

PALM DESERT RECREATIONAL FACILITIES CORPORATION BOARD
STAFF REPORT

MEETING DATE: June 9, 2025

PREPARED BY: Austin Yapple, Accounting Manager
Veronica Chavez, Chief Financial Officer

SUBJECT: REVIEW AND APPROVE THE PROPOSED FINANCIAL PLAN FOR THE
FISCAL YEAR 2025-2026

RECOMMENDATION:

Review and approve the financial plan for the 2025-2026 fiscal year.

BACKGROUND/ANALYSIS:

Presented for your consideration are the proposed Fiscal Year (FY) 2025-2026 operational budgeted revenues and expenditures for the Palm Desert Recreational Facilities Corporation (PDRFC). The proposal is based on expected operational goals driven by past achievements, with consideration of the current economic climate. Kemper Sports Management Company, LLC along with the City staff have reviewed the FY 2025-26 financial plan and have implemented the anticipated changes with respectful consideration of the industry as a whole and the expectations of operations during FY 2025-26.

City staff and Kemper Sports understand that the budget process is dynamic and anticipate ongoing economic issues that will require monitoring as the food and beverage operations progress through the next fiscal year. Nonetheless, the City and Kemper Sports are committed to fiscal responsibility coupled with effective resource management to provide the highest level of service while maximizing the fiscal capacity of the Desert Willow food & beverage operations.

FINANCIAL IMPACT:

The anticipated budget indicates a net operating deficit of approximately \$85,440 before rent (\$96,000) and property tax expense (\$28,676). After rent and property tax the budget anticipates a loss of \$210,116. The proposed budget reflects the expectations of business as usual. Kemper Sports will continue to seek options to mitigate the rising costs of supplies and labor.

ATTACHMENTS:

1. Palm Desert Recreational Facilities Corporation Financial Plan for FY 2024-25