

**City of Desert Hot Springs
Budget Savings, Cost Recovery & Revenue Enhancement Ideas**

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FY13/14 FY14/15

1	City Council - Eliminate City Council Stipends & Benefits	\$26,733	\$53,465	Will save City money; may decrease number of people willing to run for City Council
2	City Council - Eliminate Council Auto Allowance	\$18,000	\$36,000	Will save City money; may decrease number of people willing to run for City Council
3	City Council - Eliminate Video Recording Services (services will cost more in FY 14/15)	\$12,500	\$35,000	Will save City money; sound, or fixed cameras, can be used to record meetings; there will be costs if fixed cameras are used; quality may not be good from fixed cameras.
4	City Council / Employees - Consider using another medical insurance provider, such as Kaiser, to reduce costs			Would eliminate availability of certain doctors & medical facilities.
5	City Council / Employees - Freeze salary increases immediately; reinstate the raises once the City gets out of fiscal insolvency; no back pay, but allow employees to move up in steps and have their salaries restored after financial situation has improved.			Would reduce current costs; provide incentive for employees to "tough it out" during increased work load.
6	City Council / Employees - Make sure that Council & staff are requesting scholarships to attend training & other events due to the financial condition of the City.			Will save the City money on training & other costs
7	City Council / Employees - Retain 3 vehicles once the AQMD-funded CNG vehicles are received; use as "City Pool" vehicles for Council / Staff travel needs.			Would save on mileage reimbursements.
8	City Hall - Consolidate Bldg A & C			May not be enough space for Council offices, staff offices, conference rooms, etc.
9	City Hall - Consolidate City Administration/Finance with MSWD			Need Council direction; need MSWD's opinion
10	City Hall - Shut down Bldg B			Currently being used for storage
11	City Hall - Talk to County about using the vacant building on Palm Drive.		\$600,000	Lease the building for \$1 per year for 20 years; have County provide \$300 - \$400K for tenant improvements; Benefit to County = City doesn't need to disincorporate; sell City land under current City Hall modulars for approximately \$600,000.
12	City Hall / Public Works - Close City Hall for the two weeks of Christmas & New Years			Require employees to use their accrued leave to take this time off; will reduce utility costs; will reduce accrued leave balances and future cash payouts.
13	City Hall / Public Works - Furlough staff for 1/2 day on Thursday; close City Hall at noon.			Staff is currently scheduled to work four ten-hour days; this would be a five hour, or 12.5% reduction; this would allow staff to seek additional part-time work if needed to supplement their income.
14	City Property - Sell approximately 7 acres to College of the Desert for a West Valley Campus			Possibly generate \$1.3 - \$1.6 million
15	City Property - Shut down both buildings at Tedesco Park	\$5,000	\$10,000	Reduce number of facilities available to community.
16	City Property - Stop watering the lawns/fields at public facilities	\$89,907	\$179,813	Grass would be brown.
17	Citywide - Aggressively enforce business license, signage & other requirements			Will not happen if code enforcement is reduced
18	Citywide - Annex into Cathedral City or Palm Springs			Need Council direction; need other Cities' opinions of this idea
19	Citywide - Auction off city property and/or city equipment			This generated cash for the City in the past; auction off City-owned property; selling some City properties may not be viable, at this time.

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20	Citywide - Contract out all City Hall services (Willdan, etc.)			Need Council direction; initial costs may be lower, however, levels of service may be lower; may lose valuable employees; lose institutional knowledge of City when long-term employees leave; contractors normally do not have the same loyalty to an organization that employees have.
21	Citywide - Cut all travel out of the budget			Police Dept has mandated training; Staff are attending free training or minimal cost webinars; training is important for the reduced number of staff, as they are required to carry more workload, at reduced pay; some Departments are not attending training in order to save money.
22	Citywide - Debt Service - Use the debt reserves for one year and pay back over a 3-year period.	Conserves cash		This would create a technical default on the City's debt; would have to be budgeted in the very next fiscal year to start re-payments on the debt reserves; bondholders may choose to sue which would increase City legal fees.
23	Citywide - Development Impact Fee "DIF" Study			A new DIF study is needed because the City annexed an additional 4,000 acres; DIF cannot be used to make improvements in the annexed area because a nexus has not been established; cost estimates range from \$25,000 - \$45,000.
24	Citywide - DISINCORPORATE			The City would cease to exist; County is required to provide minimal services such as Police, Fire & Sanitation; levels of service would decrease dramatically; City would be a small part of a large County thereby reducing local control; would reduce the ongoing legal fees and insurance costs that residents have to pay.
25	Citywide - Eliminate CVAG MOU		\$35,000	City will no longer be a partner in regional government affairs. This could cripple the City by not being able to receive grant funds for projects (i.e., 1e11 parkway, TUMF projects, CVMSHCP, CVCC, Energy and Environmental Resources Committee, Desert Cities Energy Partnership, Technical Planning Subcommittee, PS, Technical Advisory Committee, Exec. Committee, Transportation Technical Advisory Sub-Committee, Transportation Committee, Solid Waste and Recycling Technical Working Group, Public Safety Committee Meeting)
26	Citywide - Eliminate CVEP I-Hub		\$12,500	Need Council direction; not enough return on investment for DHS, at this time?
27	Citywide - Eliminate CVEP Membership		\$25,000	Need Council direction; not enough return on investment for DHS, at this time?
28	Citywide - Eliminate Hoteliers Association Funding	\$15,903	\$63,610	Need Council direction; the City is currently paying for a billboard on the I-10 and other marketing costs.
29	Citywide - Eliminate street sweeping or charge to CFD; increase NPDES rates	\$29,400	\$58,800	The County Service Area 152 assessments should be increased to cover actual costs incurred; the general fund is currently subsidizing this cost; DHS charges the lowest cost in the County at \$1.56 per benefit assessment unit ("BAU"). The next lowest city charges \$4.26 per BAU.

