



FY2009-10 Annual Operating Budget

***City Council Meeting
June 22, 2009***



Factors

- FY2009-10 Annual Operating Budget
- The economy continues to weaken affecting Sales Tax and Building activity
- State impacts – deferred or lost funding
- DHS Unemployment Rate – 17.5%+
- Property taxes are down significantly (29%)
- TOT revenues are down



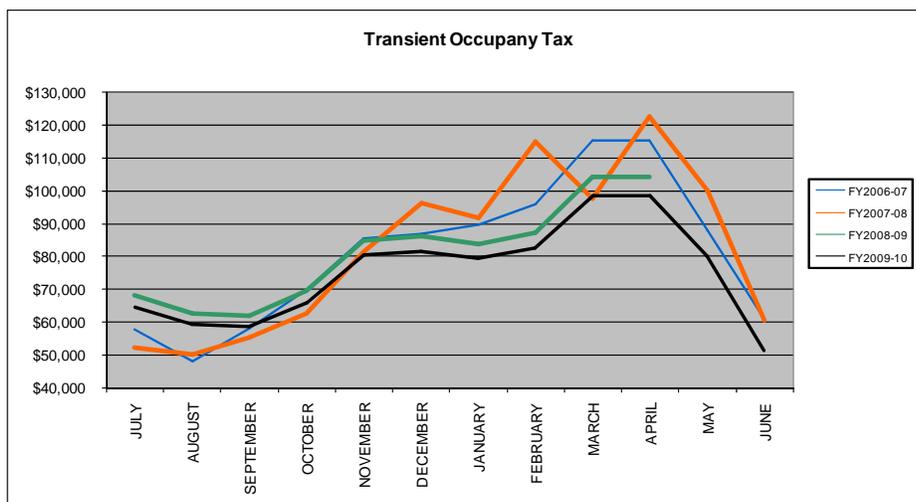
Projected Revenue Impacts

- Property Tax – Down \$1,026,100
 - Secured Roll – Down \$278,100
 - Property Tax In-Lieu of VLF – Down \$728,000
 - Transfer Tax – Down \$20,000
- Sales Tax decline – Down \$72,000
- Transient Occupancy Tax - Down \$50,000
- Grants – Down \$235,000
- Pass-through payments – Down \$87,000
- Other net declines- \$65,350

Total Revenue Impacts - \$1,535,450



Transient Occupancy Tax





Projected Cost Impacts

- **Annexation/MSHCP/General Plan Consultant Costs - \$828,750 (one-time costs)**
 - MSHCP - \$300,000
 - General Plan Update - \$168,750
 - I-10 Annexation Completion - \$50,000
 - Annexation #3 – Indian Avenue West to Highway 62 - \$310,000
- **Police Department Costs – Up \$1,612,563**
 - 4 new Police Officers (Staffing authorized from 29 to 33 – eight more than beginning of last year)
 - Full year for new officers hired last year (4 officers)
 - Full-year of 10% MOU adjustment January 1, 2009
 - 5% MOU adjustment due January 1, 2010
 - Modification of accounting for split across funds
 - Workers' Compensation adjustments/ERICA debt payment

Total Cost Impacts - \$2,427,503



Projected Total Impacts

Impacts to City:

Revenue impacts:

Property Tax decline	\$ 1,026,100
Sales Tax decline	72,000
Transient Occupancy Tax decline ¹	50,000
Grants	235,000
Pass-through payments	87,000
Other	<u>65,350</u>
<i>Total Revenue impacts</i>	<u><u>1,535,450</u></u>



Projected Impacts

Cost impacts:

One-time costs:

Multi-Species Habitat Conservation Plan (MSHCP)	300,000
General Plan update	168,750
I-10 Annexation	50,000
Annexation #3 - Indian to Western City Limits	280,000
LAFCO fees	30,000
<i>sub-total one time fees</i>	<u>828,750</u>

Police Department Costs:

