

R.R. SANTA CRUZ - Budgets
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Santa Cruz' budget sessions begin Tuesday

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SANTA CRUZ — It's budget time again at City Hall — the annual chance for the City Council to put public dollars where its mouth is.

The budget is the most important document at City Hall and its contemplation during three council study sessions this week holds promise of arguments seeded in one of life's most basic emotions — greed.

The 194-page proposed \$40.8 million expenditure budget is considered so important the inside cover displays photographs of each council member — albeit some hairstyles are slightly outdated.

It also includes the traditional "budget message" from City Manager Dick Wilson, who this year says the proposed budget represents the "beginning of an effort, on many fronts, to catch up and move ahead. This is in stark contrast to

the budgets of the past three years, which have featured reductions in services, employment, and, of course, fund balances."

An underlying theme of city money matters that has frequently been hummed by council members Katy Sears-Williams, Arnold Levine and Spiro Mellis is the purported need for the city "to maintain a healthy business climate."

This tune will undoubtedly be chirped during the budget sessions.

But balancing the desire of business with social and neighborhood wants — and proposed increases in the roads and police budgets — promises to strike some raw notes.

The proposed budget is brought to you by one of government's prime-time sponsors — new taxes.

The council recently passed new taxes on gas and electricity consumption (a 5-percent surcharge on PG&E bills with an exemption on the first \$34 of your monthly bills), cable television use, long-distance

phone calls within California and private parking lots.

Also the council doubled the business-license tax.

Another sponsor of the proposed budget is water-rate and connection increases to be considered in August. The higher revenues would offset a \$10-million expenditure for water system improvements and water supply development over the next several years.

The document reflects a deficit in the fund for the Municipal Wharf where a \$2.4-million renovation project, financed through a federal grant and state loan, has been plagued by construction problems. Project completion is running one year behind schedule.

Meanwhile, the city is losing revenues from rentals of the new buildings.

The first of several annual loan payments of \$700,000 from the city to the State Coastal Conservancy for the wharf project is due to be paid July 1.

The wharf fund deficit is being offset by a \$350,000 transfer from the stores' fund budget.

The proposed budget also reflects a major personnel change in which employees who were classified as temporary on paper, but were really permanent in reality, would be classified as permanent on paper.

Increases in personnel in the fire, parks and recreation, planning, wharf, sewer and golf course budgets reflect this proposal.

In terms of manhours, the budget proposes a personnel increase of 5 percent, according to Wilson.

This week's budget sessions are not official public hearings, but traditionally the council is open to dialogue with the public.

The first session will be from 1 to 5 p.m. Tuesday at the Santa Cruz library conference room. Departments to be discussed include the council, city manager, including animal control and Commission for the Prevention of Violence Against Women, city attorney, city clerk, personnel, insurance, transit pass program, police, finance, debts and fire.

If there are going to be battles, the lines should be drawn by the end of the study sessions on Thursday.