862	875	900	850	1,000	1,010	1,010
Reimbursement Agreement	240	240	2,185	2,184	0	0	0	0	0	0
Interest	1,017	1,363	607	169	383	340	200	200	200	200
Grant OH Support	34	62	289	294	291	40	52	52	39	39
Street Repair/Loan Payback	2,771	2,700	3,200	1,850	1,850	1,850	2,050	2,050	2,050	2,050
Sports Facility Income	94	96	111	89	87	98	100	100	100	100
GGTID Admin	0	0	0	0	0	111		0	0	0
Land Sales	-	0	-	0	0	-	0	0	0	0
Total General Purpose	\$ 74,904	\$ 71,451	\$ 80,387	\$ 82,698	\$ 86,793	89,133	\$ 89,755	\$ 90,255	\$ 95,022	\$ 99,922
Gas Tax	1,852	2,029	1,818	1,776	1,797	1,673	1,800	1,700	1,700	1,700
Self-Supporting Recreation	615	667	676	650	639	688	675	675	675	675
Total Basic Services	\$ 77,371	\$ 74,147	\$ 82,881	\$ 85,124	\$ 89,229	\$ 91,494	\$ 92,230	\$ 92,630	\$ 97,397	\$ 102,297

- Expenditure
 - Cost Containment Challenge
 - Retirement Contribution
 - Expenditure Growth
 - Catch Up Budget
 - Restore Service Capacity
 - Service Level Expectations
 - Structural Deficit Persists – Short Term



FY15-16 Basic Proposed Budget

- FY15-16 Proposed Budget Includes:
 - Base Budget with Adjustments
 - PERS Contribution Adjustment
 - Supplemental Requests
 - Mandates
 - Changes
 - Items For Council Consideration
 - No Adjustment Labor Negotiations



		FISCAL YEAR 2015-16		
		BASIC BUDGET (Funds 111, 060, 118)		
		Proposed Budget		
		June 11, 2015		
				Proposed Budget
				Budget
				In Thousands
Projected Fund Balance FY 2014-15				0
	General Purpose Revenue		\$ 95,022	
	Gas Tax		1,700	
	Self-Supporting Recreation		675	
	Basic Services Revenues			\$ 97,397
	Transfers		700	
	Sub- total			700
Total Resources				\$ 98,097
Base Expenditure Budget				\$(100,089)
Balance/(Structural Deficit)				\$ (1,992)



FISCAL YEAR 2015-16

BASIC BUDGET (Funds 111, 060, 118)

Proposed Budget

June 11, 2015

Balance/(Structural Deficit)

\$ (1,992)

FY 15-16 Budget Requests

Add Operating Factors

Equipment/Automation

(38)

GG Cable Support

(511)

(549)

Add Supplemental Opr.

Street Lighting Subsidy

(396)

CDBG Subsidy

(6)

Park Maintenance

(181)

Concrete Replacement/Repl.

(234)

Economic Development

(250)

Mandates

(1,432)

Other Budget requests Requests/Changes

(412)

(2,912)

Updated Balance/(Deficit)

(5,452)



FISCAL YEAR 2015-16

BASIC BUDGET (Funds 111, 060, 118)

Proposed Budget

June 11, 2015

Updated Balance/(Deficit) (5,452)

Additional Budget requests

Translation/Bilingual Services 25

Transparency Software (Socrata) 45

60th Anniversary Celebration 50

VWMAF 15

Mayor's Aide 26

Tree Planting Program 254

Open Street Event 175 (590)

Updated Balance/(Deficit) (6,042)

BALANCING MEASURES

Land Sale 2,000

Draw Down From Property Sales Proceeds 4,100

Projected Year End BALANCE(DEFICIT) \$ 58



GARDEN GROVE

FY 2015-16 PROPOSED BASIC BUDGET (\$000's)

