
ACCOUNTING SYSTEM & BUDGETARY CONTROL

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds utilized by the City are grouped into generic fund types and broad fund categories as follows:

Governmental Funds:

General Fund- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted in another fund.

Special Revenue Funds- used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special Revenue Funds include the sections label Special Revenue and Special Assessments. The landscaping and lighting funds are taken to City Council by separate resolution and are adopted as a consolidated district budget. However, the City reflects the individual zones in separate departments and funds. This allows the residents of the zones to see the exact detail of their improvements and maintenance.

Debt Service Funds- used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs other than capitalized leases and compensated absences which are paid from the governmental funds. The City currently has eight assessment districts (83-1, 84-1R, 87-1, 92-1, 94-1 - Bighorn, 94-2 - Sunterrace , 94-3 - Merano, 91-1 Indian Ridge Community Facility District) In addition, several of the original bond issues have been refunded into a Marks Roos Refunding Bond issue.

Capital Projects Funds- used to account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed through proprietary funds). Capital Project Funds for the City include Art in Public Places, Capital Project Reserve fund, Streets fund, Ordinance 416, Drainage Facilities, Park and Recreation Facilities, Signalization, Buildings,

Museum, Library, Corporation Yard, YMCA Building Fund, Interstate 10, Sports Complex Fund, various assessment district funds and the Redevelopment Agency project area funds.

Fiduciary Funds:

Trust and Agency Funds- used to account for assets held by the City in a trustee capacity or as an agent for individual's private organizations, and other governments. Since activities recorded within these funds are outside the control of the City Council, these funds are not included within this budget document.

Basis of Accounting

Basis of Accounting refers to the point at which revenues and expenditures are recognized in the accounts and reported in the financial statements. All governmental funds, agency funds, and expendable trust funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All proprietary funds and nonexpendable trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgetary Basis of Accounting

Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles, utilizing the modified accrual basis of accounting. The proprietary fund - Golf Course Fund is budgeted utilizing available cash balance (cash basis). As a result, this fund does not maintain a depreciation reserve fund, no depreciation expenses (non cash entry) are budgeted. The other proprietary fund is the Office Complex which is budgeted on an accrual basis of accounting and maintains a depreciation reserve. Budgeted amounts are as originally adopted and as further amended by City Council action.

Budgetary Control

Budgetary controls are maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the governmental and proprietary funds are included in the annual appropriated budget. The budgetary level of control, the level at which expenditures cannot legally exceed the appropriated amount, is exercised at the fund level.

ACCOUNTING SYSTEM & BUDGETARY CONTROL

Appropriations Limit

Article XIII B of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, was adopted by California voters in 1980 and placed limits on the amount of proceeds of taxes that state and local governmental agencies can receive and appropriate (authorize to spend) each year.

The limit is different for each agency and the limit changes each year. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in fiscal year 1978-79 in each agency, modified for changes in inflation, population and voter approved modifications in each subsequent year.

Proposition 111 was passed by the State's voters in June 1990. This legislation made changes to the manner in which the Appropriations Limit is calculated:

The annual adjustment factors for inflation and population have been changed. Instead of using the lesser of California per capita income, or U.S. CPI, each city may choose either the growth in the California per capita income, or the growth in non-residential assessed valuation due to new construction within the City. For population, instead of using only the population growth of a city, each city may choose to use the population growth within its county. These are both annual elections.

The revised annual adjustment factors will be applied to the 1986-87 limit for most cities and each year in between in order to calculate the 1990-91 limit. The actual limits for the intervening years, however, are not affected.

Expenditures for "qualified capital outlay", which are fixed assets with a value of more than \$100,000 and an expected life of 10 years or more, will be excluded from the limit.

A city which exceeds the limit in any one year may choose to not give a tax refund if they fall below the limit in the next fiscal year. They then have two more years to refund any remaining excess or to obtain a successful override vote.

In certain situations, proceeds of taxes may be spent on emergencies without having to reduce the limit in future years. Each city must now conduct a review of its Appropriations Limit during its annual

financial audit.

The law now requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The City's next year budget appropriations limit and annual adjustment factors will be adopted by the City Council in June.

Proposition 218- Property Tax Assessments

Article XIII C and XIII D of the California State Constitution, was adopted by California voters in November 5, 1996 and placed restrictions on assessments placed on the property tax roll.

The new restrictions requires that beginning July 1, 1997, all new and existing assessments (with some exceptions) conform with new substantive and procedural requirements. The major elements of the substantive requirements include:

- The assessment method of spread must be recalculated to ensure that all properties receiving special benefit from the services funded by the assessment are included in the assessment calculation. Properties owned by schools and other governmental agencies-previously exempt from some assessment charges-now must be included in the spread calculation if those properties receive benefit from the improvements.
- Costs related to "general" benefit must be specifically removed from the assessments. Only costs related to "special" benefit may be assessed.
- Finally, assessments must be spread to each parcel proportional to the aggregate district(or zone) assessment.
- Assessments used exclusively to fund sidewalks, streets, sewers, water, flood control, drainage systems, or vector control are exempt. Assessments approved by all the property owners at the time the assessment was created are exempt. Assessments used exclusively for bond repayments are exempt. Assessments previously approved by a majority of voters is exempt.

In July 1997 the voters approved all special assessment. April 2003, the Business Improvement District was approved by the President's Plaza Business/Property Owners. Since then, the City Council is recommending all future districts become Homeowner Associations.

CITY MANAGER'S EXECUTIVE SUMMARY FY 2014-2015

It is a pleasure to present to the citizens of Palm Desert, members of the City Council, and other interested readers the adopted FY 2014-15 operating budget for the City of Palm Desert, California. During Fiscal Year 2013-14 we addressed some significant challenges, as we continue to work towards Palm Desert's vision as a vibrant community where families live, work, and play.

Our collective efforts to remain fiscally prudent resulted in a sound and balanced budget, without utilizing any of the approximately \$62 million in City reserve funds. The economic downturn being experienced nationally, and here locally in Palm Desert, does impact our budget. However, continual budget monitoring and flexibility in making revisions when necessary, paved the way for a fiscal year 2014-2015 budget absent any significant cutbacks in city services. The current budget was formed on three core principles:

- 1) *Minimize the impact of budget cuts to key services and maintain the level of service expected by residents, businesses, and visitors;*
- 2) *Minimize the number of tax and fee adjustments required to maintain existing service levels; and*
- 3) *Review standards of infrastructure maintenance and operation and adjust standards to provide quality of City facilities in line with budget considerations, including but not limited to parks, roads, and buildings. Review staffing levels to coincide with established standards.*

The balanced budget presented to you carefully weighed all three principles in its development. The budget for all funds is **\$124,608,413** including a General Fund operational budget of 48,250,546. This amount represents an overall budgetary increase of 20% and a General Fund operational increase of 3.7% from the adopted FY 2014-15 operating budget, respectively.

