

# Money woes

## City Council scratches around for every cent

By STEVE STROTH  
STAFF WRITER

The city of Watsonville is so pressed for cash in its \$11.5 million operating budget that last night Mayor Betty Murphy suggested the city crack down on bicycle-registration scofflaws to collect a few extra bucks.

"We ought to be able to get more money than this," the mayor said of the \$100 in anticipated revenues from the sale of three-year bike licenses, which cost \$2 each.

Murphy's fuss over what amounts to less than one-millionth of the annual cost of running City Hall illustrates the tight pinch the mayor and City Council found themselves in last night.

In the final hour, the council managed to discover or create at least \$77,000 in new revenues, but still had to dig deep into reserve accounts to balance the budget for the fiscal year that begins today.

Had a budget not been adopted last night, city services would have come to a halt. The total budget came to about \$41 million, much of it taken up by such capital

projects as the construction of the new sewage treatment plant.

City Manager John Radin said by depleting the reserves in favor of social programs, a new assistant city manager, and the expansion of the City Hall parking lot, the council has put the city dangerously

"We're running out of money," Clark said. "We're about broke and we haven't admitted that to ourselves." He said later, "There is just not enough reserve to cope with any emergencies or contingencies."

In fact, Radin said, the city still maintains a reserve of

adding expenditures.

Murphy said she still hoped Radin "would have gone through the budget with a finer toothed comb."

The city finds itself in a financial pinch thanks in part to an increase in the cost of doing business and a slight dip in anticipated interest from city investments.

Last night, Councilman Dennis Osmer proposed scrapping a project to build a \$275,000 training tower at the Airport Boulevard fire station. He got no support from other council members. Killing the project would have solved many of the council's budgetary problems — but Fire Chief Gary Smith said it would have left the fire department without an important training tool.

The mayor came up with several proposals to increase revenues that were approved by the council.

Murphy boosted the budget by \$65,000 when she got the council's approval to increase the fee the city charges its water department in lieu of taxes and rents. The move may prompt a water-rate increase for local residents, but that won't be known for several months.

Radin said it's likely water rates will increase anyway because the cost of growth in the city's \$5 million water operations has far outpaced revenues.

The water department operates independently and is supported wholly by its revenues.

---

"We've reached the end of our rope," Radin said. "We're broke."

---

close to being unable to cope with any significant budgetary emergencies.

"We've reached the end of our rope," Radin said. "We're broke."

Actually, the city isn't broke. But the tight budget could mean some hardships in the next 12 months.

Veteran City Councilman Rex Clark, who cast the lone vote against the spending plan, said the passage of the budget may have set the stage for layoffs of city employees to make ends meet.

about \$400,000, though the exact figure won't be known until last night's changes can be tallied and several revenue projections re-examined.

Murphy said she was disappointed that Radin hadn't worked harder to accommodate the council's desire to fund certain budget items by providing more options to reduce expenditures.

Radin reminded the mayor that he'd already obligated more than \$160,000 in reserve funds to balance the budget before council members began

The mayor also found that \$12,000 in rent from a low-income-housing project on city land at Rodriguez and Main streets had not been included in the budget revenue list. Also, rents from the city-owned Porter Building on Main and Maple streets may amount to more than anticipated, which means more revenue for the city.

Murphy proposed the city examine an increase in the franchise fee charged Sonic Cable television, which could raise about \$10,000 more for city coffers. But it isn't clear if that would be legal or if the money raised could be used to boost the city's general fund.

Benefactors of the new revenues were the Cultural Council of Santa Cruz County, which got \$10,000, the Watsonville Band, which got \$3,000, and about \$50,000 went to other social service agencies, such as child-care programs and youth and family services.

Over Radin's objections, the council also approved \$50,000 to hire an assistant city manager, a pet project of Murphy's.

The council also decided to hire an engineer to help with development processing in the Public Works Department, provided the new employee's \$38,000 salary and benefits could be paid from increased fees for providing that service.

Some \$50,000 from the reserve account was set aside for the purchase of property next door to City Hall. The old El