

# Aptos fire board faces budget deficit

By **BOB SMITH**

The Aptos fire district may be getting perilously close to a deficit budget next fiscal year.

The district's board of directors Tuesday night approved a \$1,229,928 preliminary budget that doesn't reflect a \$104,000 outlay for a new fire truck.

County Auditor-Controller Art Merrill told the board at the same meeting that his best conservative estimate for the district's income next year calls for only \$1,352,000 available to the mid-county fire district from all revenue sources, including a \$378,000 ending balance from this year's operations.

But Merrill hedged on his estimates, indicating that the situation in July may be better or worse than the present estimates indicate.

On the bright side for the district is the possibility that the 10 percent increase in property tax revenues used by Merrill in the preliminary revenue estimates may be around 15 percent when County Assessor Bob Peterson completes his work this summer.

"A 10 percent increase in taxes is a 'guesstimate,'" Merrill told the board. Fifteen to 17 percent increase in the countywide roll is probable. And since Aptos is traditionally a high pocket area, you may enjoy a bigger increase."

But Merrill is taking a conservative outlook on the increases, and is now predicting that the fire district's property tax revenues will increase from \$382,000 to \$421,000 next year.

On the other side of the picture is the possibility that the state legislature will wind up stripping most or all of the "augmentation" funds granted to cities, counties and special districts under AB 8 last year, in a desperate attempt to balance the state budget after passage of Prop. 9 next month.

"It's anybody's guess right

now as to what will happen," Merrill said, "but the state can't absorb that kind of cut, so it will be passed on to local government."

Merrill said that under AB 8, the revenue from the \$4 property tax rate, was allocated entirely to the special districts, county and cities, with the school districts being supported entirely by the state.

"If they reverse AB 8," Merrill said, adding that he's talked with Assemblyman Henry Mello and that's a real possibility, "it (the local property tax) will go back to

the schools and the state won't have to pay them.

"But if Prop. 9 doesn't affect the current year," Merrill added, "you will probably be home free."

"We'll still be in a deficit budget," fire board chairman Dick Duchscher said.

Merrill suggested that the board disregard, for the time being, the budgetary limitations of Prop. 4 — which places a ceiling on the budget increases allowed in state and local government — and establish "a budget of need."

REFERENCE

APTOS BRANCH  
LIBRARY

7695 SOQUEL DRIVE  
APTOS, CALIFORNIA 95003

GREEN SHEET

May 17, 1980