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Desert Hot Springs picks Martín Magaña as city manager

DESERT HOT SPRINGS – City Manager Martín Magaña has his sights set on balancing Desert Hot Springs' budget, now that the City Council unanimously made his title official during Wednesday night's meeting.

More than 60 resumes were submitted for the job, but the council took note of Magaña's management abilities as the city's top administrator, said City Attorney Steve Quintanilla.

City Finance Director Amy Aguer's most recent fiscal year 2014-15 budget projections show Desert Hot Springs at \$14.4 million in expenditures and \$13.9 million in revenues — with a \$489,189 deficit.

"We're still in our financial crisis, and I'll work with City Council to get through that challenge," Magaña said. "There are additional cuts to make, and we'll be tightening our belts to save as much money as possible next fiscal year."

Magaña has served as the city's community development director since 2010, and on March 4, the City Council appointed him acting city manager during the recruitment process.

The council made him an offer about 11 p.m. Tuesday, but the matter had to be placed on an open session agenda before his annual salary of \$152,000 could be approved — allowing the public time to comment.

"I think that's the most important part, to have a city manager who's been through the budget process before but also the confidence and support of city staff," said Mayor Adam Sanchez.

"It's a good feeling that we've moved beyond making the most critical decision we had to make, and now we can restructure the budget to prepare for the challenges we have ahead."

The "bare-bones" budget Magaña will manage could see a boost in revenue should Measure F — a June 3 ballot measure that would raise the annual parcel tax on undeveloped city land from \$29.80 per acre to \$372.68 — pass.

Aguer conservatively estimates a \$2.85 million boost in fiscal year 2014-15 revenues if that proves the case.

Once the budget is balanced, Magaña intends to build the city's reserves, which Aguer has said need to be at \$1.5 million 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 \$1.9 million from its budget, and Magaña said he's prepared for the task since he's already had his hands on the budget.

"When you're acting city manager you're kind of already there, but when it becomes official it's real," he said, grinning. "Having somebody coming in from the outside makes things a little difficult."

Magaña said he didn't apply for the job, but the city began courting him after a candidate declined the position.

Sanchez said he couldn't provide details on the applicant.

"It just didn't work out on both of our sides to reach a negotiated agreement," he said.

Magaña's employment agreement may be terminated at any time by the council, though he would be entitled to six month's severance only if it was without cause.

He will be reevaluated in six months and every year thereafter, and will continue to receive the same leave, retirement, health, medical and dental benefits he does now.

The council originally authorized an annual salary of \$160,000 and monthly car allowance of \$600, so Magaña's employment agreement represents at least an \$8,000 annual savings.