

## The Desert Sun

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# Desert Hot Springs leaders eye ‘bare bones’ budget



(Photo: Desert Sun file photo )

DESERT HOT SPRINGS – The City Council discussed passing a “bare-bones” budget Tuesday night.

“For next year, we were directed to come up with a quote, ‘bare bones’ budget” — what it takes to keep the city lights on, the doors open,” said Amy Aguer, city finance director. “I believe we can still trim some more in a few areas, but this is the first run at this.”

Aguer's goal is to get the \$14.7 million in expenditures the city is estimated to need for fiscal year 2014-15 lower than the \$14.1 million in expected revenues.

She also wants to put away \$1.5 million in reserves to keep the city afloat through January, when the state doles out a large portion of property and sales taxes.

That means the city is looking to cut \$2.1 million from its budget.

The bare bones budget assumes a Desert Hot Springs without Measure F funds.

If passed, Measure F would raise the annual parcel tax on undeveloped land from \$29.80 per acre to \$372.68 and possibly generate between \$2.6 and \$3.8 million a year for the city.

During the first public meeting on the Fiscal Year 2014-15 budget, city staff informed the council that they would likely start July 1 with \$229,663 in funds.

The city's salaries and benefits budget for next fiscal year stands at \$7.3 million — a sharp reduction from the current fiscal year's \$9.4 million — achieved, in part, by leaving seven sworn positions and one part-time position unfilled in the police department.

The police department currently has 27 employees.

A tempting cut still available is one to Teamsters employees' pay that would save about \$500,000, Aguer said, because they did not receive the 22.5 percent pay cut other city employees did last fiscal year.

"We'll see if we can find some skin still on the bone," said Mayor Pro Tem Russell Betts.

Measure F, which has been criticized by some landowners, sparked the most discussion during the meeting.

"I implore people that think that Measure F is too hard, a bad idea, whatever, to come to us and tell us what the alternative is," said Councilman Joe McKee. "To say that something is a bad idea without having a suggestion as to how you're going to handle the problem is disingenuous at least."

Councilman Scott Matas said the process of putting Measure F on the ballot occurred too quickly — two City Council meetings worth of discussion — and it's too early to calculate the revenue attached.

As the only councilman opposed to Measure F, he didn't think its failure would be insurmountable — as developers may still be convinced to assist the city in its time of need.

“I don’t think it’s the end of the world, and I don’t think we can’t fight our way out of this,” Matas said.

Councilwoman Jan Pye echoed Matas’ optimism and encouraged the council to look at alternative revenue streams for the coming fiscal year.

“I think we should explore (medical marijuana) dispensaries — that is a new opportunity,” Pye said. “Whether it’s a viable opportunity, I don’t know.”