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## Desert Hot Springs eyes \$2.2 million city pact in search for cuts



*The entrance to Desert Hot Springs City Hall located at 65-950 Pierson Blvd. in Desert Hot Springs is shown on June 5, 2009.*

**DESERT HOT SPRINGS** — The Desert Hot Springs City Council will hold a special meeting on Thursday to review the city's code compliance program in an effort to deal with the city's financial crisis.

Faced with a more than \$4 million budget gap, the council declared a fiscal emergency in November as a means to cut costs and produce enough cash by June to pay city employees and other contractual obligations.

Desert Hot Springs is projected to spend more than \$18 million this fiscal year while bringing in \$13.9 million in revenues, according to city documents.

"The council had talked about having a code enforcement study session and this is something the contractor is preparing," said Mayor Pro Tem Russell Betts.

In September, as previously reported, the council approved a three-year, \$2.2 million deal with AndersonPenna for code enforcement services.

Former Mayor Yvonne Parks, Councilwoman Jan Pye and Councilman Scott Matas voted in favor of the contract while Mayor Adam Sanchez and Betts, both councilmen at the time, voted against the deal.

The contract for code services, which would cost more than \$730,000 a year, was approved despite a recommendation from the city's Finance Committee that the city spend less than \$450,000, Betts said previously.

"I felt we didn't give it enough time to get competitive bids," Betts told The Desert Sun on Monday. "I think with the current budget situation it's important to find more ways to save money on code enforcement."

Sanchez said that the council had given direction to interim city manager Bob Adams to meet with the city's vendors and one of the biggest ones is code enforcement. Cost reduction and the scope of services provided by AndersonPenna will be part of the discussion Thursday, he added.

"We really have to dig in and do our due diligence to see how we want code enforcement in our community," Sanchez said.

"This is a good opportunity to have an open discussion about code enforcement in our city.... We really need to learn all aspects of code enforcement and see what is the best way to move forward with the financial times we are facing."

The contractor, AndersonPenna, will address three cost-cutting options at the meeting, which include staffing the entire program with volunteers, eliminating contractors and hiring in-house city employees, and reducing the number of contract employees, according to city documents.

To date, in an effort to cut costs and save the city from bankruptcy, the council has cut almost all city employee and police salaries by more than 22 percent; has immediately frozen cash payouts for unused vacation time for non-union city employees; and has halted all citywide expenses for travel, training and conferences.

The council has also voted to end the city's lease agreement with the Boys & Girls Club of Coachella in the city's year-old Health and Wellness Center, which cost the city about \$250,000 a year.

In spite of the cuts, however, the city still needs to find nearly \$2 million in additional savings by June in order to pay all of its city employees, including its police and fire services.

Reporter Dave Nyczepir contributed to this report.

