

Council ruffled by Radin's budget move

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It didn't take long last night for the Watsonville City Council to single out something it didn't like about the city manager's proposed budget.

Shortly into the first study session on the 1987-88 budget, Councilman Dennis Osmer asked what had happened to the hotel room tax.

The budget showed an estimated \$80,000 in revenue from hotel and motel room taxes — called the transient occupancy tax. Osmer was pointing out that the proposed budget didn't

set aside any of that tax revenue for social service programs.

During last year's budget hearings, the council voted to raise the hotel tax from 4 to 8 percent with the intention of using the added income to support social service programs.

Last year the city gave money to the Cultural Council of Santa Cruz County, the YWCA Child Care Center, the Pajaro Valley Children's Center and the Family Service Association.

City Manager John Radin explained that this year he pro-

posed using all the hotel tax money to balance the city's general fund. Had he set half the tax money aside, he would have had to take more money out of the city sales tax reserves to balance the budget, Radin said.

Since he had already taken \$160,000 from the sales tax fund to balance the general fund, Radin said he was reluctant to take any more.

This proposal displeased the council, particularly Mayor Betty Murphy, who tried to remind Radin of the intent of the council's action one year

ago.

Several councilmen backed Murphy's recollection of the council action.

Councilwoman Gwen Carroll, however, said she would like to look at Radin's proposal because perhaps that money was needed to keep the budget balanced.

Councilman Rex Clark said last year's vote affected last year's budget, but the council may have to take another vote this year if it again wants to set that money aside for social service programs.

In a somewhat unusual move,

because previous mayors seldom made motions themselves, the mayor herself made a motion to keep 4 percent of the hotel tax revenue in a special fund for social service programs.

Murphy's motion was approved on a 4-2 vote. Councilman Tony Campos was absent because he is on vacation and council members Carroll and Clark voted no.

Carroll first said she would abstain, but then cast her no vote when her colleagues told her that an abstention counts as an affirmative vote.

Clark said he had come to last night's meeting prepared to discuss the police and fire budgets, not the hotel tax, and therefore was unprepared to vote on Murphy's motion. The council had been scheduled to discuss the public safety items in the budget, but the discussion about the hotel tax came up before they ever got to those departments.

Radin and Clark argued there was no need to vote on the hotel tax funds last night, and that the council could make that

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decision at the end of budget hearings later this month.

When the council reaffirmed its plan for using hotel taxes, Radin suggested another motion to take money out of the sales tax fund to compensate for the money that would go to social service groups instead of the general fund.

He told the council it was illegal to take money out of the general fund without replacing it, because the city charter requires a balanced budget.

The council balked at this demand, saying they would make sure the budget is balanced before it is adopted later this month. Just where the money will be found to balance the general fund will be determined after further study.

"This (budget) hasn't been accepted. What's illegal?" Councilman Vido Deretich asked. "This is nothing but a piece of paper until we vote on it."

The council ignored Radin's advice to balance the budget last night, and moved on to a detailed study of the budgets of individual departments.

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