4 new Police Officers	500,000
Full year for new officers hired last year (4 officers)	250,000
Full year of MOU changes	225,000
5% MOU adjustment due January 1, 2010	150,000
Jail services - increase	30,000
Cost allocation modification (split cost centers)	208,000
Workers' Comp, insurance & other adjustments	235,753
	<u>1,598,753</u>

Total Cost Impacts 2,427,503

Net initial projected deficit \$ 3,962,953



Measures

- Department budget cuts
- Funding one-time expenditures with one-time revenues
- Early Retirements
- Layoffs/Furloughs/Benefit Modifications
- Revenue Measures & City overhead recovery



Measures (continued)

<u>DESCRIPTION OF MEASURE</u>	<u>AMOUNT</u>
Preliminary Budget Deficit	\$ (3,962,953)
One-time expenditures funded by one-time revenues	979,036
Proposed Cuts - Various Department line item cuts	196,000
Early Retirements/Layoffs/Furloughs/Benefit Modification	617,456
Amend Pass-through agreement with RDA and City	200,000
Stagger hiring the four (4) COPS (1 per quarter)	187,125
Cooperative Agreement with RDA on City Services	1,602,336
City Overhead - Charge other City funds	<u>181,000</u>
<i>Net Surplus/(Deficit)</i>	<u>\$ -</u>



Measures (continued)

- Focus on “Sustainability” of the City’s core functions
- Restructure and reorganize our resources to better meet our City Council priorities
- Rethink the way we do business at all department levels
- Pursue grants
- Aggressively pursue measures to increase property values despite economy
- Invest to solidify the future of the City (annexation)
- Improve employee skill level

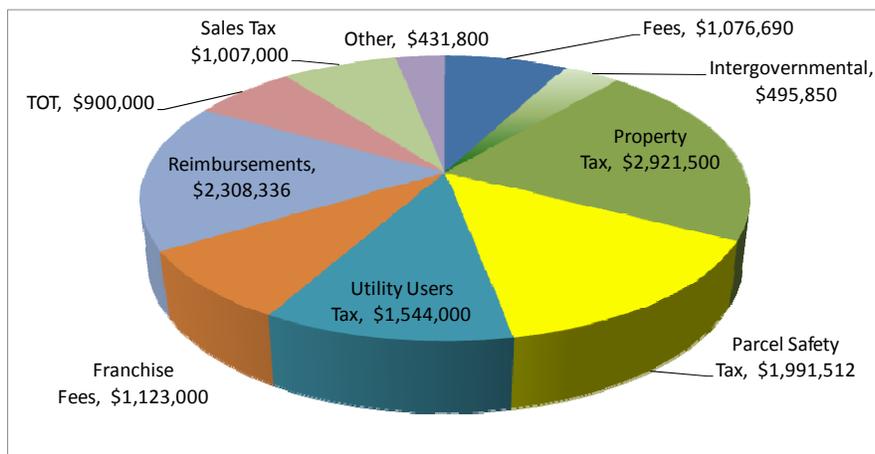


Measures (continued)

- Improve Accountability through Performance Measures
- Implementing automation to create efficiencies (Agenda Manager)
- Ongoing Audits of Hotels
- Parcel tax, UUT, and Cost Savings audits
- Purchasing Policy has been updated (4/21/2009)
- Implement Best Practices in providing City services



