



# City of Grover Beach

## NEWS RELEASE

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## Grover Beach Identifies Key Investments in FY 2021-23 Budget and Plans for American Rescue Plan Act Allocation

GROVER BEACH, CA — At its April 26 meeting, the Grover Beach City Council received an update on the [FY 2021-23 budget and Major City Goal work programs](#) to be presented to the Council in June. The budget under development for the next two fiscal years is intended to make numerous investments in infrastructure improvements to address community needs. It is also reflective of a strong financial forecast for the City thanks to federal funds for COVID relief and a diversity of local revenue sources such as property, cannabis, and sales tax revenues including the new 1% sales tax approved by voters in November 2020.

The recommendations included in the proposed General Fund budget of approximately \$17 million each year aligns the City's resources to the Council's priorities. A significant component of the budget will be a General Fund contribution of approximately \$2 million each year to support the City's largest-ever Capital Improvement Program (CIP) [as presented to the Council on March 22](#). The proposed budget will also recommend approximately \$1 million in operating budget funds over the next year including funding for additional police officers, needed equipment and replacement vehicles, citywide communications, public engagement and updates to General Plan Elements and other key policies.

Staff also presented to the Council draft work programs for FY 2021-23, which define and scope the adopted Council Goals by identifying key and required funding initiatives to achieve the goals. The work programs map out objectives, tasks, budgetary needs and challenges for each of the Major City Goals, encompassing the following priorities:

- **Economic Development** initiatives including COVID-related economic recovery strategies, business retention and attraction centered on Grand Avenue, effective and timely permit processing, and tourism promotion.
- **Housing and Homelessness** progress including the expansion of housing construction to meet diverse needs and the continuation of partnerships with regional agencies and non-profit organizations to address homelessness and sheltering issues in the City and region.
- **Public Safety** development (police, fire and emergency medical services) including continued investment in resources to meet service demands and growing challenges in such areas as homelessness, mental health, vagrancy and social justice.
- **Street Improvements** to major arterials and local streets, incorporating utility upgrades and the addition of medians, sidewalks, bicycle lanes, bulb-outs, street trees and other related improvements where feasible.



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Providing sufficient coverage for emergencies or unforeseen events, the two-year budget is anticipated to produce ending reserves of approximately 32% of General Fund operating expenditures in FY 2021-22 and 36% in FY 2022-23 compared with the Council's reserves goal of 25%. Anticipated budget surpluses in future years are projected to add to these reserves over time. Emphasis on budget reserves ensures the City can continue providing services through unanticipated challenging times, such as public health emergencies and economic instability.

Supplementing the FY 2021-23 budget is a population-based allocation of \$2.5 million from the federal government as part of the American Rescue Plan Act (ARPA). These one-time funds allow Grover Beach to invest further in COVID-19 recovery programs and distribute additional relief funding to local businesses and residents. Pending the release of use guidelines from the federal government in May, staff has identified the potential ARPA funding allocations for inclusion in the two-year budget such as:

- **Utility or rental assistance** for residents and businesses, including utility cost subsidies for low-income residents.
- **Assistance to nonprofit agencies** serving Grover Beach residents.
- **Economic development support** including business assistance and contract services with South County Chambers of Commerce.
- **Homelessness services and facilities development** in partnership with regional agencies and organizations.

"We are looking at a very bright future for Grover Beach and the City is focused on community investments that will create an even better city for our residents, businesses, and visitors," said City Manager Matthew Bronson. "While the impacts of COVID-19 on the City's finances have been relatively minor due to our various revenue sources, we recognize the significant impacts of the pandemic on our community and will continue using our resources to support local recovery and growth over the next several years."

The finalized budget proposal for FY 2021-23 will be presented to the Council at the June 14 budget hearing. The Council's adoption of the final budget in June will serve as the official approval for work programs to commence in the new fiscal year. Staff will report back to the Council and public on work program progress and implementation throughout the year.

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