

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: January 22, 2026

PREPARED BY: Austin Yapple, Deputy Director of Finance
Veronica Chavez, Director of Finance

SUBJECT: RECEIVE AND FILE THE INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES PERFORMED ON THE MEASURE A TRANSPORTATION FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

RECOMMENDATION:

Receive and file the Independent Accountants' Report on Agreed-Upon Procedures Performed on the Measure A Transportation Fund for the fiscal year ended June 30, 2025.

BACKGROUND/ANALYSIS:

The Measure A fund is a special revenue fund created to track funds received by the Riverside County Transportation Commission. In 1988, Riverside County voters approved a half-cent sales tax, known as Measure A, to fund various highway improvements, local streets and roads maintenance, commuter assistance, and specialized transit projects.

Conrad LLP performed the procedures, agreed to by the Riverside County Transportation Commission (RCTC), solely to assist RCTC with respect to an evaluation of the City of Palm Desert's Measure A Transportation Fund and the degree of the City's compliance with RCTC requirements for the year ended June 30, 2025.

The agreed-upon procedures report issued by Conrad LLP found the City to be in compliance with its Maintenance of Effort (MOE) requirements, but noted an accumulated excess fund balance of \$17.1 million from prior-year revenues. The City has budgeted \$25.1 million in Measure A expenditures in Fiscal Year 2025-26, which are anticipated to deplete the \$17.1 million excess.

Staff requests that the City Council receive and file the Report on Agreed-Upon Procedures Performed on the Measure A Transportation Fund for the fiscal year ending June 30, 2025.

Legal Review:

This report has been reviewed by the City Attorney's Office

FINANCIAL IMPACT:

There is no fiscal impact to the General Fund associated with this action.

ATTACHMENTS:

1. Independent Accountant's Report on Applying Agreed-Upon Procedures

CONFLICT OF INTEREST AWARENESS CHECKLIST:

- Site-Specific Property Interest** – Councilmembers should check if they own or lease real property within 1,000 feet of the project site (Gov. Code § 87103(b); FPPC Reg. 18702.2).

- SB 1439 Applicability (Campaign Contributions)** – Applies to licenses, permits, or other entitlements for use, and to contracts or franchise agreements other than competitively bid, labor, or personal employment contracts.

Applicant/Appellant: Not Applicable

Councilmembers should review any campaign contributions received within the last 12 months from parties or participants to the proceeding and must not accept contributions over \$500 from those parties for 12 months following the final decision (Gov. Code § 84308).

Note: These indicators are informational and do not constitute a legal determination. Each Councilmember is responsible for identifying and disclosing any disqualifying interests in accordance with the Political Reform Act and FPPC regulations.