



PALM DESERT

FY 2025-26 FINANCIAL PLAN AND FIVE-YEAR CAPITAL IMPROVEMENT PLAN

JUNE 26, 2025

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DIRECTOR OF FINANCE





CITY COUNCIL GOALS

ANNUALLY IN FEBRUARY, THE CITY COUNCIL DEVELOPS GOALS FOR THE YEAR.

2025 GOALS AND PRIORITIES INCLUDE:

- CSUSB, INNOVATION & ENTREPRENEURSHIP
- NORTH PALM DESERT DEVELOPMENT
- MALL REDEVELOPMENT
- DEVELOPMENT CODE/FIRE PREVENTION UPDATE
- CRIME PREVENTION TECHNOLOGY
- CITY MEDIANS AND RIGHT-OF-WAY ASSESSMENT



FY 2025-26 FINANCIAL PLAN

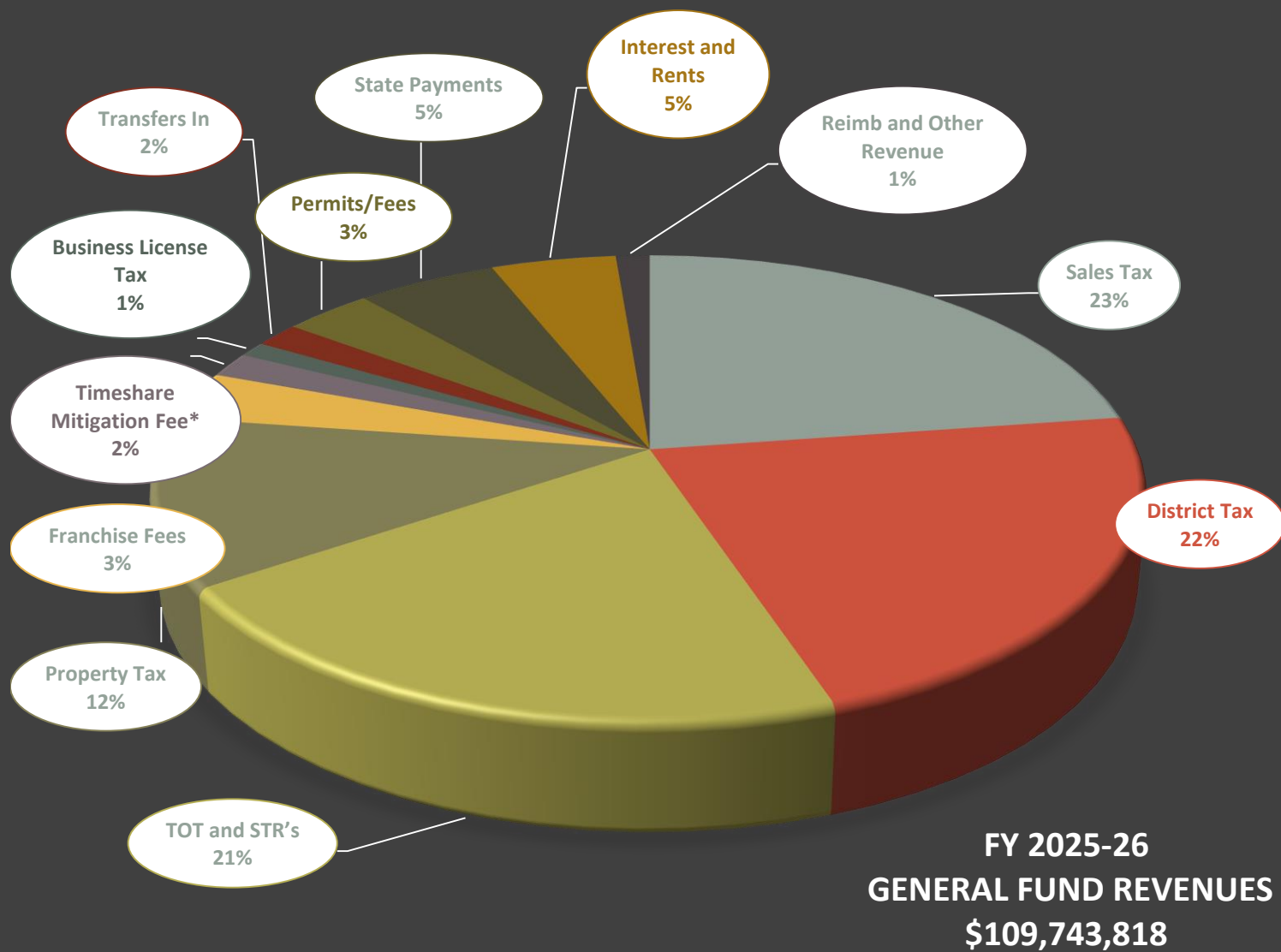
CITY STAFF HAS DEVELOPED A
BALANCED BUDGET USING THE
CITY COUNCIL GOALS AND
PRIORITIES AS A GUIDE

