

WEATHER REPORT
 Monterey Bay Area — Night and morning high fog but clearing in afternoon Thursday; little change in temperature; moderate west winds in afternoon.
 Temperature for 24 hour period ended at 5 p. m. Tuesday: Maximum 67, minimum 56.

Santa Cruz Sentinel-News

Guaranteed Paid Circulation
 of the Sentinel-News yesterday was
10,605
 MISSED PAPER? If you Phone 3800 before 6:30 p. m. a special messenger will deliver a Sentinel-News to you if you live within city limits

94th Year—No. 142 ★ ★ SANTA CRUZ, CALIFORNIA, WEDNESDAY, JUNE 15, 1949 ★ ★ 5c Excepting Saturday Sunday and Daily **FOURTEEN PAGES**

CITY BUDGET MAY BRING TAX CUT

1000 Rural Phone Users Get Break

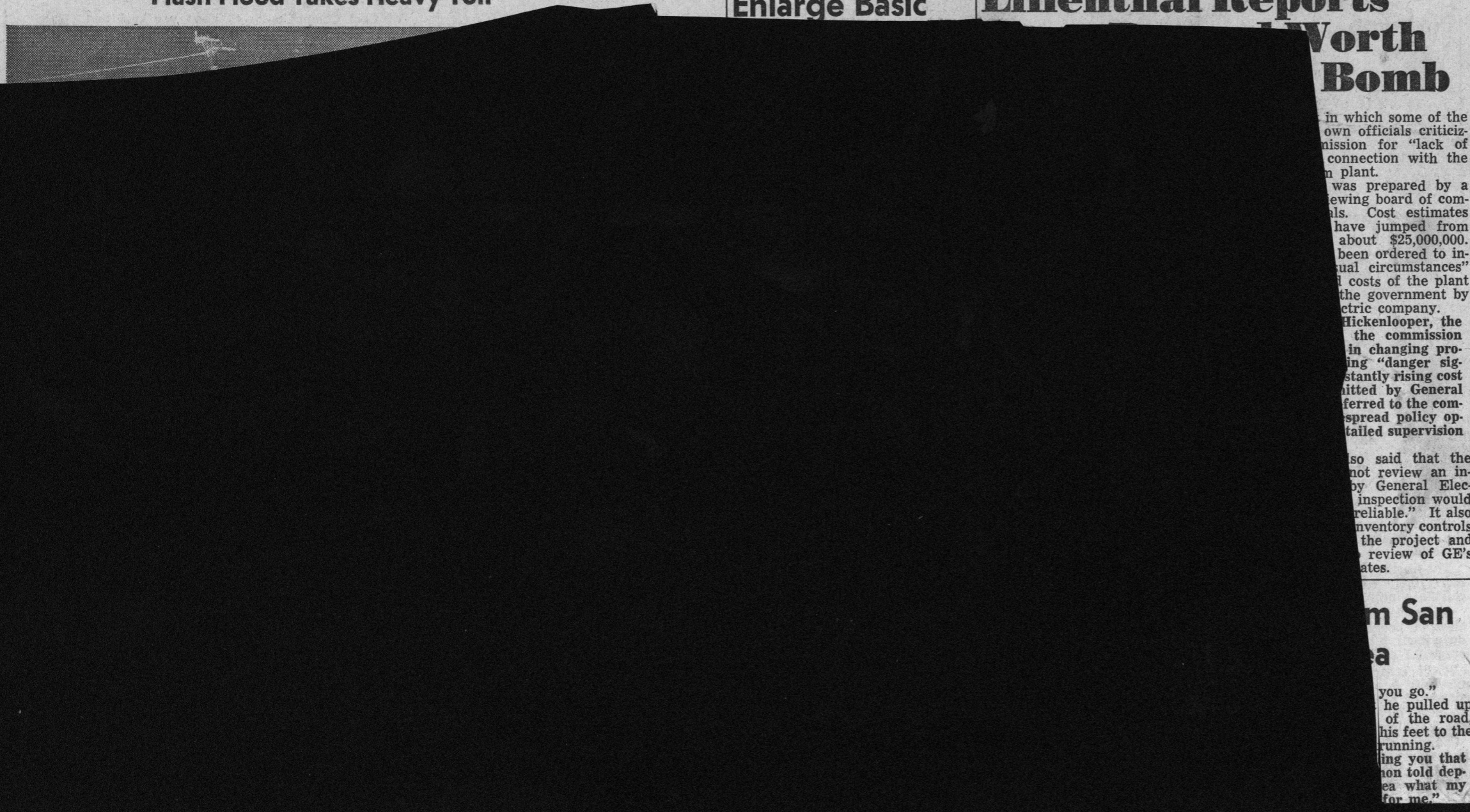
DECLINES IN BONDS AND RETIREMENT FUNDS MAY MEAN 15-17 CENT DROP

Flash Flood Takes Heavy Toll

Enlarge Basic

Lilienthal Reports Worth Bomb

Preliminary Budget Requests Hit New High Of \$858,000 For '49-'50



in which some of the own officials criticiz- mission for "lack of connection with the n plant.
 was prepared by a ewing board of com- als. Cost estimates have jumped from about \$25,000,000. been ordered to in- ual circumstances" l costs of the plant the government by etric company.
 Hickenlooper, the the commission in changing pro- ing "danger sig- stantly rising cost mitted by General ferred to the com- spread policy op- tailed supervision
 so said that the not review an in- by General Elec- inspection would reliable." It also nventory controls the project and review of GE's ates.
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The automatic reduction in bond retirement, and a probable reduction in revenue needed for the city employees' retirement special tax, will result in a probable 15 to 17 cents reduction in total city tax during the coming fiscal year, according to the city manager's budget proposals and estimates.
 The document was presented to the city council during last night's session by City Manager Neal D. Smith.
 However, the city's basic tax rate of \$1.50 probably will not be changed as increased assessment rolls and additional city revenue will be used for badly needed improvements, particularly in the street and fire departments.
 Mayor Sam C. McNeely complemented the city manager on the manner in which the proposed budget was prepared, and the council took the fiscal plan under study and advisement.
 An adjourned meeting for the purpose of preliminary budget discussion will be held on Tuesday, June 21. Conferences between the council and department heads will follow, and a public hearing will be scheduled prior to final adoption of the budget.
 According to Section 1403 of the city tax rate shall be fixed not later than at the first regular council meeting in July. This will be on July 12, thus giving the council a scant month to complete its work.
 In a letter of transmittal, the city manager explained that the preliminary budget represents the requests made by the various department heads after thorough discussion between the city manager and the department heads in question. In two instances, requests from outside agencies have been shown as submitted and do not necessarily constitute a recommendation by the city manager.
