

**City of Desert Hot Springs
Council Member Questions
FY 2014/15 Budget**

Q: Can we have a chart that lists all costs for depts with revenues listed next to them?

A: See chart below. These numbers are from the FY 14/15 budget as of May 15, 2014. The numbers are summarized based upon "Mega-Depts" as it is difficult to break out revenues to each individual department, in some cases.

	<u>REVENUES</u>	<u>EXPENSES</u>	<u>NET</u>
CITYWIDE	\$7,698,891		
CITY COUNCIL		\$131,801	
CITY MANAGER		\$363,234	
CITY CLERK		\$133,086	
CITY ATTORNEY		\$650,000	
NON-DEPARTMENTAL		\$306,000	
		\$1,584,121	
TOTAL			\$6,114,770
COMMUNITY DEVELOPMENT	\$550,100		
PUBLIC WORKS		\$368,305	
PUBLIC WORKS - CITY HALL		\$130,420	
PUBLIC WORKS - FLEET MAINTENANCE		\$12,000	
COMMUNITY SERVICES		\$97,980	
BUILDING & SAFETY		\$251,917	
PLANNING		\$448,818	
LAND DEVELOPMENT / ENGINEERING		\$191,250	
		\$1,500,690	
TOTAL			(\$950,590)
ADMINISTRATIVE SERVICES	\$616,379		
FINANCE		\$540,981	
HUMAN RESOURCES/RISK MGMT		\$195,408	
INFO SYSTEMS & COMMUNICATIONS		\$321,792	
BUSINESS LICENSE		\$54,391	
		\$1,112,572	
TOTAL			(\$496,193)
HEALTH & WELLNESS CENTER	\$134,570		
AQUATIC CENTER		\$249,638	
BOYS AND GIRLS CLUB		\$65,971	
HEALTH CENTER		\$43,895	
COMMUNITY HEALTH & WELLNESS CTR		\$135,000	
		\$494,504	
TOTAL			(\$359,934)

Budget Chart continued:

	<u>REVENUES</u>	<u>EXPENSES</u>	<u>NET</u>
PUBLIC SAFETY	\$4,296,328		
POLICE - PATROL & FIELD		\$6,653,783	
POLICE - ANIMAL CONTROL		\$375,350	
GRAFFITI ABATEMENT		\$120,000	
FIRE SERVICES		\$1,436,147	
FIRE INSPECTION PROGRAM		\$126,933	
		\$8,712,213	
TOTAL			(\$4,415,885)
CODE COMPLIANCE	\$650,000		
POLICE - CODE COMPLIANCE		\$853,783	
		\$853,783	
TOTAL			(\$203,783)
GRAND TOTALS	\$13,946,268	\$14,257,883	(\$311,615)

Q: General Fund Revenue - What is the reason for the 50% projected increase in franchise fees?

A: The budgeted franchise fees include the \$1,000,000 from Desert Valley Disposal for their franchise extension. The City Manager is evaluating other franchise agreements seeking similar revenue sources.

Q: General Fund Revenue - What is reason for VLF projected increase?

A: This is based upon HdL's projection for FY 14/15.

Q: General Fund Revenue - Are we researching (through the Franchise Tax Board) whether or not we are collecting all of the license fees we deserve? Specifically for home businesses.

A: City staff is working closely with other government agencies, for example, the Board of Equalization, in order to identify businesses within the community that are conducting business, but are not yet licensed. Staff went to a free training class on this Monday, May 12th.

Comment: Council should take same salary cut as staff. This would also reduce the City's tax obligation.

A: Council salaries = \$34,200 per year; a 22.5% reduction = savings of \$7,695.
 Council auto allowances = \$36,000 per year; a 22.5% reduction = savings of \$8,100.
 PERS savings for four Council Members = \$5,758 (one Council Member declined PERS coverage). Workers' Comp savings = \$1,455. Payroll taxes savings = \$1,359.
 Total Savings = \$24,367. (\$7,695 + \$8,100 + \$5,758 + \$1,455 + \$1,359.)

Comment: Council Travel & Training – Buy one table for the Senior Inspiration Awards, not two tables.

A: Council Travel & Training is a policy decision to be made by Council.

Q: Why is there such a large increase in City Manager's account 4140?

A: Because we didn't have to pay the Interim City Manager benefits during FY 13/14 because he was a retired annuitant. The current City Manager receives the standard benefits that all City employees receive.

Q: What are the different categories of legal expense?

