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County Budget 'Lake' Drying Up

By PAUL BEATTY

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A \$4 million "lake" of county carryover and reserve funds is drying up year-by-year, Auditor Art Merrill warned the Board of Supervisors this morning in the opening session of deliberations on the county's \$91 million budget.

Merrill said the built-in budget excess of local budgets in past years — money allocated but traditionally not spent — is being used up as the state continues to decrease its funding to cities and counties.

This year's 1980-81 budget used up \$2 million of a \$6 million carryover-reserve and the remaining \$4 million has been allocated in the 1981-82 budget.

If state monies continue to fall off and the county is forced to compensate with local tax money, "Then we will have a zero fund balance at the end of next fiscal year and the lake will be dry," Merrill said.

Supervisors' Gary Patton asked him if the board should begin this year to budget more exactly and gain a better control of the amount that can be held in reserve.

"As a fiscal conservative, I would welcome that," Merrill told him.

The auditor's budget showing about \$107

million included an additional \$15 million plus interest in revenue anticipation bonds the county would release to carry school districts and other districts until property tax payments are received late this year. The bonds are expected to earn the county \$750,000 in interest.

County Administrator George Newell, in officially introducing the budget said, "It is approximately a four percent increase over last year in allocations and we feel it is a good financial base in a time of financial uncertainties."

He said the state budget has gone to the governor, but that it must be analyzed carefully before it will be known how much state monies are coming to Santa Cruz County.

In "unanticipated expenses," Newell plugged in \$250,000 for court cases, with two major out-of-county cases pending, as well as the trial for murder suspect David Carpenter.

Four of the six persons in the audience used the public hearing portion of the session this morning to make pitches for special projects.

This afternoon, the board was scheduled to begin individual department budget deliberations, starting with the assessor's office.