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# Scotts Valley employees get raise, but lose hours

By KATHY KREIGER  
Sentinel staff writer

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SCOTTS VALLEY — City employees, except police, may soon get more money per hour — but their hours will be cut back by 10 percent. The police won't have their hours cut — but they won't get a raise, either.

And in an effort to raise money, the financially ailing city is planning to sell \$1 million in real estate it owns, and to increase its business license fees to bring in another \$200,000 per year.

These belt-tightening measures are part of a second round of budget cuts that were approved by the City Council at its meeting Wednesday night.

The city hopes to save some \$400,000 over this year's and next year's budgets by making the cuts.

The measures further deepen the drastic cuts made at the council's Feb. 20 meeting, when the city laid off workers for the first time in 17 years. At that meeting the council also froze city spending and cut contributions to social service agencies.

The city has been forced to make cuts because revenues dropped 5 percent below projections while reserve funds have been drained. The city's budget for this year is \$5.4 million.

The council told City Manager August Caires to begin negotiations with employee associations to cut 10 percent from employees' gross salary and to cut the work

week correspondingly, to 36 hours. This is expected to save the city some \$185,000.

The city hopes to pick up an additional \$100,000 to \$150,000 by freezing step increases, as well as making other changes in employees' sick leave, vacation, overtime and compensated overtime. These items must be approved by employees' associations, however.

Caires said he would negotiate the terms as a side agreement that will be lifted when the city has \$200,000 of unencumbered reserves in its pockets.

He said he hopes to bring completed agreements to the council's March 20 meeting.

The council turned down a proposed cutback in library service which would have saved some \$61,000.

The Scotts Valley Library, according to Mayor Joe Miller, has one of the highest per capita user rates in the county. The money provided by the city keeps the library open 17 hours more than the basic service of 37 hours funded by the county library system, at some \$190,000 annually.

Instead, the council asked Caires to negotiate with the county library system to explore ways to trim costs, or borrow money without trimming hours of operation.

The city council also decided to save \$40,000 by eliminating its financial project manager for next year, although it plans to hire him back for spot projects.

To increase the money flowing into the city's coffers, Caires also proposed a series of "revenue enhancements" that included the increased business license fee, asking major corporations in the city to help pay for the Scotts Valley Drive project.

The city is also looking to sell some \$1 million worth of properties it owns, including parcels in Scotts Valley Heights, on Granite Creek Road and on Erba Lane.