Library fund may bail out C-P budget

By GIBBS ADAMS and JIM MCDONNELL
Advocate staff writers

City-parish officials hope to roll forward property tax millages and return a library allocation to the general fund to erase most of a possible deficit in next year's budget.

But the city-parish still has a long way to go to find long-term fiscal stability, officials warn.

The adoption Saturday of a special tax for the East Baton Rouge Library system will free almost $2.3 million in general fund money for this year if the mayor and Metro Council approve its reallocation as a contingency fund to help balance next year's budget.

Mayor Pat Screen said that the library tax victory would help but added:

"The issue of the budget is a large question to be addressed at one time. Because of the nature of the windfall, we all have to make decisions on recurring sources of funds. We need to take a look at the sources of revenue and the services to put the revenue base on an even keel."

Another $1.9 million could be pumped into this year's general fund if the Metro Council votes at its Oct. 8 meeting to roll property tax millages forward to the maximum amount allowed.

General fund revenues from the millage adjustment and the library funds would total almost $4.4 million over two years — $4.2 million this year and a like amount next year — close to the $9.6 million low estimate of the gap between a standpoint 1987 budget and available 1987 revenues. The gap results mostly from dwindling sales tax revenues and cuts in state and federal funding.

The low estimate is based on the assumption that a $4.3 million judgment against Stauffer Chemical Co. in back taxes, interest and penalties holds up through the appeal process.

"Even if that does hold up, we're still talking about using a lot of non-recurring revenues to fund recurring expenses," cautioned Councilman Tom Ed McHugh. "We've still got a lot of work to do before we can consider the problem solved."

McHugh said that with the city-parish already having cut so much last year he doubts that any substantial savings can be realized through further budget cuts without drastically affecting services to the public.

"And with the economy being the way it is, I'm going to do everything I can to keep any more people from being out in the street without a job," McHugh said. "As bad as things are, I'm willing to consider things I'd never consider normally."

Rolling forward property tax millages is one of those things, McHugh said.

The state Constitution gives governing bodies a chance to adjust tax millages once every four years when property is reassessed. Four years ago the council rolled millages back to yield the same revenue that had been produced before assessments increased.

The general fund also has $8.3 million a year tied up in the sewerage system fund. The council put the money there to keep from having to raise the sewer user fee any higher.

McHugh has not looked favorably on bringing that money back into the general fund in the past but said that reallocating the money remains an option and that the council may be closing the door on that option if it votes to use the money to pay off an upcoming revenue bond issue.

While bonding counsel Fred Benton has urged against using general revenue to redeem the sewer bonds on legal grounds, Screen proposes to take on a special bond counsel who offers a different opinion.

The council's finance and executive committee is scheduled to take up the matter this Wednesday.