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The Desert Sun

Sep. 4, 2013 | [6 Comments](#)

Desert Hot Springs council votes for \$2.2M financial consultants agreement



DESERT HOT SPRINGS — Desert Hot Springs City Council voted 3-2 in favor of a three-year, \$2.2 million agreement with financial consultants AndersonPenna for code compliance services at Tuesday's meeting — with Councilmen Russell Betts and Adam Sanchez opposed.

Police Chief Kate Singer told City Council that staffers determined contracting with AndersonPenna would save the city \$260,000, as opposed to performing the service in-house. City Hall also looked into lumping animal services together with code compliance, but failed to receive responses from firms that do so.

Betts expressed displeasure that city staff only provided an 18-day window from May 20 to June 6 to allow for contract proposals. Council extended the window another two weeks, but Singer said staff received only one additional application.

Desert Sun file photo - Police Chief Kate Singer told City Council that staffers determined contracting with AndersonPenna would save the city \$260,000, as opposed to performing the service in-house. / Jay Calderon, The Desert Sun

“There’s got to be somebody else out there that can do this well and do it for less,” Betts said. “Even if there isn’t, we owe ourselves the benefit of giving it enough time.”

He proposed a 60-day minimum because two weeks gives the impression the city has someone in mind — limiting bids.

Betts also noted the city’s Finance Committee advised the city to pay somewhere in the ballpark of \$450,000 a year for code compliance, rather than the \$722,000 a year proposed — in recognition the city has budget issues.

Sanchez echoed his concerns, adding that the city plans to have study sessions on its travel policy, but none for what he considered a major contract.

“We really don’t even know exactly how we’re going to end this year,” he said. “We basically borrowed \$2 million out of reserves.”

Councilwoman Jan Pye argued City Council agrees to three-year contracts to lock down a price, but the contract has to be renewed through the budget process every year. The city budgeted \$978,000 for code enforcement for fiscal year 2013/14, she said, so the contract meant a \$156,000 savings.

Mayor Yvonne Parks backed Pye up — throwing out the same figures before criticizing the rest of the council for throwing out potentially inaccurate figures. Until the June 30, 2013, budget is closed out, the city won’t know how much money it has or if it will need to tap into its reserves, she said.

“I’m very anxious for our new city manager to get his hands on and around our budget ... and I think we’re going to have a really good idea of where we’re at,” Parks said. “I personally don’t think we’re in the dire straits that everybody is talking about, but again, I’m going to depend on Mr. (Robert) Adams to be able to tell me exactly where we are and what we have to do.”

Under the new contract, AndersonPenna will charge about \$45,000 for a city code technician, said principle Lisa Penna, and the firm’s profit margin is less than 6 percent. The technician will earn \$21 an hour in salary, \$4,368 a year in paid time off and \$10,560 a year in benefits.

“I want to get over this notion that just because we’re saving \$150,000 doesn’t mean we shouldn’t be trying to save \$200,000 or \$300,000,” Betts said. “That’s part of the bid and contract process, and you can’t just sit there and say, ‘Well geez, we’re saving money so this is OK.’”