

Written by

Reza Gostar

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Desert Hot Springs leaders review budget

Council mulls ending code compliance services



The City Council will review several items Tuesday in an effort to deal with the city's financial crisis, including a three-year, \$2.2 million contract for code compliance services. In November, the Desert Hot Springs City Council declared a fiscal emergency in order to cut costs and to produce enough cash by June to pay city employees and meet other contractual obligations. / Desert Sun file photo

DESERT HOT SPRINGS — The City Council will review several items Tuesday in an effort to deal with the city's financial crisis, including a three-year, \$2.2 million contract for code compliance services.

In November, the Desert Hot Springs City Council declared a fiscal emergency in order to cut costs and to produce enough cash by June to pay city employees and meet other contractual obligations.

According to revised budget numbers released Thursday, the city is projected to spend more than \$17 million this fiscal year, while bringing in about \$14.1 million in revenues. The city still needs to find about \$1.3 million in savings by June to pay its employees before the next fiscal year's budget is approved and implemented.

Mayor Pro Tem Russell Betts said he would support ending the city's code compliance service contract with AndersonPenna when the plan is presented to council next week.

"The council needs to do more than this study session to address the problem," said Betts during a special meeting Thursday. "What I would like to do is to put another RFP (request for proposals) forward and let all these people come and tell us how it works."

Betts said he believes that city is paying too much for code compliance services and that the bidding process should be reopened.

Lisa Penna, president and CEO of AndersonPenna, told The Desert Sun that the company has proposed a 10-percent decrease in their contract because of the city's current budget situation.

Even with the 10-percent reduction, the city would be paying \$100,000 for each of the six code enforcement officers that work in Desert Hot Springs, Betts said.

"We are here to help the city and we have invested quite a bit here," Penna told the council, adding that AndersonPenna's fee is consistent with what the company charges other municipalities.

John W. Poole, code enforcement consultant with AndersonPenna, told the council that "code enforcement is one of the most difficult things you have to deal with....I think if you go off and start changing things you will be in constant turmoil from now on."

Councilwoman Jan Pye said before any bidding process is restarted the city should set priorities for its code compliance needs.

Interim City Manager Bob Adams advised council to keep the contract in place.

Adams said council should wait until the preliminary budget for the next fiscal year is presented, which will happen in April.

Besides the vote on the AndersonPenna contract, during next week's meeting, council is also scheduled to receive an update on the city's budget status, and will consider a proposal that would prohibit anyone already serving on an elected body from also serving on a city commission.

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