

Santa Cruz braces for layoffs

Budget

By Ken McLaughlin
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JOB CUTS LIKELY: BUDGET COMMITTEE RECOMMENDS A FEW NOW: CITY COUNCIL EXPECTS MORE TO COME

A key Santa Cruz budget committee is urging the city council to immediately eliminate 13 jobs, cut social services and tourist promotion and levy a new phone tax for "911" service in an effort to save more than \$1 million.

warned Friday, represents only the beginning.

City officials said that when the city meets to put together its fiscal year budget in June, they wouldn't be surprised to see 100 jobs — more than a fifth of the

positions funded by tax revenues — axed.

The current budget funds the equivalent of 866 full-time positions, with 466 supported by the general fund. The rest of the employees work in the garbage and

water departments, which are funded by fees rather than tax revenue.

"This is no fun," said Mayor Emily Reilly, who serves on the budget panel with council members Scott Kennedy and Tim Fitzmaurice. "It's not like this is a

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CALIFORNIA'S BUDGET CRUNCH

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big city where you don't see the employees or know them all."

Reilly and other city officials said everything would be done to avoid layoffs now — such as early-retirement enhancements and finding people other jobs — but that substantial layoffs come June will probably be unavoidable.

"There will be direct human impacts," said Councilman Mike Rotkin. "We're not talking about cutting outlays for typewriters."

The city is facing the budget crisis because of a sour economy, slumping tourism and the state's own budgetary nightmare.

The city council gathered in front of City Hall on Tuesday to denounce Gov. Gray Davis' budget plan as a blow to cities and counties. It will meet Tuesday at 1 p.m. to discuss the proposed midyear budget cuts, caused by a shortage in projected revenues.

\$3.5 million at stake

If Davis gets his way in shifting funds from local to state government, the city would lose at least \$3.5 million over the next 18 months.

Even if that doesn't happen, however, the city will be in dire fiscal shape because of gener-

ous new retirement plans that the state approved for California Highway Patrol officers and prison guards during the boom years. Cities and counties around the state were forced to match the plans to prevent trained officers from leaving for state agencies, Kennedy said.

Moreover, Kennedy said, the California Public Employees Retirement System was so awash in funds from the rising stock market a few years ago that it didn't even ask cities and counties to contribute their share. But now that the stock market has tanked and CalPERS is hurting, local governments are facing monumental retirement bills.

The effect, Rotkin and Kennedy said, will be that local governments will have to lay off employees to pay for better retirement packages.

The current round of layoffs won't affect the police and fire department budgets, which represent 52 percent of the \$48 million general fund.

But the next round most likely will, since 187 of the 466 tax-funded positions are in either the police or fire departments.

The current job eliminations mostly affect facilities maintenance (six jobs) and the park ranger program (three jobs) in the city's 600-acre greenbelt. Positions will also be eliminated

in park and greenbelt planning, traffic maintenance, inspection services and the Citizens' Police Review Board.

The budget committee is urging that the review board be replaced with an "auditor" who would deal with complaints against police — similar to the system in effect in San Jose. Other city commissions would also be consolidated.

2 ways to raise funds

The two suggested ways for increasing revenues are to raise parking meter rates in the beach area to \$1 an hour from 75 cents and impose a new fee of roughly \$1.40 a month to maintain the 911 emergency communications system, which costs the city \$1.3 million annually.

The Cultural Council, social services agencies and the Conference and Visitors Council would get 5 percent less beginning in May than they were promised in June.

"It could be worse and will be worse," said Councilman Mark Primack. "I like that we're not closing down major facilities like the civic auditorium at this point, but that's a possibility."

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