

# Capitola wants budget tightened

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CAPITOLA — After shooting down City Manager Dan Pincetich's proposed budget, three City Council members have directed him to trim \$1.4 million from his spending plan.

Some city officials fear the cuts could come at the expense of city jobs and badly needed capital improvements.

"This is a very serious situation we don't need to be in," said Capitola City Councilwoman Margaret Fabrizio.

Fabrizio and Councilwoman Stephanie Harlan supported Pincetich's \$10-million plan, which would boost the general fund by \$1.4 million over last year by selling two city-owned properties to the Redevelopment Agency — a transfer Treasurer Glenn Hanna

says is illegal.

Pincetich's proposal would boost the capital improvement and reserve funds by selling the Rispin Mansion and the Pacific Cove Mobile Home Park to the Redevelopment Agency. The agency, which is run by the City Council, would pay the city \$600,000 for the mansion and \$775,000 for the mobile home property, which the city bought more than a decade ago as part of a long-term housing and parking plan.

"I don't think either of these proposals are anything but a shell game," Hanna said during a budget session last week.

"This is not a shell game. This is very serious," Pincetich replied. "I think it is a wise way to use the money and maximize resources."

But Mayor Tony Gualtieri, Vice Mayor Bruce Arthur and Councilman Dennis Nor-

ton, whose votes have dominated recent Capitola politics, said they want alternatives.

"I think there are places where the budget can be trimmed without really affecting community services and personnel," Gualtieri said Monday.

Pincetich's plan would nearly triple the city's reserve fund from \$366,647 to \$1 million, and increase the capital project fund from \$150,000 to \$400,000. Among the projects he proposes are repairing and improving city buildings and parks, including City Hall and Jade Street Soccer Field.

He also proposed adding contract staff hours to the Arts Commission, a position to the Planning Department, and a reimbursement allowance for the City Council.

Fabrizio warned, however, that it could mean cuts in the city staff, community groups and other capital projects such as Cliff Drive

shore protection and slurry seal programs.

Gualtieri said the council advised Pincetich that staff cuts should be considered a last resort, and cautioned that the one-time revenue gain from the property sale could not sustain long-term financial obligations.

"Philosophically, the council's majority is tending to look at this long term," said Gualtieri.

"We want to be financially prudent and consider what sort of legacy we are going to leave to future councils and the community. What happens next year if you continue at this level? We are running out of assets."

Pincetich was reviewing the plan Monday and said he will likely go to the May 6 budget study session with a proposal that keeps the reserve and capital project funds at current levels.