

City's fancy financial juggling

By STEVE STROTH
STAFF WRITER

In what may seem like a magician's act, Watsonville City Manager John Radin has found money in the already tight municipal budget to pay for more than \$700,000 in unexpected expenditures that have cropped up since the budget was approved in June.

Actually, finding the new money was no sleight of hand by city officials. It's just that income estimates made in February and March for the city's \$61 million budget turned out to be low when the final figures were tallied last month, Radin said.

That's good news because the unexpected expenditures — such as a lawsuit against the city and a broken sewer line — required money from the city's reserve and other special funds. Radin also compromised on a police department request for new officers by anteing up \$56,000 from the general fund.

"There's sufficient funds (in the budget) to cover all those expenditures," Radin said this morning. Special funds for sewer repair and a city dump project this coming year are healthy enough to cover the \$400,000 in special-project expenditures, he said.

"We picked up about \$187,000 in carryover funds (for the city's general fund), plus some other adjustments in revenue," he said. "We'll still carry about a \$250,000 contingency reserve."

At tonight's City Council

meeting, Radin will ask council members to approve his list of new expenditures for the coming year.

Although the cost of general fund expenditures outlined on Radin's list exceeds the carryover by about \$19,000, sufficient funds exist in reserve to cover any overexpenditures, City Finance Director Chuck Comstock said today.

Also, city officials are counting on a nearly 12 percent increase in sales, property and other tax revenues this coming year.

"Revenues are coming in at a

always been adequate in the past" for increases in utilities or other small items, Comstock said.

Radin said the accepted standard for a "safe" contingency is about 3 percent of the total general fund budget, "so our reserve should be about half a million or three-quarters of a million dollars."

The bulk of the additions to the 1985-86 budget — \$400,000 worth — are capital improvement projects.

The biggest expenditure will be \$250,000 to replace most of the sewer line along Beach

ment for secondary treatment of the city's sewage.

The preliminary application was rejected, and it will take about \$50,000 to update it and provide necessary data, Cooper said. The city has already budgeted \$15,000 for the application.

The second largest expenditure called for on Radin's list is a \$115,000 project to make a 50-acre parcel adjacent to the city dump suitable as a dumping site. Cooper said the money will be used to build access roads, adequate drainage ditches and a leaching system to prevent liquid waste from contaminating the groundwater.

That project will be paid for out of fees collected from city residents for garbage service.

About \$206,000 will come out of the city's general fund for the new police officers, a \$50,000 increase in insurance, and \$100,000 for overtime costs, which went up with the passage of a new state law disallowing "comp time" — compensatory time off — for municipal employees.

Also, Radin wants the city to spend \$100,000 for a San Francisco law firm to defend the city against a lawsuit calling for a change in the city's election system.

The Mexican American Legal Defense and Education Fund sued the city this year, claiming the current at-large system of City Council elections violates civil rights because it does not provide proper representation of the city's minority population.

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Since city officials have no way of knowing how much they will collect in taxes by the end of the coming year, they can only guess, using current trends as indicators. But those indicators are promising, Radin said.

Even with the healthy estimates for revenues this year, city officials are still faced with a reserve contingency lower than what is deemed "safe" to handle unexpected expenditures.

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Road, which carries all the city's sewage out to the treatment plant.

A portion of the pipe actually collapsed in April, and further studies showed the whole line needed repair, Public Works Director John Cooper said today.

"There were some pretty serious signs of deterioration," he said. "If that thing would collapse again, we'd be in a heap of trouble."

The nearly \$1 million sewer fund will help cover the \$250,000 cost of replacement and another \$35,000 for the city to prepare an application for an Environmental Protection Agency waiver of the require-