



City of Grover Beach

**PRESS RELEASE
FOR IMMEDIATE RELEASE**

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City of Grover Beach Employees Assist in Solving Budget Deficit

GROVER BEACH, CA — The City of Grover Beach has announced that it has reached agreement with all of the City's labor units resulting in a combined savings of \$310,000 in the General Fund. The savings will be used to help offset a deficit in the General Fund. The General Fund is the City's main operating fund responsible for funding basic services, including: Police, Public Works, Parks and Recreation, Planning, and a contribution to the Five Cities Fire Authority.

Last week the Council authorized the City to enter into single-year agreements with the Grover Beach Police Officers' Association and the Service Employees International Union, Local 620. Additionally, the City Manager announced tentative agreements had also been reached with the Mid-Management & Confidential group and the Executive Directors group.

According to Mayor John P. Shoals, "Through the meet and confer process, we were able to achieve a significant reduction in employee compensation and the reduction is playing a major role in assisting the Council to overcome the General Fund deficit. The employees have really stepped up to the plate and across the board to do their part in these very difficult times."

The Grover Beach Police Officers' Association, the City's largest labor unit representing 22 employees, will be contributing \$129,954 in concessions to the General Fund. The Service Employees International Union, Local 620, representing the majority of the City's office and field staff, will contribute \$43,686 in concessions. Mid-Management & Confidential and the Executive Management groups will be contributing \$80,510 and \$46,478 respectively, and the City Manager will voluntarily be accepting approximately \$10,037 in compensation and benefit reductions.

In April, City staff had estimated the deficit in the City's FY 12 General Fund to be between \$800,000 and \$850,000. The City Council provided staff with specific direction focused on reducing the General Fund deficit. In addition to the savings in employee compensation, employees have also agreed to convert to a new health insurance program that is expected to cost the City approximately \$70,000 less in premiums. The Council directed the General Fund contribution to the Street Rehabilitation Program be reduced from \$240,000 to \$120,000, and approved the use of approximately \$197,000 in Reserve funds. The Council also agreed to continue to look at the sale of City-owned property, estimated to provide \$200,000 in potential revenue. The Council is expected to take final action on the budget during the regular City Council meeting on Monday, August 1st.

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