

Santa Cruz scaling back

Budget JOBS, SERVICES FALL VICTIM TO BUDGET CRUNCH

By Ken McLaughlin
Mercury News

Just beginning to swing its budget ax, the Santa Cruz City Council on Tuesday chopped 13 full-time jobs, social services, tourist promotion and eliminated the Citizens' Police Review Board.

The council in this tourist town was forced to make more than \$1 million in cuts in mid-year because the local economy has been more dismal than projected during budget hearings in June.

Finance Director Dave Culver said the only good news was that property tax revenues are up about 6 percent. Sales taxes and hotel taxes are down 4 percent, and utility taxes are down 3 percent because big energy users such as Lipton Tea and Salz Leathers shut down their plants.

The council will have to

See **BUDGET**, Page 8B

CUTS AT A GLANCE

A dismal economy is forcing midyear and upcoming budget and service cutbacks in Santa Cruz. Here are highlights.

Midyear trims: More than \$1 million. The visitors council, social services agencies and the county's Cultural Council would take a 5 percent budget cut beginning in May.

Job losses: 13 full-time positions immediately. Up to 100 job cuts are predicted in June.

Revenue increases: Raising parking meter rates in the beach area to \$1 an hour from 75 cents and imposing a new fee of roughly \$1.40 a month to maintain the 911 emergency communications system.

BUDGET | Police review board, jobs eliminated in round of cutbacks

Continued from Page 1B

sharpen its knife again in June, when it holds budget hearings for the next fiscal year. City officials predict 100 more jobs could be on the chopping block, including jobs in the police and fire departments.

Of the positions eliminated Tuesday, four are vacant, so nine people will be asked to shift to another job, given early retirement offers or, in the worst case, laid off.

The council also agreed to increase revenues two ways: raising parking meter rates in the beach area to \$1 an hour from 75 cents and imposing a new fee of roughly \$1.40 a month to maintain the 911 emergency communications system, which costs the city \$1.3 million annually.

When the council announces its next round of job cuts in June, however, there won't be as many vacancies. So dozens of city employees are expected to be laid off, officials acknowledge.

"We have a very substantial problem that we have to start fixing ... because we don't have the money," City Manager Dick Wilson said.

He estimated that if the council didn't begin scaling back now the city's deficit could be as high as \$8 million in a couple of years because of rising retirement costs, the state's budget crisis, higher insurance bills and worker's compensation costs.

"Even if the economy recovered tomorrow ... we'd still have a \$4 million budget problem," Wilson said.

The jobs eliminated Tuesday mostly affect facilities maintenance (six jobs) and the park ranger program (three jobs) in the city's greenbelt. Positions will also be cut in park and greenbelt planning, traffic maintenance and inspection services.

During the public hearing

on the proposed cuts, the most controversial proved to be the elimination of the police review board, established a decade ago.

"The police are often out of hand," said Scott Graham, who encouraged the council to instead drop all its support for the Santa Cruz County Conference and Visitors Council.

Under the budget cuts approved Tuesday, the visitors council, social services agencies and the county's Cultural Council would get 5 percent less beginning in May than they were promised in June.

Council members said elimination of the police review board would save \$120,000 annually, in part because the current system wastes so much staff time. They argued that since an overwhelming majority of complaints against police prove to be frivolous, the city can save money by hiring an outside "auditor" to weed out the nuisance complaints. The city council would hear the serious ones.

Homeless activist Robert Norse, the council's chief gadfly, chided council members for not having a serious public discussion on the elimination of the review board.

"You don't invite the goose to the dinner," he said sarcastically. "It's brought in on a platter."

But Councilman Mike Rotkin implied that Norse himself was largely responsible for the board's demise because he filed the overwhelming majority of the frivolous complaints.

Vice Mayor Scott Kennedy also had some stern advice for activists who complain that the city is subsidizing the tourist industry:

Grow up!

Although activists often depict the Seaside Company, owner of the Beach Boardwalk, as the main beneficiary of the visitors council funding, Kennedy said the company

was the only one big enough to afford having a substantial marketing budget.

The real beneficiaries of the visitors council's promotion are the hundreds of small businesses that depend on the tourist trade, Kennedy said.

He also chastised activists who had worked to defeat a tourist-industry-supported November ballot measure that would have boosted the hotel tax from 10 percent to 11 percent and allowed the city to divert about \$400,000 to other uses.

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