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30	Citywide - Go to FY12/13 Actual Year-End Budget Numbers (these numbers are compared to <u>adopted</u> budget).	\$629,446	\$1,258,892	Need to declare a Fiscal Emergency in order to meet these numbers due to higher costs of PERS, workers comp, etc; may not be able to because of contractual obligations.
31	Citywide - Janitorial service-cut to 2x/week for all facilities, including PD, Sr Ctr & Carl May; Jail is required to be cleaned daily.			Would need to be negotiated
32	Citywide - Janitorial services in Parks - Have outside facility users pay for clean up or do their own clean up			Need Council direction.
33	Citywide - Reduction in electrical costs due to AQMD-funded Solar mount on City property.			Win / win situation.
34	Citywide - Revise the parcel tax to make it equitable for all City residents and property owners; consolidate the Ptax and the Ptax2 into one new measure; increase assessments on vacant land.			Spread costs of Public Safety equitably among all City residents & property owners; include a CPI in revised measure; Public Safety, including Police, Fire, Animal Control, Code Enforcement, Emergency Preparedness, etc. cost \$10.9 million in FY 12-13.
35	Citywide - Talk with County (again) about placing a County jail facility in DHS			Would generate good-paying jobs for the community; would save driving time for Public Safety.
36	Citywide - Update fuel tracking system			Actuals being tracked by Finance as of 7/1/13.
37	Citywide - User Fee Study - Start Over & get it done quickly			Will initially cost money; however, it will pay for itself very quickly; increased cost recovery for City-provided services; cost estimates range from \$19,000 - \$25,000.
38	Citywide - Utility audit of all City utility useage			RFP to be issued by Finance
39	Citywide / Public Works - Cut all City events that involve costs & O/T for PW staff, barricades, etc			These are events that provide value in building a sense of community. However, the City cannot afford to fund these events at this time.
40	Community Services - Close Wardman Park Pool & Buildings	\$44,517	\$89,033	May need access to Wardman if the City is unable to keep the H&WC open.
41	Community Services - Eliminate Cabot's Funding (contract ends June 30, 2014)	\$35,000		Volunteers would have to keep Cabot's open.
42	Community Services - Eliminate CCAC funding for events	\$8,191	\$10,000	Need Council direction; these are events that provide value in building a sense of community; however, the City cannot afford to fund these events at this time.
43	Community Services - Eliminate Chamber Funding	\$25,000	\$50,000	May lead to closure of Visitor's Center
44	Community Services - Eliminate Crossing Guards	\$29,305	\$58,609	Decrease in Communiy Safety, especially for children; ask PSUSD to pay for their crossing guards
45	Community Services - Sell Cabot's and artifacts			Need Council direction
46	Community Services - Senior Center - Close this facility	\$68,629	\$137,258	Will save the City money; will not allow nutrition program to continue; this community has a chronic food shortage for many residents.
47	Community Services - Senior Center - Reduce hours 50%	\$32,500	\$65,000	Will save the City money; this will most likely allow the nutrition program to continue.
48	Community Services - Visitor's Center: Stop subsidizing utilities, etc.			May cause closure of visitor's center
49	Consultant - Effective 11/6/13 the Economic Development Consultant resigned.	\$62,000	\$96,000	Need Council direction; what type of Economic Development does Council want, if any?
50	Consultant - Eliminate Catylist Real Estate Searching Services	\$1,250	\$1,250	Already implemented.
51	Consultants - Reduce all contracts by 10% and eliminate non-essential consultants	\$342,536	\$685,073	Already happening.