 The balanced preliminary budget calls for a total expenditure of \$858,959, as compared with \$694,913 budgeted for the current year.
 compared with \$125,973 last year. The fire department is marked down for \$116,205, of which \$36,460 is for capital outlay. Last year's budget called for \$74,204. The street department request is \$133,804, as compared with \$98,630 in 1948-49. The garage department, whose expenditures were charged to the various departments last year, now has a proposed budget of \$47,761, including \$58,000 for capital outlay, and \$77,300 in credits. Increases in the estimated revenue are shown in tabulation of the various departments. Most spectacular increase comes in sales tax, which shows an estimated \$105,200, over this year's partial receipts of \$31,000. Motor vehicle license fees are estimated to bring \$87,629, while the revenue for the current year was only \$64,822. Anticipated revenue from transfers amounts to \$73,500 over this year's \$65,253. In concluding his detailed explanations of the proposed budget City Manager Smith mentioned the sta-

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Anticipated revenue from transfers amounts to \$73,500 over this year's \$65,253.

In concluding his detailed explanations of the proposed budget City Manager Smith mentioned the status statements of various special funds, such as the sewer rental fund, the street improvement fund, the flood control fund, the sewer construction fund, and the employees retirement fund.

"Estimates of the city clerk for bond redemption and interest requirements indicate that a tax rate of approximately six cents for bond interest and redemption will be possible," Smith declared. "A reduction in tax rate for employees' retirement fund will be possible for the coming year, the amount depending on how much of the accumulated balance should be used up this year.

"With tax rates for the other special funds remaining the same as last year, it appears that the overall tax rate for the city of Santa Cruz can definitely be reduced during the coming year."

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The balanced preliminary budget calls for a total expenditure of \$858,959, as compared with \$694,913 budgeted for the current year. This is obtained by an estimated revenue of \$716,115; transfers from the water department, the street improvement fund, and sewer rental fund, totaling \$73,500; the sum of \$26,757 obtained in 1948-49 revenue above estimate; unrealized transfers amounting to \$5400; and \$49,987 in unexpended 1948-49 budget funds.

Major changes in departmental budgets are reflected in comparison between last year and the coming year particularly in the police, fire, and street departments.

The proposal calls for a police department budget of \$145,726, as

Baseball Results

AMERICAN

Cleveland	200 000 132	8 14 1
Boston	000 002 210	5 0 2