



City of Grover Beach

NEWS RELEASE

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Grover Beach Adopts Balanced Budget for FY 2020-21 and Considers Sales Tax Measure

GROVER BEACH, CA – On Tuesday, June 22, the Grover Beach City Council unanimously adopted the Fiscal Year 2020-21 budget and 2021-2025 Capital Improvement Program. Despite estimated revenue losses amounting to \$800,000 and continued economic uncertainty associated with COVID-19, the City of Grover Beach has maintained fiscal stability and avoided service and staffing reductions. The balanced budget, which totals \$30.8 million, conveys a relatively stable outlook heading into the 2020-2021 fiscal year.

“Grover Beach continues to serve the needs of our community under unprecedented circumstances, and this underscores the Council’s leadership in its policy direction and the staff’s diligence in implementation,” said Grover Beach Mayor Jeff Lee. “We are in a good position as a city to meet the challenges and opportunities that lie ahead.”

During the June 1 public hearing, the Council expressed support for the proposed budget with the addition of three items. These items include \$200,000 in COVID-19 relief funding programs supporting business recovery and child care, installation of security cameras at Grover Heights Park and the Skate Park at a cost of \$20,000, and sidewalk infill on 14th Street as part of the next Measure K-14 street repair project. While the majority of these additional expenditures will be drawn from the General Fund operating budget, General Fund reserves will remain at a sufficient level amounting to 31% of operating expenditures to help provide security against future uncertainties.

In addition to Council-directed items, the budget will fund current staffing and service levels as well as work programs for the City’s four Major Goals: economic development, housing and homelessness, public safety, and street and other capital improvements, including:

- Nearly \$800,000 in one-time grant funding for housing and homelessness support including updating the General Plan Housing Element and Development Code and providing housing assistance in partnership with the 5Cities Homeless Coalition.
- Working with partner agencies for continued fire and emergency medical services from the Five Cities Fire Authority and funding the Grover Beach Police Department’s Strategic Plan and Succession Plan, which will chart the direction of the department for the next several years and help recruit for officer positions to meet the community’s needs for law enforcement services.
- Over \$8 million in capital projects including \$3.3 million in Measure K-14 funding to carry out local street repair and sidewalk infill projects, as well as \$3.5 million in water and sewer improvements to the City’s utility systems.



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Funding is drawn from a diversified revenue base consisting of property taxes, sales taxes, cannabis taxes, and transient occupancy taxes. Marginal growth in tax revenue is projected even amidst the impacts of COVID-19.

While the fiscal position of the City is stable, the city continues to face significant unfunded needs including major street repair projects and sidewalk improvements, business support and assistance, and additional public safety staffing. In order to address these unfunded needs, the City must seek new revenue sources beyond the newly adopted budget. As a result, the Grover Beach City Council provided direction to move forward with considering a [sales tax measure](#) on the ballot for November 2020 with final action expected on July 20. The 1% sales tax would generate \$1.8 million in additional revenue with 40% generated by visitors and bring the sales tax rate in the city to 8.75%, which would be equal to other cities in the region.

“The Council unanimously adopted a balanced budget for the coming year and placing a sales tax measure on the ballot in November will enable Grover Beach voters to decide whether to invest further in projects and services that matter to our community,” said Grover Beach City Manager Matthew Bronson.

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