GENERAL FUND

This year's budget continues the commitment to keep City operations lean and allocate funds to the City's highest priorities: public safety, economic development, completion of capital projects, and maintenance of the City's neighborhoods, parks and roadways.

Revenues

Anticipated revenue impacts relating to a downturn in real estate transactions, a drop in property tax values, increase in hotel room bookings, and an increase in retail sales are being experienced, which affects Palm Desert's top three revenue streams.

The City's General Fund is projecting estimated revenues of \$48,250,546, which translates to a \$2,155,000 increase (4.6%) over the prior fiscal year amount of \$46,517,500. The table below illustrates the combined increase/decrease in estimated revenues within some of the City's significant revenue sources. The only significant revenue increase is the Transient Occupancy Tax revenue which reflects current year estimated to be \$500,000

CITY MANAGER'S EXECUTIVE SUMMARY FY 2014-2015 (cont'd)

greater than budget and next year adding another \$775,000 due to full year of Short Term Rentals of residential property along with Timeshare increases.

GENERAL FUND REVENUE SOURCES

Category	Budgeted FY 13-14	Budgeted FY 14-15	Increase or (Decrease)	Percent Change
Sales Tax	17,500,000	17,850,000	350,000	2.0%
Transient Occupancy Tax	8,425,000	9,200,000	775,000	9.1%
Licenses, Permits & Charges for Services	1,142,100	1,330,000	187,900	16.4%
State Vehicle License Fee	3,490,000	3,595,000	105,000	3.0%
Property Tax	4,670,000	4,800,000	130,000	2.7%
Interest Earnings & Rental	335,000	346,000	11,000	3.2%
Building/Subdivision/Zoning	1,350,500	1,650,000	299,500	22.2%
Transfers In(Gas, Office)	2,237,500	2,237,500	- 0 -	0%
All Other Revenue	7,368,000	7,664,000	296,000	4.0%
Totals-General Fund	46,517,500	48,672,500	2,155,000	4.6%
Fire Taxes & Transfers	7,832,000	8,760,500	928,500	11.8%
Fire Reserve	1,553,000	2,000,000	447,000	28.7%
Totals-General & Fire	55,902,500	59,433,000	3,530,500	6.3%

Expenditures

As the City of Palm Desert prepares for the next fiscal year, we do so under the realization of the current economic condition. Departments were asked to continue participating in a zero-based budgeting approach.

Palm Desert's total proposed operational expenses for FY 2014-2015 amount to \$48,250,546 which is approximately a three percent (3.7%) increase from the Fiscal Year 2013-2014 budget of \$46,508,694.

GENERAL FUND PRIMARY EXPENDITURES

Category	Budgeted FY 13-14	Budgeted FY 14-15	Increase or (Decrease)	Percent Change
Personnel Service & Benefits	15,991,808	16,161,254	169,446	1.0%
Supplies	349,400	362,883	13,483	4.7%
Other Services & Charges	27,286,822	28,888,592	1,601,770	5.8%
Transfers to Other Funds	2,746,234	3,105,000	358,766	13.0%
Capital Outlay	134,430	95,500	38,930	(29.0%)
Totals-General Fund	46,508,694	48,250,546	1,741,852	3.7%
Fire Contract	9,872,809	10,760,360	887,551	9.2%
Totals	56,381,503	59,010,906	2,629,403	4.7%

CITY MANAGER'S EXECUTIVE SUMMARY FY 2014-2015 (cont'd)

Major Category changes

As indicated above, the City's General Fund expenditures are projected to increase by \$1,741,852 or 3.7%.

Personnel Service and Benefits increase 1.0% due to higher retirement premium requested by State Public Employees Retirement System.

Other Services and Charges increased by \$1,601,770 or 5.8%. This amount included the increase in the Police budget.

Transfers to Other Funds increased by \$358,766 due to transfer of General Fund reserves to cover next year increase in Fire Department budget.

Fire & Police Services

The City of Palm Desert provides a high quality level of public safety services via contract with the County of Riverside. The total Palm Desert Police and Fire Department's budget account for approximately fifty percent (50%) of operational expenses.

The City's contract with the Riverside County Sheriff's Department for police services, represents the majority of the cost in Other Services, Charges, & Transfers expenditures. The current year Sheriff's Department contract includes the following services: (1) patrol services; (2) booking fees; (3) facility charges; (4) vehicle mileage; (5) dispatching services; (6) supplies; (7) contingency funding; (8) special teams enforcement, and (9) the Cal ID Statewide Fingerprinting Identification System. The total General Fund cost of the Sheriff's Department contract is approximately \$18.6 million or a 7.3% increase from FY 2013-14. This amount represents 38% of General Fund budgeted expenditures. Riverside County Sheriff Department.

The proposed Fire Department budget has increased by 8.9% due to adding additional personnel. Fire Services include: (1) firefighters; (2) paramedics; (3) fire inspectors; (4) hazardous materials response; (5) vehicle and building maintenance; and (6) commercial/housing building plan review.

The total FY 2014-15 Fire Services budget is \$10,760 million. The existing Fire Fund reserves have been depleted in Fiscal Year 2011-12, therefore, the General Fund is transferring \$2.0 million to cover the budgeted expenditure over the revenue collected in Fiscal Year 2014-15.

CONCLUSION

The current recessionary environment will likely continue through the remainder of this new fiscal year. As a result, staff anticipates economic conditions may likely reflect decreasing revenues in property tax and other economically sensitive revenues. However, we are optimistic that sales and transient occupancy taxes will continue to show modest growth. Faced with such uncertainty, the City will continue its policy of maintaining a reserve fund equal to operational expenditures.

Staff is cognizant that the budget process is dynamic and anticipates ongoing economic issues, coupled with State legislative action, which will require monitoring as we progress

CITY MANAGER'S EXECUTIVE SUMMARY FY 2014-2015 (cont'd)

through the fiscal year. Whatever future action the City may take in regards to its budget, it remains committed to fiscal responsibility, coupled with effective resource management, to provide the highest level of public services.

While our current budget posed challenges for us, we are fortunate to be more fiscally sound than most other local governments across the state and nation. Our current economic vitality is not only due in part to the structure of city revenues, but is also attributable to the fiscally conservative policies and practices of the City Council.

