

# Watsonville council passes \$56 million budget for '91-92

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**WATSONVILLE** — Water-rate hikes for Watsonville-area residents were included in the \$55.7-million budget approved unanimously by the City Council Tuesday night.

The 1991-92 city budget is 24 percent higher than the current fiscal year's budget of \$45 million. However, much of the increase is due to \$18 million worth of water, garbage and sewer improvements that will be accomplished through recently sold bonds.

For the first time in two years, Watsonville will not be facing a budget shortfall. City Manager Steve Salomon said the budget "reflects conservative and cautious spending recommendations while moving the city forward in terms of economic development, job creation, earthquake recovery and basic services."

Despite the cautious outlook, the new budget features an aggressive capital-improvement program. The program will be funded from a variety of sources — from federal and state funds, such as gas and sales tax, to Measure E funds, the extra half-cent earthquake-recovery tax approved by Santa Cruz County voters.

Those capital improvements include \$3.7 million for a 216-space

downtown parking garage; \$1.2 million for a new youth center; \$877,725 in airport improvements (90 percent of which will be paid for by federal grants); and \$300,000 toward a new performing-arts center at the high school.

At the same time, the city will be tightening its belt regarding personnel. Of 38 new positions requested by department heads, only four full-time and three part-time positions were approved.

Council members made no decision as to which social-service agencies should share the \$230,000 budgeted. The record \$230,000 allocation is \$90,000 more than last year's for local non-profit groups. Some 42 groups are asking for more than \$600,000.

The approved monthly 12-percent water and garbage hikes will become effective next Monday.

Monthly water bills will increase from \$11.42 to \$12.78 a month for residential customers within the

city limits, and from \$15.86 to \$18.01 for customers outside city limits.

The water-rate hike will help pay for a new water-conservation program, while the garbage-rate increase will help pay for a new curbside recycling program that will begin in August.

Watsonville-area residents may also be paying more soon for sewer charges, and a new "landscaping and lighting" fee.

The council is scheduled to act July 9 on a proposed 12-percent proposed sewer-rate increase and \$12-a-year fee to pay for park landscape projects. Even though the fee is called a "landscaping and lighting" fee, street lighting would not be paid by the fees.

City staff is currently studying what Salomon described as "pretty substantial" increases in sewer charges. That rate may be increased sometime in July or August.