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52	Employees - 10% Salary Reduction (salary only); FY 13/14 savings represent Dec-Jun estimated savings	\$388,553	\$674,713	Already seeing lower morale; there are meet & confer requirements with the unions; will likely lose valuable employees; non-public-safety personnel are willing to take cuts, if salary cuts are across the board, including Police Dept; most salaried employees are working overtime to get their work done; need to figure impacts of all personnel-related cuts prior to making final decision.
53	Employees - Actively recruit college-level interns from UCR, CSUSB & COD			Many colleges offer college credit for students that complete internships in fields related to their major.
54	Employees - Decrease Annual Leave accrual and reduce maximum accrual amount allowed to be carried forward.			There are contractual issues & required Meet & Confer; will increase current payouts to employees if maximum accruals are lowered; will decrease future liabilities payable to City employees
55	Employees - Downsize, consolidate and reorganize city government; Re-evaluate all employees and position qualifications			Reorganization & efficiency review would likely generate savings; employees are evaluated on a regular basis, with the employee, the Dept Head and the City Manager signing off on each evaluation.
56	Employees - Eliminate Annual Leave Buy-Out (estimates)	\$150,000	\$465,000	Emergencies only; CM to sign off; need to implement this policy as soon as possible
57	Employees - Eliminate Incentive Pay	\$120,670	\$241,340	Most likely will impact more than 10% salary reduction
58	Employees - Eliminate non-safety city cell phones and ipads	\$4,200	\$7,200	Many City employees have already voluntarily turned in their City cell phones; monthly cost has already been reduced \$600; additional savings possible.
59	Employees - Have employees pay 1% or 2% more of their PERS			May impact more than 10% salary reduction
60	Employees - Have employees pay a higher share of their medical			May impact more than 10% salary reduction
61	Employees - Have employees pay for their dependent's health coverage			May impact more than 10% salary reduction; employees may spend more time taking care of dependents
62	Employees - Increase number of salary steps from 5 to 9			Will increase the length of time it takes for new employees to reach the top step of the salary range; will provide future City savings.
63	Employees - Job Sharing			Most salaried staff are already working paid, or unpaid, overtime to get their work done; non-sworn hourly employees are not working overtime in order to save money; Finance staff will see increased workload due to City's financial situation.

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64	Employees - PERS Golden Hand Shakes			Employees did not take advantage of this the last time it was offered; this will cost the City money up front.
65	Employees - Reduce some full-time jobs to part-time			Most salaried staff are already working overtime to get their work done; hourly employees are not working overtime in order to save money; Finance staff will see increased workload due to City's financial situation.
66	Employees - Split annual leave between sick & vacation			There are contractual issues; changes require meet & confer; will increase payout costs if maximum accrual rate is reduced; annual leave was adopted to provide an incentive to employees not to take too much sick leave; however, annual leave and / or vacation time are paid out when an employee leaves the City's employment; sick leave is not paid upon termination of employment.
67	Employees - Staggered Furloughs			May affect employees w/ dependents and childcare; most salaried staff are already working overtime to get their work done; hourly employees are not working overtime in order to save money; Finance staff will see increased workload due to financial situation of City.
68	Employees - Various cost savings' measures			Unions may choose to sue; increased legal costs to the City.
69	Employees - Voluntary Furloughs			Will not work for sworn; may affect employees w/ dependents and childcare
70	Finance / Community Development - Eliminate Temporary Clerical Workers	\$64,480	\$128,960	Will impact levels of service; both temporary workers have more than full time work; they are not currently working overtime to save money; City needs to ensure that we have bilingual speakers available at the City counter; one Temp is currently filling the vacancy of an authorized staff position.
71	Fire - Close Firestation 36 (Skyborne)	\$12,500	\$25,000	Request County pay for utilities & maintenance; would require contract renegotiation.
72	Fire - County Fire is planning on using the DHS fire inspection program as a model; City is "inventing the wheel"; have County Fire cover set up costs of new program since they plan on taking it countywide.			The Fire Marshall used to do Fire Inspections; the City now has a Fire Inspector that the City is paying; it is hoped that the future fire inspection fees will cover the cost of this program; these fees will not cover the costs of the initial set up of this program.
73	Fire - County to pick up \$150,000 annually for fire for next three years; bill City back over next 10 yrs	\$75,000	\$150,000	Will save the City money initially; will increase costs in the future; requires discussion with the County; benefit to County = helps City not need to disincorporate.
74	Fire - Eliminate landscape maintenance at Firestations	\$5,500	\$11,000	Fire staff will need to maintain their own landscaping; xeriscape the Fire stations to reduce required labor, electricity & water.
75	Health & Wellness Center - Call a special joint session of City Council			Bring together all interested parties to discuss solutions to funding challenges; this would include the Desert Healthcare District, Borrego Medical, the Boys & Girls' Club; Palm Springs Unified School District, etc.
76	Health & Wellness Center - Create a long-term escrow to sell the H&WC at the end of the New Market Tax Credits (approximately 5 1/2 years from now.)			Would generate cash for the City's use; possibly provide operating funds for the H&WC.