GENERAL FUND OVERVIEW

Fiscal Year (FY) 2025-26 General Fund Budget

Revenue	Expenditures	Surplus
\$109,743,818	\$109,424,005	\$319,813

- **CIP (Year 1):** \$67.11 million
- **Public Safety Budget:** \$64.16 million
- **No use of reserves for operations**



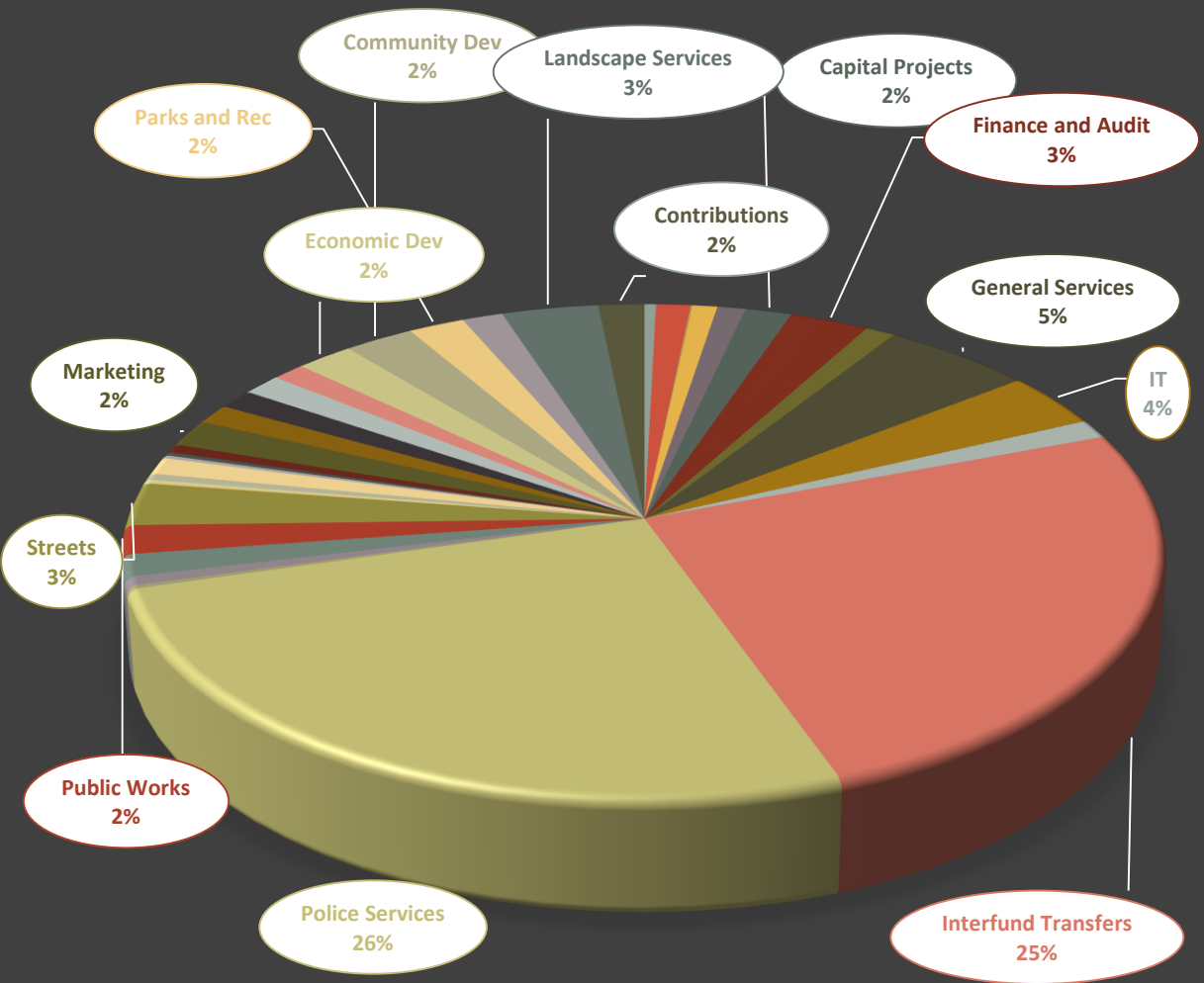
GENERAL FUND REVENUE

UP 31.9% FROM PRIOR
YEAR, DRIVEN BY
MEASURE G SALES TAX
AND PROPERTY TAX .

GENERAL FUND EXPENDITURES

Up 31.8% over prior year, primarily due to public safety costs, personnel services, and Measure G implementation.