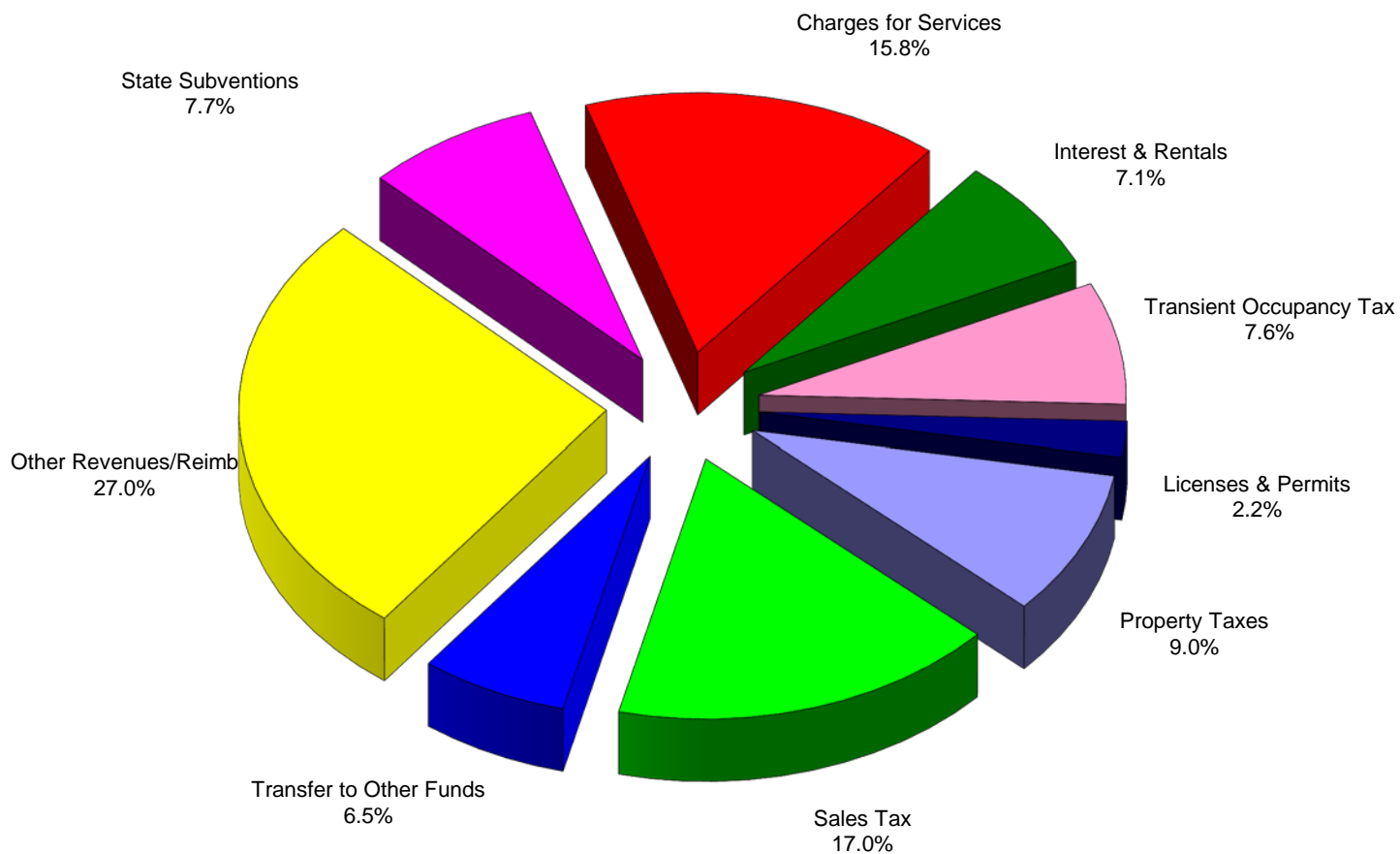
I would like to thank the Mayor and City Council for their continued direction and input toward the preparation of this budget. I wish to also extend my personal gratitude to all Palm Desert employees for their dedication towards minimizing costs and maintaining the level of public service and quality of life on which Palm Desert prides itself.

**CITY OF PALM DESERT
ALL FUND BUDGET SUMMARY**

FUND Description	6/30/2014	2014-2015			6/30/2015	
	Beginning Balance	Revenues	InterFund Transfers		Ending Balance	
			In	(Out)		Expenditures
General Fund	65,000,000	46,435,000	2,237,500	3,105,000	45,145,546	71,631,954
Fire Fund	2,500,000	8,180,500	2,000,000	230,000	10,530,360	2,380,140
Total General & Fire Fund	67,500,000	54,615,500	4,237,500	3,335,000	55,675,906	74,012,094
Special Revenue Funds						
Traffic Safety	-	175,000	-	175,000	-	350,000
Gas Tax	-	1,392,500	-	830,000	565,000	1,657,500
Measure A	21,400,000	24,074,253	-	-	19,746,500	25,746,753
Housing Mitigation Fee	2,816,000	491,500	-	-	450,000	2,857,500
CDBG Block Grant	7,300	281,000	-	-	281,000	7,300
Child Care Program	1,400,000	160,500	-	-	20,000	1,540,500
Public Safety	6,000	100,000	-	-	100,000	6,000
New Construction Tax	1,184,000	318,000	-	-	200,000	1,302,000
Drainage Facility	2,340,000	24,500	-	-	-	2,364,500
Park and Recreation	1,297,000	37,000	-	-	218,000	1,116,000
Signalization	578,000	131,900	-	-	95,000	614,900
Fire Facility Fund	800,000	93,000	-	-	100,000	793,000
Waste Recycling Fees	5,168,000	10,000	-	19,000	961,350	4,235,650
Energy Independence Program	2,741,000	699,000	-	-	624,313	2,815,687
Air Quality Management	300,000	61,000	-	-	286,500	74,500
Art in Public Places	1,361,000	304,500	80,000	-	486,800	1,258,700
Golf Course Maint./Improvements	2,562,000	1,127,500	-	776,000	485,000	4,060,500
Aquatic Center	2,100,000	709,000	680,000	-	1,365,200	2,123,800
Retiree Health	2,400,000	505,000	-	-	852,882	2,732,118
Special Assessment Tab						
El Paseo Merchants	20,000	250,000	-	-	250,000	20,000
Landscape & Lighting Zones	50,000	344,829	75,000	-	335,382	134,447
Business Improvement District	180,000	262,546	-	-	363,272	79,274
Capital Projects Funds						
2010 Plan Reserves	5,800,000	1,886,000	-	-	2,888,100	4,797,900
Drainage	2,130,000	3,000	-	-	210,000	1,923,000
Economic Development	800,000	-	-	-	230,000	570,000
Parks	4,090,000	1,000	-	-	29,500	4,061,500
Signalization	170,000	500	-	-	-	170,500
Library Maintenance	543,000	-	-	-	-	543,000
Property City/RDA	-	-	-	-	-	-
Buildings Maintenance	2,670,000	5,000	50,000	-	-	2,725,000
Enterprise Funds						
Parkview Office Complex	3,000,000	1,258,182	-	437,500	944,500	3,751,182
Equipment Replacement Fund	5,800,000	22,000	450,000	-	561,000	5,711,000
Desert Willow Golf Course	1,100,000	10,328,779	-	-	10,763,630	665,149
Debt Service Funds						
Assessment District 87-1	-	-	-	-	-	-
Assessment District 94-2	-	-	-	81,920	8,000	73,920
Assessment District 94-3	2,000	109,568	-	102,806	10,000	204,374
Canyons at Bighorn 98-1	4,000	101,402	-	1,154,008	104,680	1,154,730
Community Facility 91-1(1992)	110,000	1,185,167	-	-	32,184	1,190,487
Assessment District 01-01	3,000	185,742	-	156,402	28,100	317,044
Highlands Undergrounding	-	134,583	-	-	135,336	9,247
Section 29 04-02	60,000	1,796,909	-	-	1,848,080	8,829
University Park	5,000	4,151,684	-	-	4,138,985	17,699
Palm Desert Financing Auth.-RDA	-	-	-	-	-	-
Palm Desert Financing Auth.-City	-	-	1,495,136	-	1,495,136	-
Housing Set-Aside	-	-	776,580	-	776,580	-
Housing Asset Fund	10,000,000	-	-	-	1,720,300	8,279,700
Housing Authority	10,600,000	5,623,874	-	776,580	7,377,981	9,622,473
GRAND TOTAL ALL FUNDS	163,097,300	112,961,418	7,844,216	7,844,216	116,764,197	175,699,457

