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## **Desert Hot Springs facing \$3.37M gap mulls options**

**Desert Hot Springs councilman: City Hall salaries at top of cuts list**



*Facing a \$3.37 million budget deficit, the Desert Hot Springs City Council will meet Tuesday to weigh several options in an attempt to avert a fiscal crisis. / Desert Sun file*

**DESERT HOT SPRINGS** — Facing a \$3.37 million budget deficit, the Desert Hot Springs City Council will meet Tuesday to weigh several options in an attempt to avert a fiscal crisis.

During the special meeting, council members will discuss several cost-cutting options presented by city staff in a [report released last week](#), including cutting a wide array of city positions and services, filing for bankruptcy and even disincorporation.

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“We have two years worth of recommendations we are going to be revisiting, such as an immediate reduction in staff salaries,” said Councilman Russell Betts. “I don’t know who came up with this list but not everything on it is realistic.”

The outline includes a list of 102 items that city leaders may consider Tuesday night, including the elimination of five sworn police officer positions, which are currently unstaffed; furlough days and a 10 percent cut in city employee benefits; closing down the senior center; and eliminating \$250,000 in funding for the Boy & Girls Club.

Before the city makes any cuts that will impact the public, “there are salaries that have to be knocked down from the stratosphere and put in a normal range,” Betts said. “We are going to start at a bloated City Hall.”

Betts said public safety spending will be closely looked at, especially with the Desert Hot Springs Police Department, whose contract to police the city ended in June.

According to public documents, the highest- paid police sergeant at Desert Hot Springs makes \$130,566 yearly with incentives and the highest-paid patrol officer makes \$94,938. These two salary numbers reflect the rate of pay as of Oct. 8 of this year.

However, public safety spending on fire is not an issue, said Betts. The city currently “has an excellent deal” with the Riverside County Fire Department, paying \$54 per capita when other cities are pay \$80 to \$100, Betts said.

“We also have a code enforcement contract for \$750,000 a year that needs to be looked at,” Betts said. “This whole thing is going to be serious cost cutting. We are not going to have 15 city employees with compensation packages of \$200,000 a year.”

“The objective is to avoid bankruptcy filing,” he said.

**According to a report by city staff, the city is expected to run out of “general fund cash by March 31, 2014.” To avoid this possibility, the report states that “the city will need to take steps to declare a fiscal emergency very soon.”**

Interim Desert Hot Springs City Manager Bob Adams said Friday city leaders were warned weeks ago the city faced significant financial problems in the coming fiscal year. However, city staff did not immediately provide specific numbers, opting instead to hold off until they knew for sure how bad the situation would be, Adams added.

“This blindsided me horribly,” Desert Hot Springs Mayor Yvonne Parks, who also sits on the city’s finance committee, told The Desert Sun on Friday. “I had no anticipation of this. None whatsoever.”

Desert Hot Springs previously declared bankruptcy in 2001. The U.S. city that most recently declared bankruptcy was Detroit.

In regards to borrowing money to lessen the blow to public service employees, Betts said “we are absolutely not going to borrow. That would be like paying off my Visa to pay for the MasterCard.”

“At the end of the day, we have to live with ourselves when we get out this financial mess,” he added.