- City Council
- City Clerk
- Legislative Advocacy
- Elections
- Legal
- City Manager
- Capital Projects
- Finance and Audit
- Human Resources
- General Services
- Information Technology
- Unemployment Insurance
- Insurance
- Interfund Transfers
- Police Services
- Community Safety
- Homelessness Service
- Animal Regulation
- Traffic
- Public Works
- Streets
- Street Resurfacing
- ADA Improvements
- Parking Lot Improvements
- Street Resurfacing
- Street Resurfacing
- Corporation Yard
- Fleet
- Building Maint
- Portola Community Ctr
- NPDES
- Community Promotions
- Marketing
- Visitor Services
- Building and Safety
- Permit Center
- Code Enforcement
- Engineering & Land Develop.
- Economic Dev
- Community Dev
- Parks and Rec
- Park Maintenance
- Landscape Services
- Citywide Park Imps
- Civic Center Park Imps
- Contributions



FY 2025-26 GENERAL FUND APPROPRIATIONS
\$109,424,005

MEASURE G IMPLEMENTATION

FY 2025-26 is the first full year of Measure G sales tax revenues.

Projected Funds have been allocated per the Five-Year Spending Plan.

Supports public safety, infrastructure, and service enhancements.

1

PUBLIC SAFETY

Funds allocated for new police officers, fire station upgrades, and fire service ops

2

NEW LIBRARY

Build new library at Civic Center Campus

3

NORTH PD INFRASTR RCTR

Storm drains, basins, energy, and roads

4

NORTH PD PARKS

Community and Regional Park

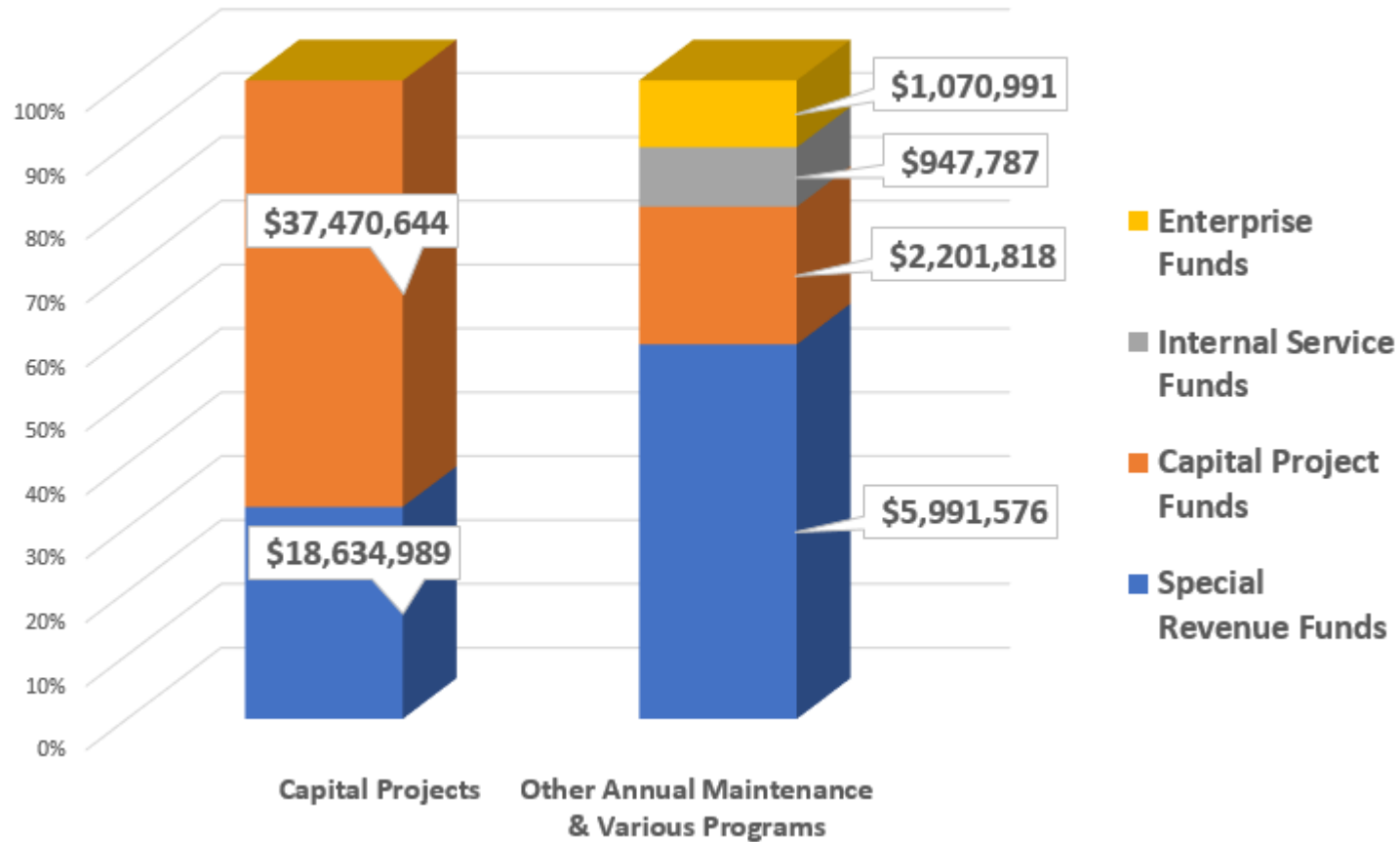
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PUBLIC WORKS

