



REVIEW DRAFT MEASURE O ANNUAL REPORT TO CITY COUNCIL:

Ms. Song walked the members through the draft report, which covered the audited Fiscal Year 2021-22 financials, the Fiscal Year 2022-23 Amended General Fund budget, and the Committee findings and recommendations. Member Beard inquired about the Bradley Burns sales tax and the slight decrease in the amended budget for Fire Safety, which was due to the adjustment to the facility maintenance charges. Member Beard also suggested some changes to the language under Committee Recommendations to emphasize the transparent system of accountability for the "Measure O" tax. The suggestions have been incorporated into the final report to be presented to the City Council.

REVIEW ADOPTED FY 2023-25 BIENNIAL BUDGET (GENERAL FUND):

Ms. Song and Mr. Castellon presented the General Fund portion of the FY 2023-25 Adopted Biennial Budget.

- Highlights
  - The adopted budget was structurally balanced for both fiscal years.
  - A total of 17 full-time positions and \$10 million for programs, projects, and equipment were strategically added to address Council priorities in the areas of Public Safety, Homelessness, Infrastructure, Economic Development and Support for Local Businesses, Code Enforcement, and Celebrating Cultural Diversity.
  - Public Safety budget continues to occupy more than 70% of the total General Fund's operating budget.

Members and staff further discussed the various supplemental requests that were funded in the biennial budget, including the Garden Grove Gems and the subrogation services.

REVIEW FY 2022-23 PRELIMINARY GENERAL FUND FINANCIAL PERFORMANCE:

Mr. Castellon presented the unaudited FY 2022-23 General Fund revenue and expenditures:

- Revenue came in stronger than anticipated (Amended budget):
  - Property tax resulted in an 11% increase from that of the previous fiscal year, and had a favorable budget variance of \$8.2 million;
  - Transient Occupancy Tax (TOT) reached a new historical high, and brought in \$28.0 million revenue to the City; and
  - Sales tax finished the year with \$2.9 million above the revised budget.

- Actual year-to-date expenditures were in line with the amended budget. A total of \$9.2 million in budgetary savings is anticipated upon the close of the year. A portion of the savings will be carried over to future years to complete on-going projects and programs.

UPDATE ON CIVIC CENTER REVITALIZATION PROJECT – PUBLIC SAFETY FACILITY:

Ms. Song presented a summary of project progress. Before ground breaking for the construction of the Public Safety Facility in 2024, there are three pre-construction phases. Phase I included site selection, project validation, and risk assessment. Phase II encompassed environmental study, market sounding, and the preparation for the selection of developer. Both phases have been completed as of the end of September. Currently, we are in Phase III: a development team has been selected and the City Council has approved staff to work with the developer for an Exclusive Negotiation Agreement, where the pricing, financing, and other key project terms will be formulated. It is anticipated that construction will begin in the summer of 2024.

Committee members inquired if the public's feedback on the project has been sought. Community engagement is a significant part of the project; it is one of the key factors to ensure the project success. The City has been working with our community members since the beginning of the project. A total of 11 community events have been held with nearly 2,000 engagements made between March and August 2023. Approximately 300 comment cards were received from the public.

DISCUSS NEXT MEETING:

The next meeting will tentatively be scheduled for February/March 2024. Topics will include the review of audited Fiscal Year 2022-23 annual financial statements and Fiscal Year 2023-24 mid-year budget update.

MATTERS FROM COMMITTEE MEMBERS AND STAFF:

Member Beard inquired about the development agreement with the hotel projects, Nickelodeon and Site C.

Member Malo asked about the Housing projects in the Civic Center area.

Chair Thomas commented on the Cottage Industries project and parking arrangements.

Committee members complimented staff on their work of managing the City's finances and ensuring a balanced budget while enhancing service levels and investing in infrastructure.

The Committee members thanked City Manager Kim and staff for the update and expressed that the good communication between City staff and the Committee ensured transparency and accountability of the use of the Measure O revenue.

ADJOURNMENT: At 6:57 p.m.