Where The Money Comes From

TOTAL CITY SOURCES OF FUNDS
= \$120 MILLION Plus Reserves of \$153 Million

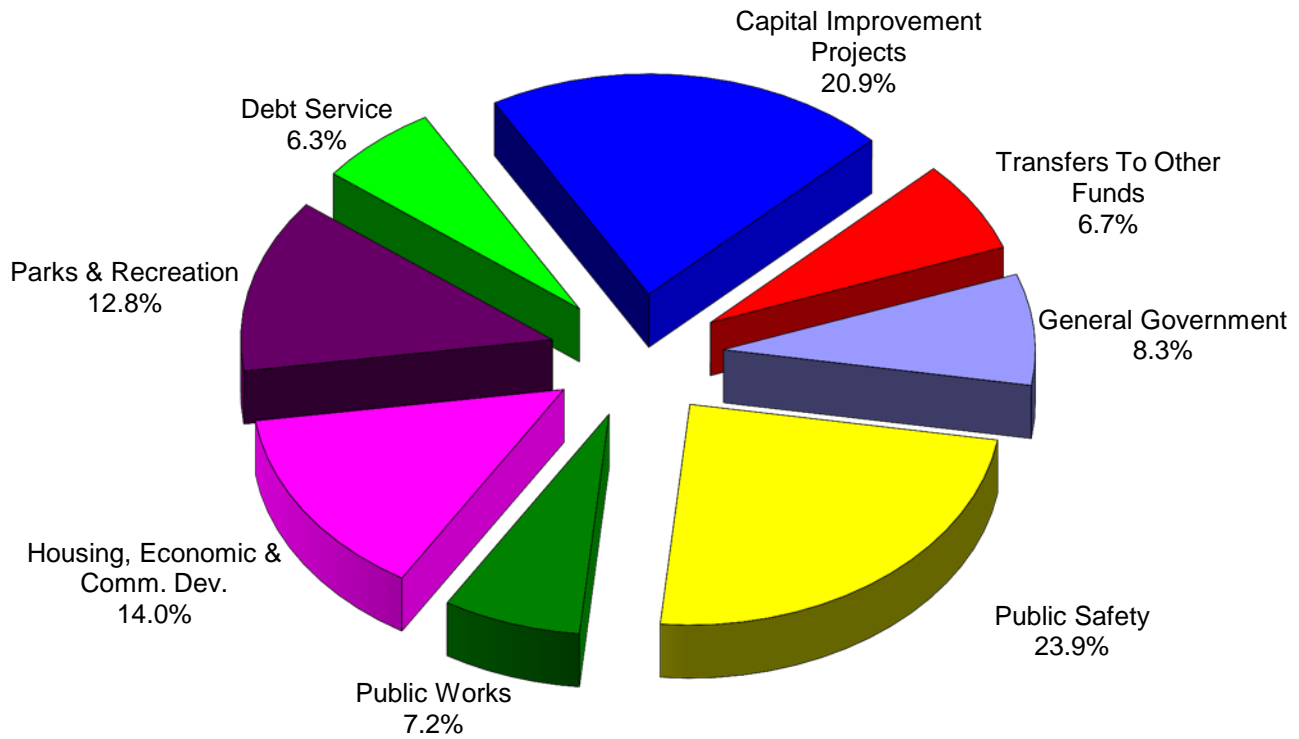


All FUNDS BUDGET - REVENUES Fiscal Year 2014-2015

SERVICES	AMOUNT	PERCENT
Property Taxes	10,877,000	9.0%
Sales Tax	20,568,000	17.0%
Transfer to Other Funds	7,844,216	6.5%
Other Revenues/Reimb.	32,646,029	27.0%
State Subventions	9,348,953	7.7%
Charges for Services	19,092,045	15.8%
Interest & Rentals	8,556,391	7.1%
Transient Occupancy Tax	9,200,000	7.6%
Licenses & Permits	2,673,000	2.2%
Total All Funds	120,805,634	100%

Where The Money Goes

TOTAL APPROPRIATIONS
= \$124 MILLION



All FUNDS BUDGET - APPROPRIATIONS Fiscal Year 2014-2015

SERVICES	AMOUNT	PERCENT
General Government	10,152,417	8.1%
Public Safety	29,818,325	23.9%
Public Works	8,934,386	7.2%
Housing, Economic & Comm. Dev.	17,487,706	14.0%
Parks & Recreation	15,910,262	12.8%
Debt Service	7,800,501	6.3%
Capital Improvement Projects	26,095,600	20.9%
Transfers To Other Funds	8,409,216	6.7%
Total All Funds	124,608,413	100.0%