		Proposed Budget	
		<small>In Thousands</small>	
Projected Fund Balance FY 2014-15			0
	General Purpose Revenue	\$ 95,022	
	Gas Tax	1,700	
	Self-Supporting Recreation	675	
	Basic Services Revenues		\$ 97,397
	Transfers	700	
	Sub- total		700
Total Resources			98,097
Base Exepnditure Budget		\$ (100,089)	(100,089)
Balance/(Structural Deficit)			\$ (1,992)
FY 15-16 Budget Requests			
	Add Operating Factors		
	Equipment/Automation	(38)	
	GG Cable Support	(511)	(549)
	Add Supplemental Opr.		
	Street Lighting Subsidy	(396)	
	CDBG Subsidy	(6)	
	Park Maintenace/Concrete Repl.	(415)	
	Economic Development	(250)	
	Mandates	(1,432)	
	Other Budget requests Requests	(412)	(2,912)
Updated Balance/(Deficit)			(5,452)
	Additional Budget requests		
	Various Items for Council Review/Direction		(590)
Updated Balance/(Deficit)			(6,042)
	<u>BALANCING MEASURES</u>		
	Land Sale (BT)		2,000
	Draw From Property Sale (MHP) Proceeds		4,100
Projected Year End BALANCE(DEFICIT)			\$ 58



FY15-16 Proposed Basic Budget

FISCAL YEAR 2015-16

MANDATES

General Fund

ITEM	COST
Annual Financial Audit Fee Increase	\$ 25,581
GASB68 Accounting Valuation Report	1,800
Accounts Payable Check Stock Replenishment	6,500
Contractual Services for Traffic Control Striping	50,000
New Fire Engines Equipment Outfitting	15,000
Metro Net Fire Dispatch Services	53,308
North Net Fire Training	14,005
Animal Services Contract with County	296,039
Police Motorcycle Capital Lease	110,602
FYOP (Youth Diversion Services) Contract	50,000
"Hot Red" Radio Purchase (800 MHz Radio System)	634,468
Police Training & Duty Ammunition	50,000
CALPERS Replacement & Survivor Benefits	124,600
Total	\$ 1,431,903



FY15-16 Proposed Basic Budget

FISCAL YEAR 2015-16		
<u>Council Review Items</u>		
Translation/Bilingual Services		\$ 25,000
Transparency Software (Socrata)		45,000
60th Anniversary Celebration		50,000
VWMAF		15,000
Mayor's Aide		25,923
Tree Planting Program		253,860
Open Street Event		175,325
Total		\$ 590,108



FY15-16 Proposed Basic Budget

GARDEN GROVE

	FISCAL YEAR 2015-16	
	<u>Changes</u>	
Community Services		
Defund Pos #278 Comm Serv Superv.	\$(114,571)	
Commodities/Contractual @ CMC (One time)	90,000	
Defund /Delete/Reduce Hrs -Community Services Positions	(139,435)	
Refund and Reclassify Comm Serv Positions	56,750	(107,256)
Fire Department		
Security Gates For Fire Stations 4 and 5	15,000	
Fire Dept Light Air Unit Compressor Repair	8,000	
Reclass Captain to Battalion Chief (6 months)	1,568	24,568
Police Department		
100 Tablets - CAD/RMS System	125,000	
10 E Citation Machines	59,000	
Refund 2 Police Officer Positions (6 months)	131,000	
Replace 77 Chairs Police dept	61,600	
Temp/Seasonal Hours For Police recruits	105,464	
Refund Public Safety Dispatch Position (6 months)	43,500	525,564
Human Resources Department		
Delete CSO	(72,531)	
Refund and Reclass (Admin Aide to Pers Analyst) - 6 months	42,000	(30,531)
Total Mandates	\$ 412,345	412,345



