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Desert Hot Springs' future on shaky ground

Mayoral race recount could come with city on brink of bankruptcy



Desert Hot Springs City Hall. / Desert Sun file

DESERT HOT SPRINGS — Faced with a projected \$3.37 million budget shortfall and the notion of municipal bankruptcy, the city of Desert Hot Springs could soon face more upheaval in the form of a mayoral election recount.

After initially trailing incumbent Mayor Yvonne Parks, Councilman Adam Sanchez now leads by a mere 12 votes, the Riverside County Registrar's Office announced Saturday after it finished counting 140 provisional ballots leftover from the Nov. 5 race.

RELATED: [Adam Sanchez moves ahead of Yvonne Parks in Desert Hot Springs mayoral race](#)

According to the unofficial, final tally, Sanchez received 1,042 votes, or 43.2 percent, to Parks' 1,030 votes, or 42.7 percent.

Economist John-Paul Valdez, a third candidate in the mayoral race, received 340 votes — 14.1 percent.



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The results are expected to be certified on Tuesday.

But Parks, citing “room for human error,” said Saturday she is already considering seeking a recount, which would mean the official results might not be known for some time.

Yvonne Parks, left, and Adam Sanchez. / Desert Sun file

Reached as she left the registrar's office about noon Saturday, Parks said she has talked to a lawyer and sought advice from Cathedral City Mayor Kathy DeRosa, who faced a similar situation in her bid for re-election against challenger Chip Yarborough a year ago.

DeRosa retained her seat after a recount showed she had outpaced Yarborough by just 13 votes.

Sanchez said the results show that Desert Hot Springs voters are ready for something different.

“It's a new change of leadership. I think people are really looking for change in this election,” he said Saturday. “People wanted to see more accountability and transparency.”

Sanchez, along with fellow council member Russell Betts, has been an outspoken critic of what he has called the city's continued "overspending."

So critical of the fiscal year 2013-14 budget were Sanchez and Betts that they voted against it during a June 18 council meeting.

The budget, which at the time contained a \$2.3 million shortfall that city staff said would be covered by reserves, had to be OK'd by July 1 and was approved 3-2.

This past week, though, council members learned that the general fund could run out of money as soon as March 31. There will be no way to cover a projected shortfall of more than \$3 million, according to a financial report city staff released Thursday.

The council is expected to consider the city's options during a special meeting on Tuesday and has received information from City Attorney Steve Quintanilla about municipal bankruptcy. Council members are also expected to consider whether they should declare a fiscal emergency.

To say this has been a difficult week for Desert Hot Springs is an obvious understatement.

"I'm concerned for the city," said Parks, who was first elected to council in 2005 and has been mayor since 2007.

Despite claims from other city leaders that the council was told in October that fiscal problems were likely, Parks contends she knew nothing and believed there was enough money to cover expenses through the end of the fiscal year.

That the city might now have to make drastic cuts to staffing and even consider declaring bankruptcy is mind-blowing, she has said.

"Seeing across-the-board cuts in salaries and benefits will probably result in the leaving of most employees with institutional knowledge, who can go anywhere in the county and get a comparable job," Parks said Saturday.

Sanchez said he's "going to wait until Tuesday's study session before (making) any types of suggestions about where we need to go."

"I want to get input from my colleagues and the residents of the city before developing strategies," Sanchez said. "This is not me as mayor having a plan. We want to get away from what we've had in the past."

Betts said Saturday that the possibility of a mayoral change could go a long way to making things better in Desert Hot Springs.

“I think it’s going to make it a whole lot easier to not only solve our financial problem but also to lift up the median incomes of the residents in our city,” Betts said.

Sanchez trailed Parks by 27 votes Saturday morning, but Sanchez narrowed the gap with every new count update from the registrar’s office.

Desert Hot Springs voters ousted incumbent Councilwoman Jan Pye Nov. 5 in favor of challenger Joe McKee — a familiar face on several city commissions. Mayor Pro Tem Scott Matas retained his seat.

Parks, Matas and Pye campaigned together this election, while Betts backed Sanchez’s mayoral bid.

Should Sanchez become mayor, his council seat would be open.

When a council seat is vacated within 90 days of an election, Desert Hot Springs municipal code says the seat would be filled by whoever received the next highest amount of votes.

Under that scenario, Pye would be back on the City Council to fill Sanchez’s council term, which runs through 2015.

Parks credits Sanchez’s lead to a last-minute, vote-by-mail push, which she said made the race so competitive. It’s a strategy she believes the Democratic Party or unions helped Sanchez with.

“I consider it extremely smart to be honest,” she said, adding, “I don’t think he thought about it himself. Let’s put it that way.”

Sanchez credits his get-out-the-vote efforts. He said he walked precincts, talked to people in the supermarket and visited his constituents’ homes.

“At the end of the day, we covered all our bases,” Sanchez said.