

The Desert Sun

Dave Nyczepir

11:11 p.m. PDT June 8, 2014

## Desert Hot Springs must tighten budget by \$1.6 million

DESERT HOT SPRINGS – The “NO on F” signs around Desert Hot Springs are a stinging reminder City Council must reconvene Monday night to slash \$1.6 million from an already “bare bones” budget.

Measure F would have increased the tax on vacant land from \$30 to \$372 per acre, generating an estimated \$2.85 million the city desperately needed to save its local police department and overcome a \$242,425 deficit next fiscal year.

But California’s Proposition 13 requires a two-thirds vote on city referendums increasing taxes, and [Measure F only received 62.1 percent of the vote, according to unofficial June 3 election returns](#) — forcing City Council to make deeper cuts into programs and services once thought essential.

“We’ve got a really tight budget, and keeping things open may mean we end our contracts with current service providers and find other ways,” said Mayor Pro Tem Russell Betts. “We’ve got to be very creative and take some bold steps in this city to keep everything functioning.”

### City at stake

Last November, City Council declared a fiscal emergency to avoid bankruptcy, but it continues to deal with an approximately \$3.8 million structural deficit.

Desert Hot Springs already went through bankruptcy in 2000, so if a second bankruptcy isn’t approved the city will cease to exist.

If the city was to disincorporate, Riverside County would inherit all its assets and liabilities — providing only the essential services the city once did.

The city will end fiscal year 2013-14 on June 30 with about \$200,000 and needs to end fiscal year 2014-15 with \$1.5 million on hand to make payroll and pay bills.

Coupled with next fiscal year’s projected \$242,425 deficit, that equals \$1.6 million in required cuts City Manager Martín Magaña has called the situation “devastating.”

“These cuts are at City Council discretion,” said Amy Aguer, administrative services director, in an email. “Any add-backs to the budget from the ‘Other Programs and Projects’ list are also at City Council discretion.”

### **‘Other programs and projects’**

The “Other Programs and Projects” list consists of \$2.5 million in expenditures not currently included in next fiscal year’s budget.

These items vary from \$860,767 for the fire department’s medic squad, \$50,000 to the Desert Hot Springs Chamber of Commerce’s visitor center, \$35,000 for the videotaping of City Council meetings, and \$17,000 in dues to the Coachella Valley Association of Governments.

“My game-plan is to make cuts in the operational costs of government, sparing the city services that residents most rely upon such as the Senior Center and things like swim programs,” Betts said.

Absent from the budget is \$59,000 to contract with the Fullerton Aquatics Sports Team for the aquatics program at the John Furbee Aquatics Center and pay for utilities.

Also missing is \$20,400 for utilities, supplies and Fullerton’s services at the Wardman Park Pool, as well as those of maintenance and janitorial.

Residents are particularly bothered by the lack of \$147,900 in funding for the management and operation of the Senior Center by the Family Service Association.

### **Senior Center**

Loren Pitz’s mother was a member of the Senior Center’s shut-in program — a valuable resource in a community whose elderly can find themselves isolated.

“The Senior Center is very important because it brings meals around to shut-ins and gives people a place to go to get out of the heat,” the 69-year-old Cathedral City resident said. “A lot of these people can’t afford to run their air conditioning during the summer.”

In March, the city renewed the Family Service Association’s contract through 2016 after a three-year stint during which the center relied almost entirely on Desert Hot Springs’ funding, aside from small program fees.

Requiring fees for service in a low income area is problematic, said Program Services Administrator Shannon Gonzalez.

“Without the city’s support, we’d have a hard time finding the funds to provide programs,” she said. “We could look for grantees for funding, although we’ve been doing that last few years and it’s been difficult.”

Besides socialization, the center offers a health and wellness component to Desert Hot Springs’ seniors.

Resident Alma Fawcett worries about the fate of the Senior Center.

“I’ve been waiting for a new exercise program for a year-and-a-half,” she said. “What else do we seniors have but the Senior Center?”

### **Forgetting History**

Cabot’s Pueblo Museum also finds its funds on the chopping block — \$109,750 for its management and operation.

A Hopi-inspired pueblo built by pioneer Cabot Yerxa in 1941 and now listed in the National Register of Historic Places, the site is also losing \$1,700 for its foundation’s annual fundraiser.

Due to financial constraints, the museum lacks the funds to keep on Director Ginger Ridgway and Registrar Peggy Pourtemour.

City support is essential, Ridgway said, especially because the museum’s three-year agreement with the Desert Hot Springs ends June 30.

“The museum’s foundation has a real challenge already to find funds,” she said. “We were looking forward and ready to bring on new programs, but now we need to find the money to survive.”

### **Creative solutions**

On the same day Measure F failed, the Borrego Community Health Foundation, Desert Healthcare District and Regional Access Project Foundation stepped in to salvage the Boys & Girls Club within the Desert Hot Springs Health & Wellness Center.

Six months prior, the city notified the club it was canceling its 10-year, \$250,000 contract — absent from the bare-bones budget.

So starting Jan. 1, 2015, at the suggestion of Borrego CEO Bruce Hebets, members will be required to put their children through one dental and one medical exam a year.

With most members Medi-Cal insured, the cost of the exams will be covered and Borrego reimbursed with the earnings being funneled back into the running of the Boys & Girls Club.

In the two years it would take to make the center self-sustaining, the district's board approved a challenge grant for \$310,000 each year.

RAP put in \$100,000 for year one and \$50,000 for year two, triggering matches from the district. That means \$55,000 is still needed for year one and \$105,000 for year two to keep the club fully-funded — an ongoing process.

The Boys & Girls Club now wants to implement the direct health care model in all of its facilities valleywide.

"This community's 1,500 at-risk kids don't really have a choice where they can go recreate safely and have good mentorship, so the club is a central point for many families." said Kathy Greco, executive director of the district.

Desert Hot Springs is also examining public safety alternatives, Betts saying the city has no choice but to contract with the county Sheriff's Department now that Measure F is out of the picture.

The local police force can be replaced for a savings of \$900,000 to \$1.3 million annually, he said, while putting seven more deputies on the streets.

"I personally think Measure F was a good idea, but I'm behind whatever helps the city out in any way," said resident Trudi Lain. "With all the city's gone through in my 26 years here it's just another problem, and we're still here."

### **To attend**

Desert Hot Springs City Council's special budget meeting begins at 6 p.m. at the Carl May Community Center.