GARDEN GROVE

**Basic Services Funds
Funds 060, 111, 118**

Maj - obj	Description	FY 2014-15 Budget	FY 2015-16 Proposed Budget	Difference (+ -)
	Salaries	66,810,666	67,659,565	848,899
	Part Time	2,794,627	2,789,586	(5,041)
	Temp/Seasonal	749,228	861,660	112,432
	Overtime-E	5,415,557	5,372,651	(42,906)
	Other Payments	63,126	187,726	124,600
1	Salaries and benefits	75,833,204	76,871,188	1,037,984
	Contractual Services	10,736,666	10,887,542	150,876
	Dues/membership	92,662	108,562	15,900
	Registration Fees	41,252	46,492	5,240
	Tuition/Training	107,185	112,185	5,000
2	Contractual/Admin Exp	10,977,765	11,154,781	177,016
	Commodities	2,020,507	2,130,487	109,980
	Books/Subs/Casset	155,681	158,281	2,600
	Monitored Minor Equipment	7,719	139,586	131,867
	BDGT Monitored Equipment	-	79,000	79,000
3	Materials/Supplies	2,183,907	2,507,354	323,447
	Telephone	502,949	507,203	4,254
	Equipment Pool Rental	6,049,680	6,087,806	38,126
	Eq Pool Maint	10,000	10,000	-
	Stores Non-Stock	39,918	43,482	3,564
	Info Systems	1,687,452	1,723,002	35,550
	Insur-Liab/Prop	1,062,686	1,062,686	-
	Interest Costs	974,540	946,166	(28,374)
	Tax Rebate	32,000	32,000	-
	Long Term Debt	830,676	866,934	36,258
	Admin Service Charge	62,800	77,100	14,300
	Graffiti Reward	5,000	5,000	-
4	subtotal:	11,257,701	11,361,379	103,678
	Furn/Mach/Equip Repl	-	10,000	
	Capital Outlay	674,400	883,468	209,068
5	subtotal:	674,400	893,468	219,068
		100,926,977	102,788,170	1,861,193



Proposed FY 15-16 Basic Services Operations Budget By Expenditure Object

<u>Expenditure Object</u>	Adopted FY 2014-15		Proposed FY 2015-16	
	<u>Budget Allocations</u>	<u>%</u>	<u>Budget Allocations</u>	<u>%</u>
Salaries and benefits	75,833,204	75.1%	76,871,188	74.8%
Contractual/Admin Exp	10,977,765	10.9%	11,154,781	10.9%
Commodities/Supplies	2,183,907	2.2%	2,507,354	2.4%
IS Funds/Debt Service	11,257,701	11.2%	11,361,379	11.1%
Equipment/Capital Outlay	674,400	0.7%	893,468	0.9%
	100,926,977	100%	102,788,170	100%



Basic Services Budget By Department

	FY14-15		FY15-16	
Department	<u>Adopted Budget</u>		<u>Proposed Budget</u>	
POLICE	\$ 48,368	48%	\$ 49,736	48%
FIRE	20,823	21%	21,242	21%
PUBLIC WORKS	13,789	14%	13,926	14%
COMMUNITY SERVICES	5,084	5%	4,559	4%
COMMUNITY DEVELOPMENT	4,774	5%	4,696	5%
HUMAN RESOURCES	1,158	1%	1,287	1%
INFORMATION TECH (Basic Only)	766	1%	773	1%
FINANCE/ECON DEVELOPMENT	3,854	4%	3,923	4%
CITY MANAGER	1,541	2%	1,860	2%
CITY ATTORNEY	770	1%	786	1%
Total Basic Services	\$ 100,927	100%	\$ 102,788	100%



Summary Remarks

- FY 15-16 – Restrained But Catch Up Budget
 - Impact of Negotiated Salary Adjustments Not Included
 - Restores Service Capacity
 - Use of One-time Funds to Balance
 - Projected Year-End Basic Fund Balance > \$58 Thousand

- Outlook for the City's Revenues:
 - Economic Recovery Continuing
 - Continued Recovery/Growth in Sales Tax, Property Tax, Hotel Tax
 - Major Revenue Generating Projects Underway
 - Continue to Explore Revenue Growth Opportunities
 - Harbor Blvd Redevelopment Expectations - Positive

- Other Issues – Looking Ahead
 - PERS Issues and Future Impact
 - Eliminate Structural Deficit



GARDEN GROVE

*INDUSTRIOUS STAR
2007 GARDEN GROVE CAPTAIN
for Norman Kookool*



garyvarvel.com



END

QUESTIONS

Community Vision Implementation