CITY OF PALM DESERT
ALL FUND SUMMARY - REVENUES BY CATEGORY FY 14-15

FUND		Permits &	Inter-Govt.	Charges	Interest	Interfund	Total
Description	Taxes	Fees	Revenues	for Svcs	& Rentals	Transfers	Budget
General Fund	37,483,000	2,673,000	3,595,000	2,338,000	346,000	2,237,500	48,672,500
Fire Fund	7,334,000		-	844,500	2,000	2,000,000	10,180,500
Total General & Fire Funds	44,817,000	2,673,000	3,595,000	3,182,500	348,000	4,237,500	58,853,000
Special Revenue Funds							
Traffic Safety				174,000	1,000		175,000
Gas Tax			1,387,500		5,000		1,392,500
Measure A	2,718,000		21,274,253	-	82,000		24,074,253
Housing Mitigation Fee	-		-	362,000	129,500		491,500
CDBG Block Grant			281,000	-	-		281,000
Child Care Program	155,000		-	-	5,500		160,500
Public Safety Grant			100,000	-	-		100,000
New Construction Tax	316,000				2,000		318,000
Drainage Facility	16,000				8,500		24,500
Park and Recreation	35,000				2,000		37,000
Signalization	10,200		121,200	-	500		131,900
Fire Facility Fund	92,000				1,000		93,000
Waste Recycling Fees			-	-	10,000		10,000
Energy Independence Loan				690,000	9,000		699,000
Air Quality Management	-		60,000		1,000		61,000
City Wide Business Promo.			-		-		-
Art in Public Places	302,000				2,500	80,000	384,500
Golf Course Maintenance					1,127,500		1,127,500
Aquatic Center				709,000		680,000	1,389,000
Liability Self Insurance Reserve					-		-
Retiree Health			-	500,000	5,000	-	505,000
Special Assessment Tab							-
El Paseo Merchants	250,000						250,000
Landscape & Lighting Zones	344,829					75,000	419,829
Business Improvement District	262,546						262,546
Capital Projects Funds							
2010 Plan Reserves			1,876,000	-	10,000		1,886,000
Drainage					3,000		3,000
Economic Development Fund							
Parks					1,000		1,000
Signalization			-		500		500
Library Maintenance					-	-	-
Property City/RDA					-		-
Buildings Maintenance					5,000	50,000	55,000
Enterprise Funds							
Parkview Office Complex					1,258,182		1,258,182
Equipment Replacement Fund					22,000	450,000	472,000
Desert Willow Golf Course				10,328,779	-		10,328,779
Debt Service Funds							
Assessment District 94-2 Fund 308	-				-		-
Assessment District 94-3 Fund 309	109,168				400		109,568
Assessment District 98-1 Fund 311	101,399				3		101,402
Community Facility 91-1 Fund 351	1,185,167				-		1,185,167
Assessment District 01-01 Fund 312	185,742				-		185,742
Highlands Undergrounding Fund 314	134,583						134,583
Section 29 04-02 Fund 315	1,796,877				32		1,796,909
University Park Fund 353	4,137,784				13,900		4,151,684
PD Financing Auth.-RDA Fund 390					-	-	-
PD Financing Auth.-City Fund 391	-				-	1,495,136	1,495,136
Housing Set-Aside						776,580	776,580
Housing Authority					5,623,874	-	5,623,874
GRAND TOTAL ALL FUNDS	56,969,295	2,673,000	28,694,953	15,946,279	8,677,891	7,844,216	120,805,634
FY13/14 BUDGET	53,411,548	2,455,000	11,103,613	14,578,292	10,039,011	7,252,508	98,839,972
% CHANGE FROM PRIOR YR.	7%	9%	158%	9%	-14%	8%	22%

CITY OF PALM DESERT
ALL FUND SUMMARY - EXPENDITURES BY CATEGORY FY14-15

FUND	Personnel		Charges	Capital	Interfund	Total
Description	& Benefits	Supplies	for Services	Outlay	Transfers	Budget
General Fund **	16,207,954	346,383	28,495,709	95,500	3,105,000	48,250,546
Fire Fund			10,506,360	24,000	230,000	10,760,360
Total General & Fire Fund	16,207,954	346,383	39,002,069	119,500	3,335,000	59,010,906
Special Revenue Funds						
Traffic Safety					175,000	175,000
Gas Tax			565,000		830,000	1,395,000
Measure A			-	19,746,500		19,746,500
Housing Mitigation Fee			-	450,000	-	450,000
CDBG Block Grant			281,000	-		281,000
Child Care Program			20,000	-		20,000
Public Safety				100,000		100,000
New Construction Tax			-	200,000		200,000
Drainage Facility				-		-
Park and Recreation				218,000		218,000
Signalization			-	95,000		95,000
Fire Facility Fund				100,000		100,000
Waste Recycling Fees	255,350	170,000	501,000	35,000	19,000	980,350
Energy Independence			624,313			624,313
Air Quality Management			38,500	248,000		286,500
Art in Public Places	289,500	1,800	84,500	111,000	-	486,800
Aquatic Center		89,020	1,231,180	45,000		1,365,200
Retiree Health **	842,882		10,000		-	852,882
Special Assessment Tab						
El Paseo Merchants		-	250,000			250,000
Landscape & Lighting Zones			335,382			335,382
Business Improvement District			363,272		-	363,272
Capital Projects Funds						
2010 Plan Reserves **			-	2,888,100	-	2,888,100
Drainage				210,000		210,000
Economic Development				230,000		230,000
Parks			-	29,500		29,500
Signalization				-		-
Golf Course Maintenance			250,000	235,000	776,000	1,261,000
Library Maintenance **			-	-	-	-
Properties City/RDA				-		-
Buildings Maintenance **			-	-	-	-
Enterprise Funds						
Parkview Office Complex			944,500		437,500	1,382,000
Equipment Replacement Fund**			400,000	161,000		561,000
Desert Willow Golf Course			10,763,630	-		10,763,630
Debt Service Funds						
Assessment District 94-2			8,000		81,920	89,920
Assessment District 94-3			10,000		102,806	112,806
Community Facility 91-1(1992)			32,184		1,154,008	1,186,192
Canyons at Bighorn 98-1			104,680		-	104,680
Assessment District 01-01			28,100		156,402	184,502
Highlands Undergrounding			135,336			135,336
Section 29 AD 04-02			1,848,080			1,848,080
University Park			4,138,985			4,138,985
Palm Desert Financing Auth.-RDA			-			-
Palm Desert Financing Auth.-City			1,495,136			1,495,136
Housing Set-Aside	771,950	0	3,630	1,000	-	776,580
Housing Asset Fund			1,720,300			1,720,300
Housing Authority	5,000		5,872,981	1,500,000	776,580	8,154,561
GRAND TOTAL ALL FUNDS	18,372,636	607,203	71,061,758	26,722,600	7,844,216	124,608,413
FY13/14 BUDGET	18,201,317	611,100	67,543,433	7,532,763	7,252,508	101,894,844
% CHANGE FROM PRIOR YR.	1%	-1%	5%	255%	8%	22%

