

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: February 26, 2026

PREPARED BY: Ivan Tenorio, Homeless and Supportive Services Manager

SUBJECT: APPROPRIATION OF FISCAL YEAR 2025-26 FUNDS FOR THE CALIFORNIA DEPARTMENT OF JUSTICE TOBACCO GRANT PROGRAM

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## **RECOMMENDATION:**

1. Approve an appropriation of \$121,003 in Fiscal Year 2025-26 for the California Department of Justice (DOJ) Tobacco Grant Program and establish the related grant project accounts.
2. Authorize the Director of Finance to appropriate funds from the General Fund Reserve to the Interfund Transfer Out Account (Account Number 1104199-450100) in the amount of \$121,003, and transfer into the Tobacco Grant Fund (Account Number 2210000-3910000).
3. Appropriate \$121,003 to the Tobacco Grant Fund Professional Other No. (Account No. 2214422-4309000).
4. Authorize the City Manager, or designee, to execute any amendments, modifications, or extensions to the executed Memorandum of Understanding.

## **BACKGROUND/ANALYSIS:**

On December 11, 2025, City Council adopted Resolution No. 2025-074 accepting the DOJ Tobacco Grant Program award and authorizing the City Manager, or designee, to execute the Memorandum of Understanding (MOU), Grant Agreement documents, and related actions. The December 11, 2025, staff report noted that an appropriation would be necessary from the General Fund to initially fund expenditures related to the grant award and that staff would return to Council upon final award.

DOJ has finalized the City's Tobacco Grant Program award at \$393,144, which is less than the City's requested amount of \$421,494. The approved award totals by fiscal year are:

<b>Budget Category</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>FY 28/29</b>
Personnel	\$114,241	\$123,554	\$133,629	N/A
Operating Expenses & Equipment	\$1,000	\$1,000	\$1,000	N/A
Administration Cost	\$5,762	\$6,227	\$6,731	N/A
<b>Total Cost</b>	<b>\$121,003</b>	<b>\$130,781</b>	<b>\$141,360</b>	<b>N/A</b>

This appropriation provides the spending authority for FY 2025-26. Staff will budget the remaining award years (FY 2026-27 and FY 2027-28) during future annual budget processes. FY 2028-29 will serve as a closeout year to fully expend any unexpended balances from prior fiscal years.

**Legal Review:**

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

**FINANCIAL IMPACT:**

An appropriation of \$121,003 from the General Fund Reserve is necessary to fund FY 2025-26 expenditures related to this grant award. The Tobacco Grant Program is reimbursement-based, and all eligible expenditures will be reimbursed by DOJ subject to grant requirements and approval of submitted reimbursement requests.

**ATTACHMENTS:**

1. Summary of Award Letter
2. Budget Detail FY 26-29

**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(s)/Appellant(s):** \_\_\_\_\_

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.*