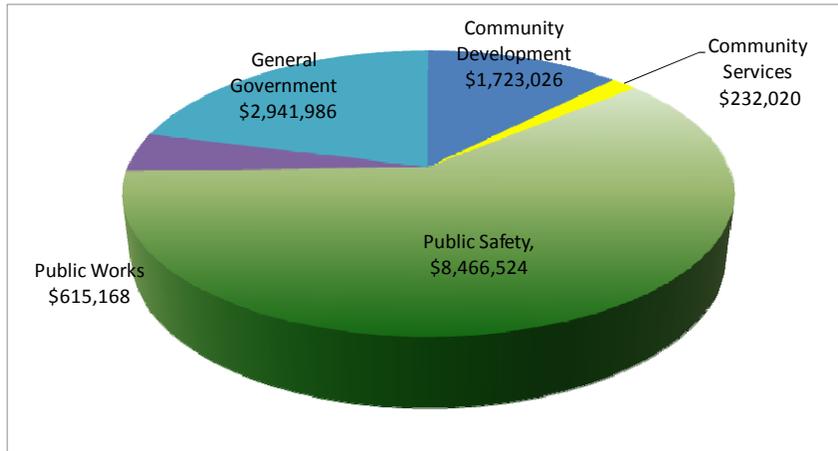
FY2009-10 General Fund Revenues



Total Estimated Revenues - \$13,799,688



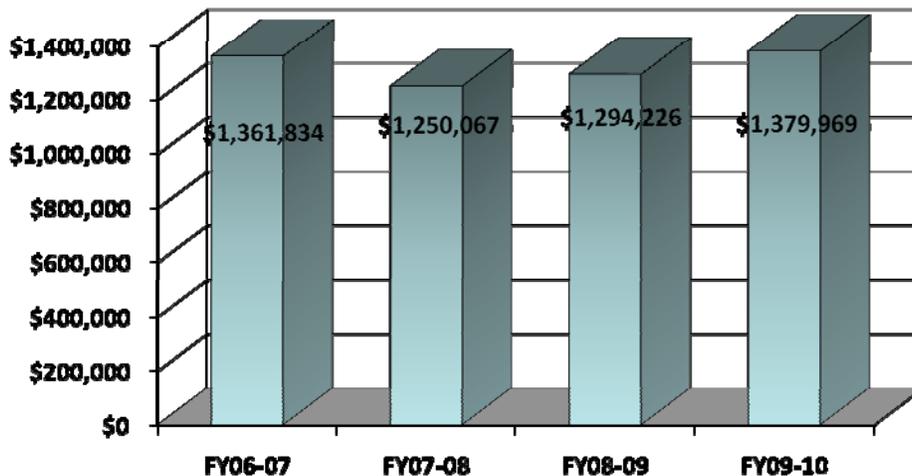
FY2009-10 General Fund Expenditures



Total Projected Expenditures- \$13,978,724



Fund Balance Designated for Economic Uncertainty (10% of Appropriations)





I-10 Annexation

- On March 17, 2009, the City Council approved Pre-Zoning designations resulting bordered by the City limits to the north, Indian Avenue to the west, Palm Drive to the east and I-10 to the south resulting in :
 - Future increases in housing and employment opportunities
 - Better public services
 - A future revenue source for the City.



Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP)



- The City now has the responsibility to protect over 1,900 acres of sensitive plant and animal species in two conservation areas through the policies and provisions of the Plan.
- An EIR is currently being prepared for the City to be included as a member of the CVMSHCP



General Plan Update

- The City is currently updating the General Plan and we invite the public to get involved and provide input. The City will have a:

- General Plan Website to provide:
 - 24 hour access to information
 - Community news and updates
 - Contact information
- General Plan Newsletter
- Build Optimism in the community
- Keep residents informed



Comments

- General Fund Budget is Balanced
- Staff will continually monitor the State, the Economy, and City Activities



Public Outreach

Citizen Communication

- City Newsletter
- City Web site improvements and information added almost daily
- Treasures of Desert Hot Springs

www.cityofdhs.org



Collaboration

- Hoteliers
- Desert Hot Springs Chamber of Commerce
- Palm Springs Desert Resort Communities Convention and Visitors Authority (CVA)
- West Valley Leadership Group
- College of the Desert



FY2010-2014 Capital Improvement Plan

*City Council Meeting
June 22, 2009*



Community Projects

Boys and Girls Club

- Breaking Ground - 8/2009
- Land
- Infrastructure improvements
- Teen Center
- Community Room
- Aquatic Center

**Groundbreaking
- August 2009**





Community Projects

Desert Hot Springs Civic Center



Conceptual Designs include:

- Boys N Girls Club
- Aquatics
- City Hall
- Senior Center
- Police Station
- Library
- Retail
- Office



