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Desert Hot Springs declares fiscal emergency

DESERT HOT SPRINGS, Calif. -

Desert Hot Springs City Council declares fiscal emergency after city staff presents a bleak financial report which could see the city running out of money in March of next year.

Last Tuesday, more than 150 Desert Hot Springs residents attended a special meeting of the city council to discuss possible solutions for the current budget shortfall and potential bankruptcy. "This is like, you know an asteroid's going to hit the Earth," said interim city manager Robert Adams to the city council.

Adams painted a bleak picture of the city's finances, estimating a structural deficit of anywhere between \$3.7 million and \$6.9 million if the city continues with the current budget. Whatever the number, Adams told the council, if nothing changes, the general fund will run out on March 31, 2014, the end of the fiscal year. The massive deficit could propel the city into a financial crisis and even force it to file for bankruptcy, like it did in 2001. "Right now, we have a problem," said Adams. "We don't have a solution today. We have some potential solutions, we have some suggestions and possibly by next week, we'll have some serious recommendations."

The council made some of those suggestions in front of a large, vocal crowd. There was applause for some possible solutions like cutting the base salaries of city employees. Other ideas were to cut the auto allowance of city council members by 50%, cut the amount spent on paying out leave and vacation time to employees, which amounts to about \$250,000 to \$600,000 a year. Ideas for raising revenue were also brainstormed. One area that residents took a stand on was public safety. "One thing Desert Hot Springs cannot afford to do is get rid of our police department," said Vincent Sellecchia. "We cannot do that, we can't lower their salaries, you get what you pay for in life."

Mayor-elect Adam Sanchez said he believes the city can avoid having to file for bankruptcy but not without looking at all of its options, including some cuts to the force. "When the police department and everything under it is over 60% of the budget, realistically we have to go straight across the board," said Sanchez. There's currently 34 approved positions at the police department, 29 are filled. The five vacant spots would likely be the first to be cut.

Councilman-elect Joe McKee made his debut at the meeting and took the opportunity to ask the city to come together to help avoid the budget shortfall. "We need to help from everyone that's here," said McKee. If you have suggestions and things that we can do, we need to put together a cadre of volunteers to help with some of the things we need to do."

The council will decide where to make cuts at tonight's meeting. While it's unclear how it might affect public safety, Adams did make it clear, this will not be a quick fix. "I don't think it's something we'll be able to solve in one year," said Adams. "What we want to do is to solve enough that we really have time to look at how we provide services. "