

It's official

Watsonville utility tax extended, raised

By CHELA ZABIN
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The Watsonville City Council last night voted to continue and raise the utility-users tax from 4 percent to 6 percent.

In a simultaneous motion, the council adopted the \$37,244,017 city budget for fiscal year 1990-91. The utility tax was continued in order to make up a more than \$1 million shortfall in the budget.

The council's action eliminated the "lifeline" component of the original utility-users tax, which

held that there was no tax on monthly bills of \$35 or less. The cap of \$8,000 for large utility users stays the same.

Despite the fact that city residents opposed the tax 2-to-1 in an advisory vote last December, only one person spoke against the tax at last night's city council meeting.

"I don't think there could have been a clearer message to you folks," than the one the voters sent, Watsonville resident D.B. Beaudette said. "This council has taken the easy way out."

Beaudette chastised those council members who said they were against the tax during their campaigns.

The council approved the tax and the budget on a 5 to 1 vote, with Paul Milladin as the sole dissenter. Councilman Lowell Hurst was out of town.

Before voting on the budget and tax, Councilman Oscar Rios explained that he was going against what he had told voters during his campaign because the utility tax is the least costly to Watsonville res-

idents. At previous meetings, the council had examined a number of ways of raising revenues and found the utility tax to be the fairest for the greatest number of people.

"I don't want to be like Bush," said Rios, referring to Bush's recent reversal of his "no new taxes" campaign promise. But even Bush has realized the necessity for more taxes, Rios said.

Rios said there were historical reasons for the city's financial

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trouble, including the 18-month-long cannery strike that began in 1985.

Mayor Todd McFarren said he thought the "real story of the budget" wasn't the utility-users tax, but a "new commitment" by the council to restructure many aspects of the budget, provide quality city services, recognize the importance of social-service agencies and reward hard-working staff members.

Earlier, the council decided to give all of the transient occupancy (hotel) tax collected to local social service agencies. In the past, the city has given half of the hotel tax it collects each year to the agencies. The council will decide later how to divvy up the \$140,000 it has collected; it has received \$218,900 in requests from 18 agencies.

Councilwoman Betty Murp also noted the effect the Oct. 17 earthquake has had on the budget, in particular in the reduction of income from sales and property taxes.

Before adopting the budget, the council discussed a proposal by the Santa Cruz Society for the Prevention of Cruelty to Animals. The SPCA has proposed to take over animal control and shelter from the city, which now uses a policeman as its sole animal control officer and shelter operator.

Council members and city staff members said they were concerned with how much the SPCA wanted to charge for its services and were worried about a slower response time from animal control officers if the city contracted out. The council decided to keep its own animal control program and negotiate, within the constraints of the city budget, with the SPCA for animal shelter services.