Traffic Safety

City Pavement Rehabilitation Project



- Improved 20 miles of City Streets during FY2008-09
- Program continues with 17 more miles of streets during FY2009-10



Traffic Safety

Upcoming Projects

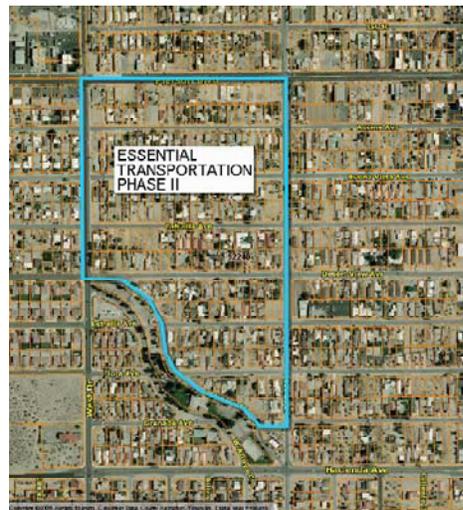
- Traffic Signal at Palm Drive and Camino Campernero by December 2009
- Traffic Signal @ Little Morongo & Mission Lakes planned
- Hacienda Rehab from West to Palm
- Hacienda Sidewalk And Street Improvements East
- Slurry seal & City wide street striping (ongoing)



Traffic Safety

Essential Transportation Phase II

- Streets located between West and Cactus and between Pierson and Hacienda
- Projected Construction Start Fall 2009
- Federal Funds from Congressman Jerry Lewis



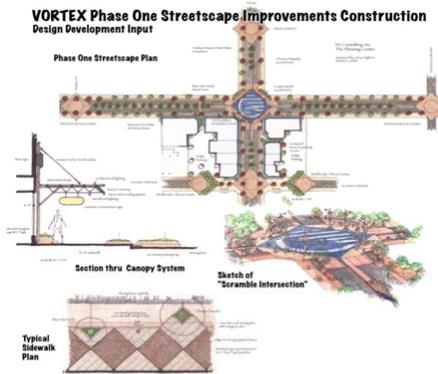


Community Projects

Palm Pierson Streetscape Improvements

Improvements include:

- Streetscapes
- Sidewalk Improvements Lighting
- Signage
- Medians
- Public Artwork



Parks

Mission Springs Park

A Master Plan for the park is being developed to :

- Improve parking lot
- Add soccer fields
- Remove baseball fields
- Improve existing restrooms and structures





Community Projects

Neighborhood Renewal Plan

- Renew existing neighborhoods with property improvements
- Home Improvement Grants
- Front Yard Landscaping Grants
- Infrastructure Improvements
- Property acquisition and assembly of parcels for qualified projects
- Funding for qualified housing projects
- Planned \$5.8 million for NRP
- County provided additional \$2.8 million for NSP portion



Fire Station



Improvements

- Expansion and
- Additional sleeping area

- Venting System
- Early Warning Detection **Done**
- Generator



Police Station



Improvements

- Interior Renovations
- Improved Work Space for officers
- 1700 sq ft addition



Cabot's



Improvements Completed:

- Freestanding Public Restroom Facility
- ADA Pathway Improvement

Improvements Planned:

- Climate controlled Facility
- Curation of Art and Artifacts (\$400k)
- Parking Lot
- Landscape/Irrigation Improvement



Infrastructure

- Indian Avenue Drainage (\$16 million – Federal)
- Carl May Tenant Improvements
- Teen Center Facility Rehabilitation
- Skateboard Park Security Fencing & Restroom Facilities



Property Acquisition



Redevelopment Agency Property Acquisition

- RDA continues to purchase targeted downtown property to assemble sites for new retail, hotel and restaurants to the City.



Downtown Improvements

Downtown Façade Improvement Project



- Design concept underway
- Renovations
- Signs
- Doors
- Windows
- Awnings
- Graphics
- Lighting
- Landscaping
- Up to \$40,000 per business



Thank You

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