**CITY OF PALM DESERT
FISCAL YEAR 2014-2015**

APPROPRIATIONS LIMIT CALCULATION

Article XIII B of the California Constitution requires adoption of an annual appropriation limit. The original base year limit was adopted in FY 1978-79 and has been adjusted annually for increase by a factor comprised of the percentage change in population combined with either the percentage change in California per capita personal income or the percentage change in local assessment roll due to the addition of local nonresidential new construction. The changes in the local assessment roll due to additional local nonresidential new construction for current and prior periods have not been available from the County Assessor's office.

On November 1988, voters approved Proposition R which increased the limit to \$25,000,000. It expired in November 1992. The FY 1993-94 limit was calculated with prior years re-calculated to reflect the expiration of the \$25,000,000 limit.

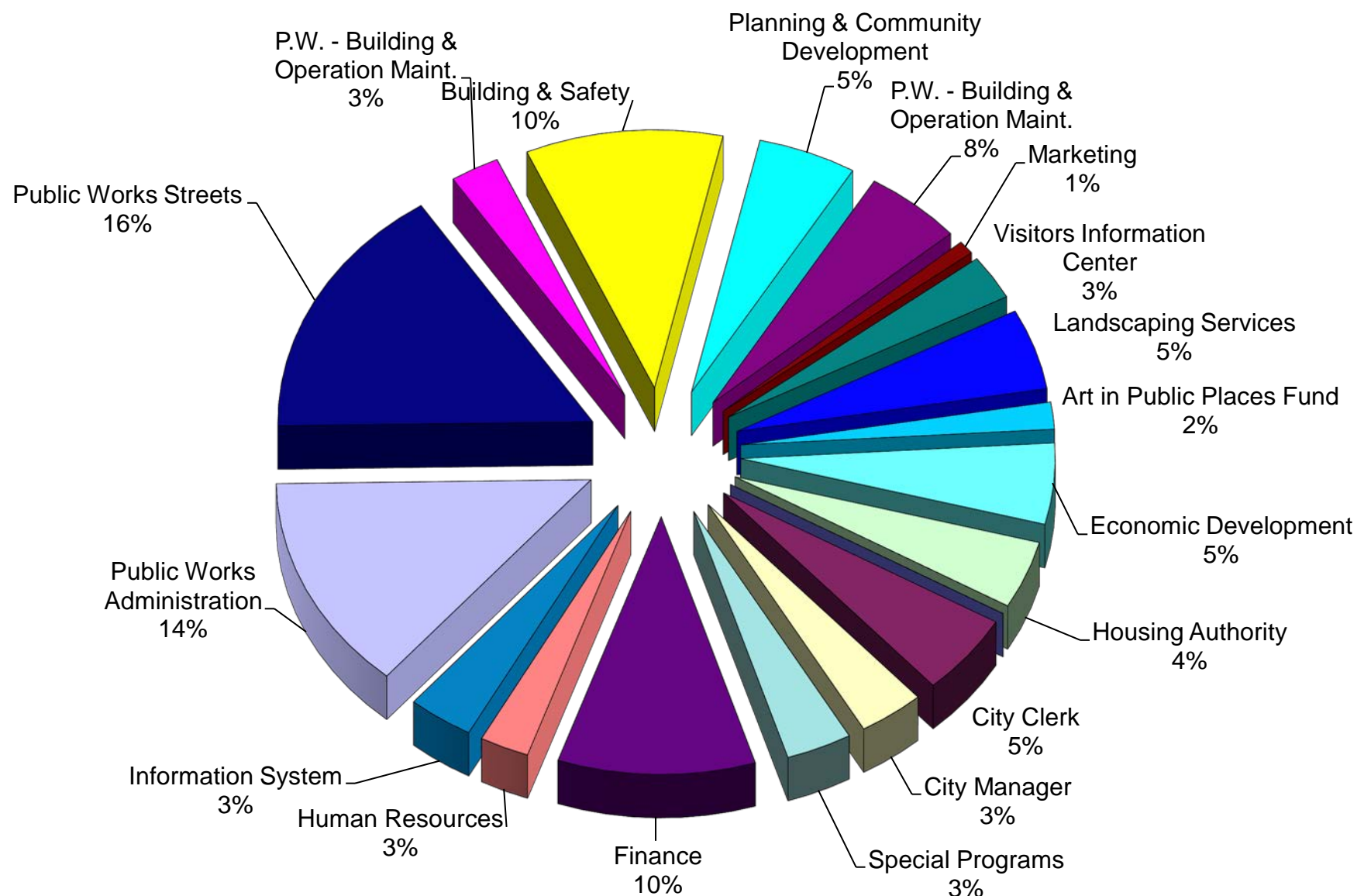
	AMOUNT	SOURCE
A. 2013-14 APPROPRIATION LIMIT	105,168,991	PRIOR YEAR'S CALCULATION
B. ADJUSTMENT FACTORS		
1. POPULATION %		
POPULATION % CHANGE	1.12	STATE DEPT OF FINANCE
POPULATION CONVERTED TO RATIO (1.01+100)/100	1.0112	CALCULATED
2. INFLATION %		
USING % CHANGES IN CALIF PER CAPITA PERSONAL INCOME		
PER CAPITA % CHANGE	(0.23)	STATE DEPT OF FINANCE
PER CAPITA CONVERTED TO RATIO (5.12+100)/100	0.9977	CALCULATED
3. CALCULATION OF FACTOR FOR FY 14-15	1.0088742	B1*B2
C. 2014-15 APPROPRIATIONS LIMIT BEFORE ADJUSTMENTS	106,102,286	B3*A
D. OTHER ADJUSTMENTS	0	CALCULATED
E. 2014-2015 APPROPRIATIONS LIMIT	106,102,286	C+D
F. APPROPRIATIONS SUBJECT TO LIMIT	38,300,643	CALCULATED
G. OVER/(UNDER) LIMIT	(67,801,643)	F-E

