

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: November 14, 2024

PREPARED BY: Chris Escobedo, Assistant City Manager  
Veronica Chavez, Finance Director

SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO IMPLEMENT THE PALM DESERT TRANSACTION AND USE TAX – 5 YEAR SPENDING PLAN AND PRIORITIES AND EXECUTE THE NECESSARY AGREEMENTS FOR THE ADMINISTRATION AND IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX

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## **RECOMMENDATION:**

1. Adopt a Resolution entitled, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO IMPLEMENT THE PALM DESERT TRANSACTIONS AND USE TAX – 5 YEAR SPENDING PLAN AND PRIORITIES AND EXECUTE THE NECESSARY AGREEMENTS FOR THE ADMINISTRATION AND IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX.”
2. Authorize the City Manager to execute all documents necessary to effectuate the actions taken herewith and amend the terms of staffing as may be necessary from time to time to respond to immediate community needs.

## **BACKGROUND/ANALYSIS:**

At the June 14, 2024, meeting, the City Council unanimously voted to adopt a resolution calling for the placement of a general tax measure on the ballot for the November 5, 2024, General Municipal Election. The ballot measure, identified as Measure G, proposed a one-cent general transaction and use tax (sales tax). At the time of this report, Measure G is ahead with 65.12% of the vote, with a minimum of 50% + 1 required for passage.

Alongside the tax measure, the City Council adopted a 5-year spending plan and priorities (Attachment 1), outlining to the community how the funds from Measure G would be spent. Staff now seeks authorization, through this resolution (Attachment 2), to begin implementing these priorities. Several essential services require additional revenue to maintain Palm Desert’s quality of life and safety, including:

- New fire services staffing,
- Fire Station 33 Renovation/Temporary Site,
- Fire Station 71 Renovation/Temporary Site,
- New police services staffing,
- Storm channel and retention basin improvements,
- City-wide facility and equipment replacement,
- New Public Works staffing,
- Library construction,

- North Sphere regional park, and
- Spending contingency/reserve replacement.

While priorities are projected over five years, some items are included in this implementation authorization due to the 12-18 months lead time required to achieve objectives.

### **New Fire Service Staffing**

Authorize the City Manager to amend the Cooperative Agreement with the County of Riverside for Fire Protection, Fire Prevention, Rescue, and Medical Emergency Services. The City has completed design of Fire Station 102, its fourth fire station, and with Measure G anticipated to pass, staff will proceed with bidding for construction. The Cooperative Agreement amendment will add 12 new firefighters and extend the agreement term for station operations.

### **New Police Services Staffing**

In Fiscal Year 2020/21, the City adjusted staffing levels to maximize non-sworn officer roles, initiated technology strategies to maintain safety levels, and more efficiently monitored crime trends. Since that time, 113 Automated License Plate Recognition (ALPR) cameras have been deployed citywide, a sworn business district officer was added, and a sworn school resource officer was restored. Over the past nine months, overtime and special enforcement programs have supplemented law enforcement presence. Crime trends support making these additions permanent, along with adding sworn staff in two phases to the City's agreement to keep pace with calls for police service and response times. This will add six sworn officers to the Agreement for Law Enforcement Services with the County of Riverside, Riverside County Sheriff's Department.

#### Phase 1 (Effective January 1, 2025)

- One Patrol Deputy (equivalent to 12 hours of additional police presence per day)
- Two dedicated Motorcycle Enforcement officers and acquisition of two motorcycles

#### Phase 2 (Effective July 1, 2025)

- Two Patrol Deputies (equivalent to 24 hours of additional presence per day)
- One Special Enforcement Team officer

### **New Public Works Staffing**

As the City grows, additional Public Works crews are required to maintain its infrastructure. Staff estimates three additional crew members would be needed for proactive service delivery. With growth in North Palm Desert—including new roadways, sidewalk, drainage, and park infrastructure—additional staffing or contracts will be required to maintain these assets.

The FY 2024-25 Annual Budget included additional funding for the changes above, contingent upon Measure G's approval.

### **Going Forward**

Staff will continue implementing the plan and provide regular updates to the City Council, Finance Committee, and the community to ensure oversight and transparency.

City of Palm Desert  
 Measure G Five-Year Spending Plan Implementation

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**Legal Review:**

This report has been reviewed by the City Attorney’s office.

**FINANCIAL IMPACT:**

The anticipated financial impact aligns with priorities set in the approved Measure G Five-Year Spending Plan, as detailed below:

**PALM DESERT TRANSACTION AND USE TAX (TUT) - 5 YEAR SPENDING PLAN AND PRIORITIES**

Category		FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total 5-Yr Plan	
<i>1 cent sales tax</i>			25,164,510	25,869,116	26,515,844	27,311,320	104,860,790	
<b>Current Planned Costs</b>								
Priority 1**	New Fire Services Staffing	Public Safety	900,000	10,657,440	10,971,472	11,232,818	11,496,338	45,258,067
	Fire Station 33 Renovation/Temp Site	Public Safety		1,200,000				1,200,000
	Fire Station 71 Renovation/Temp Site	Public Safety		1,200,000				1,200,000
	New Police Services Staffing	Public Safety	1,300,000	2,600,000	2,704,000	2,812,160	5,849,293	15,265,453
	Storm Channel and Retention Basin Imps	Infrastructure/H&S	5,508,000	8,000,000	5,000,000			18,508,000
	City-Wide Facility and Equipment Replacem	Infrastructure/H&S	8,397,001	9,944,665	7,798,734	12,865,305	9,264,802	48,270,506
New Public Works Staffing	Public Works	360,000	370,800	381,924	786,763	810,366	2,709,854	
Priority 2	Library Construction (\$20MPd from Bonds)	Community Amenity				10,000,000		10,000,000
	North Sphere Regional Park	Community Amenity			15,000,000	15,000,000		30,000,000
	Spending Contingency/Reserve Replenishm	Fiscal Discipline/Responsibility					2,815,167	2,815,167
<b>Total Planned Costs</b>			<b>16,465,001</b>	<b>33,972,905</b>	<b>41,856,130</b>	<b>52,697,046</b>	<b>30,235,966</b>	<b>175,227,047</b>
<b>Additional Amount needed from Reserve or Other Source</b>			<b>(16,465,001)</b>	<b>(8,808,395)</b>	<b>(15,987,014)</b>	<b>(26,181,202)</b>	<b>(2,924,646)</b>	<b>(70,366,257)</b>

*\*Annual allocations are subject to City Council approval through the annual budget process. Spending will be audited annually.*

*\*\* Priority 1 costs will be implemented upon TUT (Sales Tax) Measure approval and Priority 2 costs will follow in years 2-5*

**ATTACHMENT:**

1. Resolution 2024-034, Five-Year Spending Plan
2. Draft Resolution