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77	Health & Wellness Center - Eliminate Boys & Girls Club Funding	\$125,000	\$250,000	Eliminate a safe place for the youth to go after school; Increase calls for after school problems (fights, gang activity)
78	Health & Wellness Center - Find another operator to run the facility, such as CDBG, if possible.	\$377,032	\$754,065	Need Council direction on H&WC; ongoing maintenance for pool or drain & cover pool
79	Health & Wellness Center / Citywide - Desert Recreation District annexation			Will cost approx \$50,000 to annex; may provide a funding source for the future use of the H&WC; District is already set up to manage large facilities with multiple programs for all ages; would increase overall useage of the H&WC, and possibly other City facilities / parks.
80	Planning Commission - Eliminate Planning Commission Stipends	\$2,942	\$5,883	Will save the City money; may reduce the number of people willing to apply to be on Planning Commission
81	Police - Decommission Camera system	\$75,000	\$75,000	Will save \$75K per year; if decommissioned, PD no longer able to use as a tool; decrease in community safety; recent actual useage has been limited.
82	Police - Unfund 5 sworn positions (from 34 to 29)	\$412,500	\$825,000	Officer safety in jeopardy; decrease in services provided; increase in over-time cost and workers comp claims, do not meet POST recommendations; increase response times; decrease in community safety
83	Police Department - Eliminate Cafeteria Excess	\$22,100	\$44,200	May impact more than 10% salary reduction
84	Police Department - Eliminate Citizens on Patrol program			Court runs will be done by records, officer, or CSO; no volunteers for special events; cost savings on vehicle maintenance; cost savings may be eliminated by increased overtime.
85	Police Department - Eliminate Jailer Services	\$37,500	\$75,000	Will likely increase overall Public Safety costs due to increased overtime; remove an officer from the street; increase response time; officer safety at risk, can call in CSO as needed.
86	Police Department - Eliminate Residency Pay	\$2,400	\$4,800	May impact more than 10% salary reduction; may reduce incentive to Officers to live in town.
87	Police Department /Public Works - Eliminate Uniform Allowance / Uniform Reimbursement	\$22,828	\$45,655	May impact more than 10% salary reduction
88	Police Department - Get out of ERICA JPA and be a user			increase cost to purchase new radios and air time; could cost \$72k - \$1.5mil
89	Police Department - Reduce the transfer from PD to Vehicle Replacement Fund to \$125,000 annually	\$75,000	\$75,000	This covers the cost of the lease agreement.
90	Police Dept - Contract with Sheriff			Need Council direction; undo progress over the past 16 years; increase crime rate; increase response time; no Community-Based Policing ("beat cops"); initial costs may be lower, however, levels of service will be lower; may lose valuable employees; lose institutional knowledge of City when long-term employees leave; Sheriff's Department would be responsible for all worker's comp claims & legal costs related to Sheriff's services.
91	Public Safety - Eliminate 1 Animal Control Officer	\$55,000	\$110,000	Decrease in community safety; increase in response times; increase in animals at large
92	Public Safety - Eliminate 2 Code Enforcement officers	\$110,000	\$220,000	Decrease in revenue; increase in blight; decrease in business license & other cost recovery; decrease in services provided

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93	Public Safety - Eliminate Graffiti Abatement on private property	\$30,000	\$60,000	Increase in graffiti; graffiti will remain longer before resolution
94	Public Works - Bill offenders when Public Works incurs costs to clean up public rights-of-way			Public Works staff can be re-directed to other maintenance needs in the City
95	Public Works - Cabot's - Have volunteers provide landscaping care			Public Works staff can be re-directed to other maintenance needs in the City
96	Public Works - Consolidate Corp Yard with MSWD Yard			Need Council direction; need MSWD's opinion
97	Public Works - Do not purchase storage containers for Missions Springs Park	\$8,000		Have various sports leagues provide for their own needs
98	Public Works - Do not send PW staff to clean up after private parties. Send out 3rd party & bill property owners			Public Works staff can be re-directed to other maintenance needs in the City
99	Public Works - Eliminate Rancho Del Oro Landscape services			Public Works staff can be re-directed to clean up vacant lots where the owner has not complied; property owners can be billed for clean up; have Rancho Del Oro community pay for their own landscaping costs; other residents of DHS are currently subsidizing Rancho Del Oro's landscaping costs.
100	Public Works - Have PW field staff clean vacant lots, as needed, bill for cost recovery			Increased cost recovery
101	Public Works - Solar Street Lighting			Edison owns the lights.
102	Successor Agency - Sell Successor Agency properties			Some proceeds will need to be used to repay bond holders; the City will receive 11% of any proceeds that are distributed to the taxing agencies.