CITY OF PALM DESERT
Schedule of Authorized Staff Positions and Salary
FISCAL YEAR 2012-2013 TO 2014-2015

Fund/Division	FY 2012-2013		FY 2013-2014		FY 2014-2015		Changes Requested
	F.T.	P.T.	F.T.	P.T.	F.T.	P.T.	
General Fund							
City Council		5		5		5	-
City Clerk	6	-	6	-	6	-	-
City Manager	4	-	5	-	5	-	-
Special Programs	4	-	4	-	4	-	-
Finance	12	-	12	-	12	-	-
Human Resources	3	-	3	-	3	-	-
Information Technology	4	-	4	-	4	-	-
Public Works Administration	17	-	16	-	16	-	-
Public Works Streets	19	-	19	-	19	-	-
D.S. - Building & Operation Maint.	3	-	3	-	3	-	-
Building & Safety	12	-	11	-	12	-	1
Code Inspection	6	-	6	-	6	-	-
Planning & Community Dev.	6	-	6	-	6	-	-
Economic Development	3	-	3	-	5	-	2
Marketing	1	-	1	-	1	-	-
Visitors Information Center	3.3	-	3.3	-	3.3	-	-
Landscaping Services	7	-	6	-	6	-	-
Total General Fund	110.3	5.0	108.3	5.0	111.3	5.0	3.0
Art in Public Places Fund	2	-	2	-	2	-	-
Recycling Fund	-	-	-	-	-	-	-
Housing Authority	5	-	5	-	5	-	-
Total All Funds	117.3	5.0	115.3	5.0	118.3	5.0	3.0

Fiscal Year 2008- 2009 170 Positions Fiscal Year 2010-2011 138 Positions
 Fiscal Year 2009- 2010 154 Positions Fiscal Year 2011-2012 117.3 Positions

Fiscal Year 2014-2015
AUTHORIZED STAFF



PALM DESERT ESTIMATED REVENUES, Exhibit 1

CATEGORY / FUND	Actual FY 12-13	Budget FY 13-14	Projected FY 13-14	Budget FY 14-15
<u>General Fund (110):</u>				
1. Sales tax (forecaster - Pessimistic .8% and Optimistic 3%)	16,764,808	17,500,000	17,200,000	17,850,000
2. Transient occupancy tax (Includes Short Term Rentals 1100 units)	9,188,981	8,425,000	8,950,000	9,200,000
3. Property tax (County not increasing Residential Values)	4,779,094	4,670,000	4,700,000	4,800,000
4. Property Tax Increment(Former RDA)* - <u>One Time amount other than Staff Reimb</u>	1,363,404	903,000	903,000	903,000
5. Interest & Rental (Lower Int Rate, Energy, Co. Lease)	311,083	335,000	346,000	346,000
6. Transfers in (Gas Tax, Starwood, Office Complex, Int.)	2,152,860	2,237,500	2,237,500	2,237,500
7. Franchises (Cable/Gas/Electric/Waste) Energy Savings reducing fees	2,892,805	2,900,000	2,900,000	2,950,000
8. State subventions(VLF) -Increase(Decrease) based on Property Tax)	3,434,946	3,490,000	3,490,000	3,595,000
9. Building/Subdivision/Zoning	1,498,376	1,350,000	1,500,000	1,650,000
10. Fees for Services/Reimb (Parkview,Assessment,LLD, Fines, Other) RDA Staff Reimb.	2,380,359	1,142,000	1,172,000	1,330,000
11. Business license tax (Includes Short Term License)	1,173,293	1,250,000	1,200,000	1,250,000
12. Timeshare mitigation fee (Marriott, Starwood, Intrawest)	1,292,859	1,265,000	1,300,000	1,300,000
13. Plan check fees	500,698	300,000	500,000	500,000
14. Property transfer tax	520,393	500,000	550,000	550,000
15. Other revenues (Delinquency/Litigation/Fines/Job Val./ROW/Bail)	482,173	250,000	883,000	211,000
<u>Totals General Fund</u>	48,736,132	46,517,500	47,831,500	48,672,500
-				
<u>Fire Tax Fund (230):</u>				
1. Structural Fire Tax	4,479,853	4,800,000	4,800,000	5,134,000
Prior Year Adjustment for Successor Agency/County Pass Thru	2,041,708			
2. Prop. A. Fire Tax	2,118,083	2,200,000	2,120,000	2,200,000
3. Reimbursements	840,914	830,000	841,500	844,500
4. Interest Income	(350)	2,000	2,000	2,000
5. Fire Tax Reserves/Transfers In	2,653,000	1,553,000	1,553,000	2,000,000
6. Fire Reserves				580,000
<u>Totals Fire Tax Fund</u>	12,133,208	9,385,000	9,316,500	10,760,500
<u>TOTAL FIRE AND GENERAL FD</u>	60,869,340	55,902,500	57,148,000	59,433,000

PALM DESERT ESTIMATED REVENUES, Exhibit 1

CATEGORY / FUND	Actual FY 12-13	Budget FY 13-14	Projected FY 13-14	Budget FY 14-15
<u>Gas Tax Fund(211):</u>				
1. Gas Tax (Energy Saving Cars -reduce Tax)	1,171,359	1,383,800	1,332,500	1,387,500
2. Interest	4,904	11,200	5,000	5,000
<u>Total Gas Tax</u>	<u>1,176,263</u>	<u>1,395,000</u>	<u>1,337,500</u>	<u>1,392,500</u>
<u>Traffic Safety Fund (210):</u>				
1. Vehicle Fines	128,741	174,000	125,000	174,000
2. Interest	199	1,000	200	1,000
<u>Total Traffic Safety Fund</u>	<u>128,940</u>	<u>175,000</u>	<u>125,200</u>	<u>175,000</u>
<u>Measure A Fund (213):</u>				
1. Sales Tax	2,453,084	2,478,000	2,550,000	2,718,000
2. Reimbursements/Intergovernmental	130,111	5,572,253	-	21,274,253
3. Interest	81,836	45,000	82,000	82,000
<u>Total Measure A Fund</u>	<u>2,665,031</u>	<u>8,095,253</u>	<u>2,632,000</u>	<u>24,074,253</u>
<u>Housing Mitigation Fund(214):</u>				
1. Development Fee	51,553	56,000	51,500	362,000
2. Other Revenue (Loan /Note Receivable)	-	-	60,000	9,500
2. Interest	9,504	3,000	9,500	120,000
<u>Total Housing Mitigation Fund:</u>	<u>61,057</u>	<u>59,000</u>	<u>121,000</u>	<u>491,500</u>
<u>CDBG Block Grant Fund (220):</u>				
1. CDBG Block Grant	382,144	318,700	382,200	281,000
2. Reimbursements(Program Income)	6,500	2,500	-	-
3. Interest	175	300	-	-
<u>Total CDBG Fund</u>	<u>388,819</u>	<u>321,500</u>	<u>382,200</u>	<u>281,000</u>
<u>Child Care Program (228)</u>				
1. Child Care Fee	19,496	-	20,000	155,000
2. Interest	5,586	3,000	5,500	5,500
<u>Total Child Care Fund</u>	<u>25,082</u>	<u>3,000</u>	<u>25,500</u>	<u>160,500</u>