Increased staffing to meet needs in growing North area of PD

CAPITAL IMPROVEMENT PLAN

FY 2025-26 - Capital Projects vs Other Annual Maintenance Summary



- The proposed FY 2025-26 CIP totals \$67.11 million
- Key Infrastructure included like Fire Station 102 Construction, Fire Stations 33/71 Renovation/Rehabilitation, Palm Desert Library Construction, and Public Facility Upgrades
- **Funding Sources Include:** General Fund, Measure G, Measure A, and other restricted funds
- Aligns with 2025 City Council Goals and Priorities

*General Plan consistency
confirmed by Planning
Commission 5.20.25*

PUBLIC SAFETY COSTS

Public Safety	Total Request	Distribution	
		General Fund	Special Funds
Police Service	28,713,628	28,373,878	339,750
Community Safety and County EMS	220,084	220,084	
Homelessness Services*	445,000		445,000
Fire Services**	34,783,794	10,425,000	24,358,794
Total Public Safety	\$ 64,162,506	\$ 39,018,962	\$ 25,143,544

* Paid by PLHA grant and opioid settlement funds

**Paid by Fire and General Fund (includes Capital Costs)

- **Total Cost:** \$64.16 million
- **General Fund Share:** 36% of General Fund budget
- **Fire Station 102 Completion:** May 2026

OTHER GOVERNMENTAL FUNDS

Total Budget: \$144.2 million
across all Other Funds

Transportation

Parks & Drainage

Housing Mitigation

Public Art & Childcare Facilities

Enterprise Funds (e.g., Desert Willow, Parkview Office)

Internal Service, Debt Service, and Assessment Districts

Housing Authority

Monies collected and expended from these funds are generally set aside for the purpose identified by the fund or are restricted to specific uses.

APPROPRIATIONS LIMIT



State Imposed Spending Cap



FY 2025-26 Calculated Limit: \$194,068,627



Budgeted Appropriations: \$109.4 million - well within the legal limit

STAFF ALLOCATION RESOLUTION AND OUT OF STATE TRAVEL MEMO

The Staffing Resolution Identifies the following:

Classification groups

All allocated positions

FY 2025-26 Salary Schedule

All out of state travel must be approved by Council in a public meeting

The Out of State Travel Memo notes all intended travel for FY 2025-26



FY 2025-26 BUDGET SUMMARY

THE FY 2025-26 FINANCIAL PLAN, AS PRESENTED, RESULTS IN A REVENUE SURPLUS, DOES NOT REQUIRE THE USE OF RESERVES FOR OPERATIONS, AND ALIGNS WITH THE 2025 CITY COUNCIL GOALS. BELOW ARE HIGHLIGHTS:

- PROJECTED SURPLUS AS PROPOSED: \$319,813**
- ESTIMATED YEAR END FUND BALANCE - \$99.4 MILLION, WITH A REQUIRED RESERVE OF \$76 MILLION FOR FY 2025-26**
- MEASURE G IS FULLY ALLOCATED PER PLAN AND TO BE REVIEWED BY THE FINANCE COMMITTEE**
- ALIGNS WITH THE 2025 CITY COUNCIL GOALS AND PRIORITIES**



RECOMMENDATION

STAFF RECOMMENDS OPENING THE
PUBLIC HEARING

APPROVAL OF THE RESOLUTIONS
ADOPTING THE FY 2025-26 FINANCIAL
PLAN AND FIVE-YEAR CIP PLAN,
ESTABLISHING THE APPROPRIATIONS
LIMIT, ADOPTING THE HOUSING
AUTHORITY BUDGET, AND ADOPTING
AUTHORIZED CLASSIFICATIONS,
POSITIONS AND SALARY SCHEDULE.

APPROVAL OF FY 2025-26 OUT OF
STATE TRAVEL MEMO

STAFF WILL RETURN AFTER SUMMER
BREAK WITH A STUDY SESSION ITEM
TO DIVE INTO THE 10-YEAR CASH
FLOW PROJECTIONS, IMPACTS TO
RESERVE BALANCE, AND POTENTIAL
POLICY OPTIONS FOR CONSIDERATION.



QUESTIONS?

Thank you!

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