

The Desert Sun

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11:08 p.m. PDT May 20, 2014

## Desert Hot Springs OKs swim center pact

DESERT HOT SPRINGS – The City Council voted 4-1 Tuesday to allow the Fullerton Aquatics Sports Team to operate Desert Hot Springs' summer aquatics programs for four days with less-than-desirable insurance coverage.

An agreement with Fullerton was approved on April 15 to provide the programs at the John H. Furbee Aquatic Center and Wardman Pool.

City staff later learned the team won't have the required \$10 million in aggregate general liability insurance coverage until May 30 — four days after the program's Memorial Day opening.

"We've got problems with the Health & Wellness Center and challenges keeping it open with the budget and everything else, but we have to hang onto something like this," Mayor Pro Tem Russell Betts said.

The city's "bare bones" fiscal year 2014-15 budget, consisting solely of essential programs and services, is projected to run a \$311,615 deficit, according to Finance Director Amy Aguer.

An additional \$1.8 million will need to be cut from the budget if Measure F — a ballot initiative that would raise the annual parcel tax on undeveloped land from \$29.80 per acre to \$372.68 and conservatively generate \$2.9 million for the city next year — fails on June 3.

Facility Director Wes Sinclair assured the council Fullerton had secured a new, zero-aggregate-limit insurance policy through National Casualty Insurance Company and would operate under its old \$6 million policy until then.

The new policy covers unlimited claims, he said.

"It's a very large sum of money to try and procure for a nonprofit organization," Sinclair said.

Councilwoman Jan Pye was the lone no-vote, saying she wanted to see a certificate of insurance at the \$10 million amount before getting on board because the city had been burned in the past.

City Attorney Steve Quintanilla said the city was assuming "minimal risk" — one worth taking because no other program providers emerged when the city put it up for bid.

Desert Hot Springs couldn't simply lower its insurance requirement without opening itself up to a lawsuit from companies that might have submitted a proposal to run the program at the lower amount. The Public Entity Risk Management Authority advised the city, its client, not to reduce the minimum insurance amount.