

New budget spares city services, jobs, shelves public works

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Watsonville has a new budget today that leaves vital city services and jobs unscathed, but which requires dozens of capital improvement projects to remain on the shelf.

"We're still open on Fridays," summed up Mayor Oscar Rios following the City Council's unanimous vote approving the \$56 million budget. But warnings from the city finance director were not lost on the weary council when the budget finally came up last night at about 11 p.m.

With the state continuing to grab money from local governments to balance its own account, the city was cautioned about its tenuous 1993-94 finances.

"On the positive side, we're not dying," said Eric Frost, city finance director. But he warned that the budget balancing act will fly only if several fee increases are adopted, including use of the city's card rooms, false-alarm fines, parking-meter charges, impounded vehicle-release fee, and taxes on business licenses and utilities.

In addition, the budget includes no contingency funds. The lack of such revenue will tie city's hands in an emergency and in its ability to take advantage of possible future opportunities, such as purchasing computers for sale at a discount, or buying an available and inexpensive piece of land for development as a park.

Frost also warned the council that this year's budget is "too small and not sustainable over the long run." Frost's report to the council explained that postponing much-needed capital "is dangerous because the very thing which will make the city effective is the proper mix of people and equipment."

'We're still open on Fridays.'

— Mayor Oscar Rios

"An accountant without a computer, an attorney without law books or a street painter without a paint sprayer are all wasted resources," Frost said.

The budget allocates \$16.4 million for the General Fund, which covers police and fire protection, legislation and administration, building safety and planning, public works, the library and parks and recreation.

Several vacant city positions will remain unfilled and the level of park and street maintenance will be reduced.

The largest chunk of funding, \$2.95 million, has been targeted for wastewater operations, followed by \$2.9 million for airport projects, including purchase of three land parcels to expand the airport.

Wastewater Division projects total \$2.78 million, and \$2 million is designated for Federal Emergency Management Agency sewer-line replacement.

Of nearly 200 capital improvement projects and equipment acquisitions listed in the budget, more than half are identified as "being of importance but possibly less urgent" and will be put on hold.

As bad as the state's financial situation is this year, City Manager Steve Salomon cautioned the

council, "They're going to roll over their deficit again (next year), so we'd better get ready."

In other action last night, the council:

- Voted 4-2 to approve a land-use change that will allow the relocation of earthquake-damaged Watsonville Community Hospital to proceed.

John Friel, hospital president and chief executive officer, told the council the hospital has been looking for a new site for two years, and that the 27.5-acre parcel at Airport Boulevard and Nielson Street was its first choice. The land, owned by the Seagate Technology Corp., is currently designated for industrial development. The council action changed that designation to "public" land use.

A verbal commitment has been received from FEMA to kick in money to purchase the property, and "If all goes well, we could begin development at the end of this calendar year," Friel said.

Donald Reiman of J.R. Parish Inc., which represents Seagate in domestic and international transactions, said escrow has been opened with the hospital and the Seagate board of directors has approved sale of the property.

He told the council that Seagate has been confidentially marketing the land for two years with no success, and that the site has been declared surplus.

But Council members Betty Bobeda and Al Alcalá refused to approve the zone change and cast the dissenting votes. They shared concern over the loss of employment potential by allowing the hospital to take over the site.

"I have mixed emotions," Alcalá said. "I hate to say no to a hospital, but I can't take the land away from possible jobs."

Council member Todd McFarren said that it generally is a bad idea to rezone land, but pointed out that "nobody's been interested in the site for two years ... this is something concrete as opposed to a potential job loss."

City staff also reported that the city could benefit from increased sales tax from businesses around the facility.

Representatives from the Watsonville Pilots Association and the Coalition for Responsible Airport Management and Policy addressed the council in opposition to the hospital relocation. They said their major concern was safety, questioning the wisdom of situating a hospital so close to the airport, which generates a considerable amount of noise. But it was the conclusion of both city staff and hospital engineering consultants that the noise could be adequately mitigated in the architectural and engineering design of the new facility.

Council member Tony Campos wondered about the extent of earthquake damage to the 96-year-old hospital, and what would happen to that empty building after the facility moved. Friel said FEMA engineers have estimated it would take \$50 million and six years to reconstruct. He said FEMA has also suggested the building, on Green Valley and Holohan roads, could be used for a south county Cabrillo College campus or for low-income housing.

- Agreed to modify the city's traffic-mitigation fee regulations in an effort to encourage new businesses to relocate to Watsonville.