A: The legal budget of \$650,000 includes the retainer for the City Attorney, as well as bills for Litigation. The budgets break out as follows:

Retainer, net of 10% Discount: \$378,000

Litigation budget \$272,000

Q: IT overtime/on-call What is rationale for such an increase?

A: The IT Manager covered on-call for seven years with no compensation. He was recently promoted, with Council approval, to IT/HR Manager. This increased his responsibilities making him unable to cover on-call time. Therefore, the IT Tech, who is hourly, has now taken responsibility for the on-call time. The IT Tech is only paid overtime if he goes on an actual call.

Q: The payment register regularly shows part purchases from various vendors. Where is this budgeted?

A: These costs are budgeted under Repairs & Maintenance in various Depts.

Q: Public Works - Why the jump in salaries?

A: The Lead Maintenance Tech was moved into this Dept's budget in FY 14/15.

Q: Public Works - Where is Street Maintenance / Slurry Seal budgeted?

A: There are multiple Streets projects in the Capital Projects budget.

Q: Community Services - Why such a jump in utilities?

A: Utilities are being consolidated into this dept in the FY 14/15 budget.

Q: Community Services – What makes up dues and subscriptions?

A: This is the cost of the Riverside County Health Permit for Wardman Pool.

Q: Planning – Where did these salaries go?

A: The City now has a Senior Planner in lieu of two Contract Planners. This increased the budgeted salaries and decreased the budgeted contract services.

Q: Are all the costs (code check, building inspector, engineering, etc) dealing with building being covered by fees?

A: The City is currently completing a User Fee Study with the goal of recovering costs. These costs, and associated revenues, are included in the budget chart above, in the Community Development “Mega-Dept.”

Comment: I thought Borrego was paying for their utilities – See Health Center.

A: Yes, Borrego is reimbursing the costs of their utilities, landscaping & pest control. The revenue is account 211-3724 – Reimbursements. Their share of FY 14/15 costs are budgeted at \$43,895. The Reimbursements revenue is also budgeted at \$43,895.

Q: Public Safety – Acct 3305 – Vehicle Impound Fees – How many vehicles are we talking about?

A: Finance came up with the estimate of \$26,000 based upon prior trends. This is slightly lower than the actual amount collected in FY 13/14. Public Safety can address the number of vehicles.

Q: Public Safety – Acct 3308 – Administrative Citation – Is this realistic?

A: Finance came up with this estimate based upon past trends. The City has received \$459,212 through April 30, 2014. This represents eight months worth of revenue (due to year-end accruals.) $\$459,212 \div 8 \text{ months} \times 12 \text{ months} = \$688,818$ estimated total revenue for FY 13/14. A conservative estimate of \$650,000 was used.

Q: What grants do we expect to receive for Public Safety?

A: Grants received in the past include: SHSP, Sobriety Checkpoints, Bullet Proof Vest grants, Avoid the 30 DUI campaign grants, and CERT grants.

Q: What is represented in the budget category, “Police Patrol & Field?”

A: All direct Police Dept costs.

Q: Please provide a detailed breakdown of Police Officer positions.

A: The sworn officer positions are as follows:

1 Chief

1 Commander

5 Sergeants – 4 on Patrol, 1 to Detectives

20 Officers (when fully staffed), as follows:

1 to Gang Task Force

1 to PACT Team

1 to School Resource Officer

1 to Traffic

2 to Detectives

14 to Patrol

Q: If we are forced to contract with the Riverside County Sheriff's for public safety, how much are the buyouts for the Police Department?

A: The accrued leave on the books, as of the May 8th payroll = \$211,189.

Q: Why are Code Enforcement & Graffiti Abatement combined in the budget?

A: Graffiti costs have now been moved into their own Mini-Dept. See 245-42-27-4320.

Q: What is fund 501? Is there revenue attached to it?

A: Fund 501 is the Citywide LLMD that includes maintenance for the City parks & medians. This fund has two revenue sources. Budgeted Special Assessments of \$575,067 and a Transfer In from the General Fund of \$50,000 to cover the remaining expenses.

Q: LMDs - Where does the transfer come from to cover the deficit? General Fund?

A: Yes, the General Fund has to subsidize the Citywide LLMD because the assessments do not cover the entire cost. The General Fund is budgeted to transfer \$50,000 to the Citywide LLMD in FY 14/15.

Q: Successor Agency "SA" – What is the assumption for the \$500K?

A: This revenue was included in case the SA sells properties during FY 14/15. The assumption is, with SA and Oversight Board "OB" approval, that an additional \$500K payment, on the debt, would be made. Therefore, this is a net zero. If no properties are sold during FY 14/15, no additional debt service payments would be made.

