



CITY OF PALM DESERT
CITY MANAGER'S OFFICE
INTEROFFICE MEMORANDUM

Date: October 12, 2023
To: Honorable Mayor and Councilmembers
From: Anthony J. Mejia, City Clerk
Subject: **City Council Meeting of October 12, 2023**

Below you will find questions received from the Mayor or Councilmembers and answers provided by City staff regarding tonight's City Council meeting:

ITEM 14a: AWARD OF CONTRACT FOR AFFORDABLE HOUSING COMPLIANCE AND PROPERTY MANAGEMENT SERVICES TO FALKENBERG/GILLIAM AND ASSOCIATES, INC., FOR A FIVE-YEAR TERM, WITH AN INITIAL ANNUAL COST FOR CALENDAR YEAR 2024 IN AN AMOUNT NOT TO EXCEED \$655,032

Q1: Did the previous contract expire? If the City decided to not renew the contract, was it a matter of cost, or was there cause?

A1: The current management agreement expires December 31, 2023. An RFP is customary when the term expires. The current management company did not submit a proposal.

ITEM 14b: INTRODUCTION OF AN ORDINANCE AMENDING CHAPTER 5.04 OF THE PALM DESERT MUNICIPAL CODE REGARDING BUSINESS LICENSING AND TAXING PROCEDURES, AND MAKING A FINDING OF EXEMPTION UNDER CEQA

Q1: Will the City Council get notifications about revocations or suspensions independent of Consent Calendar items?

A1: Yes, City staff will copy the City Council on any suspension and revocation letters.

ITEM 14d: AWARD CONTRACT TO SPORTS FACILITIES MANAGEMENT, INC., FOR THE MANAGEMENT AND OPERATION OF THE PALM DESERT AQUATIC CENTER

Q1: In reviewing the materials there are ideas for movie night and food trucks; however, is there going to be future discussion on adding water features to the Aquatic Center? When will the City Council be presented with a fee structure and a 5-year business plan from this new company and how much will the City need to subsidize?

A1: The Fiscal Year 2023/24 CIP budget includes \$100,000 for design of updates to the aquatic center. City staff intend to target new water features, outdoor showers, heaters, and other updates to the pump room including the filtration system. The 5-year management fee structure for Sports Facilities Management's operation of the facility is included in the staff report under Financial Impact. Estimated costs for salaries and other expenses to support the aquatic center are also included in the table. If the contract is awarded to SFM, City staff will work with their team to approve a transitional plan leading up to the January 1, 2024, full-facility operation, and a business plan to set targets for the next 5 years.

The updated scope of work for the management contract also includes metrics that will be helpful for financial analysis. Considering the fee increase effective January 1, 2024, City staff will analyze data available through Summer 2024 to determine how the fees and new management contract have impacted operations from both the revenue and expense sides.