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Report: Desert Hot Springs facing \$3.07 million budget shortfall



DESERT HOT SPRINGS — A financial report to be presented to the Desert Hot Springs City Council at a special meeting on Tuesday shows the city expects to end fiscal year 2013-14 with a \$3.07 million shortfall.

The report, posted Thursday to the Desert Hot Springs city website, also contains information from City Attorney Steve Quintanilla on municipal bankruptcy.

Quintanilla could not be reached for comment Thursday night about the documents or about Desert Hot Springs' financial situation and the possibility the city might seek bankruptcy protection.

Also contained in the report is a concern that the city "is projected to run out of general fund cash by March 31, 2014."

As of June 30, Desert Hot Springs' general fund contained \$3,555,001, the report states, adding, that as of Sept. 30 that amount had decreased to \$1,533,588.

"This makes it necessary to make difficult decisions quickly in order to turn around the financial condition of the city," the report continues. "The city will need to take steps to declare a Fiscal Emergency very soon. Staff has issued a 'Notice of Public Hearing' for a Fiscal Emergency Public Hearing to be acted on at the regular City Council meeting on Nov. 19... if the City Council should decide to do so," the report adds.

Check mydesert.com Friday for more on this developing story and look for complete coverage in Saturday's Desert Sun.