PALM DESERT ESTIMATED REVENUES, Exhibit 1

CATEGORY / FUND	Actual FY 12-13	Budget FY 13-14	Projected FY 13-14	Budget FY 14-15
<u>Public Safety Grant Fund(229):</u>				
1. Federal Grants	73,086	-	50,000	-
2. State Grants	163,020	100,000	148,900	100,000
3. Interest	29	-	-	-
<u>Total Public Safety Fund</u>	<u>236,135</u>	<u>100,000</u>	<u>198,900</u>	<u>100,000</u>
<u>New Construction Tax Fund(231):</u>				
1. Development Fee	190,293	136,000	175,000	316,000
2. Interest	2,051	1,000	2,000	2,000
<u>Total New Construction Fund</u>	<u>192,344</u>	<u>137,000</u>	<u>177,000</u>	<u>318,000</u>
<u>Drainage Facility Fund(232):</u>				
1. Development Fee	15,200	30,000	10,000	16,000
2. Reimbursements	-	-	-	-
3. Interest	8,838	2,000	8,500	8,500
<u>Total Drainage Facility Fund</u>	<u>24,038</u>	<u>32,000</u>	<u>18,500</u>	<u>24,500</u>
<u>Park & Recreation Fund(233):</u>				
1. Reimbursements/Fee	34,206	-	89,000	35,000
2. Interest	4,906	2,000	5,000	2,000
<u>Total Park & Recreation Fund</u>	<u>39,112</u>	<u>2,000</u>	<u>94,000</u>	<u>37,000</u>
<u>Signalization Fund(234):</u>				
1. Development Fee	7,300	6,500	7,000	10,200
2. Reimbursements - Federal Grant	153,770	36,360	-	121,200
3. Interest	4,012	500	2,000	500
<u>Total Signalization Fund</u>	<u>165,082</u>	<u>43,360</u>	<u>9,000</u>	<u>131,900</u>
<u>Fire Facilities Fund(235):</u>				
1. Development Fee	88,494	48,400	60,000	92,000
2. Interest	2,937	1,000	3,000	1,000
<u>Total Fire Facilities Fund</u>	<u>91,431</u>	<u>49,400</u>	<u>63,000</u>	<u>93,000</u>
<u>Waste Recycling Fund(236):</u>				
1. Waste Recycling Fee	125,387	-	-	-
2. Reimbursements	953	90,000	-	-
3. Interest	19,031	10,000	15,000	10,000
<u>Total Waste Recycling Fund</u>	<u>145,371</u>	<u>100,000</u>	<u>15,000</u>	<u>10,000</u>

PALM DESERT ESTIMATED REVENUES, Exhibit 1

CATEGORY / FUND	Actual FY 12-13	Budget FY 13-14	Projected FY 13-14	Budget FY 14-15
<u>Energy Independence Program (237):</u>				
1. Special Assessments	415,388	668,453	668,000	690,000
2. Reimbursements	10,440	-	5,000	9,000
3. Interest	11,783	6,000	11,800	-
<u>Total Waste Recycling Fund</u>	<u>437,611</u>	<u>674,453</u>	<u>684,800</u>	<u>699,000</u>
<u>Air Quality Management Fund (238):</u>				
1. Air Quality Fee	59,678	60,000	60,000	60,000
2. Interest	1,149	600	1,000	1,000
<u>Total Air Quality Fund</u>	<u>60,827</u>	<u>60,600</u>	<u>61,000</u>	<u>61,000</u>
<u>Art in Public Places Fund(436):</u>				
1. Development Fee	250,671	109,000	290,000	302,000
2. Interest	2,757	2,500	6,000	2,500
3. Interfund Transfer In (Reimb. Staff Time)	-	-	80,000	80,000
<u>Total AIPP Fund</u>	<u>253,428</u>	<u>111,500</u>	<u>376,000</u>	<u>384,500</u>
<u>Golf Course Maint/Improv Fund (441):</u>				
1. Time Share Mitigation & Amenity Fees	1,125,600	1,165,189	1,100,000	1,100,000
2. Interest	27,889	5,000	136,500	27,500
<u>Total Golf Course Maint. Fund</u>	<u>1,153,489</u>	<u>1,170,189</u>	<u>1,236,500</u>	<u>1,127,500</u>
<u>Aquatic Center Fund (242):</u>				
1. Other Revenue	705,853	629,900	709,000	709,000
2. Transfer In (General Fund)	532,836	680,234	680,000	680,000
3. Interest	5,975	-	6,000	-
<u>Total Aquatic Center</u>	<u>1,244,664</u>	<u>1,310,134</u>	<u>1,395,000</u>	<u>1,389,000</u>

PALM DESERT ESTIMATED REVENUES, Exhibit 1

CATEGORY / FUND	Actual FY 12-13	Budget FY 13-14	Projected FY 13-14	Budget FY 14-15
<u>Retiree Health Fund (576):</u>				
1. General Fund Contribution	475,556	-	475,000	500,000
2. Interest	7,695	3,000	7,700	5,000
3. Interfund Transfer In	500,000	-	500,000	-
<u>Total Retiree Health Fund</u>	<u>983,251</u>	<u>3,000</u>	<u>982,700</u>	<u>505,000</u>
<u>El Paseo Merchant Fund (271):</u>				
1. El Paseo Merchant Fee(Business License)	239,950	250,000	250,000	250,000
<u>2010 Capital Project Reserve (400):</u>				
1. State, Federal, CVAG Reimb.,Other Rev.	272,566	326,000	-	1,876,000
2. Interest	34,540	10,000	34,000	10,000
3. Interfund Transfer In	800,000	10,000	-	-
<u>Total Capital Project Fund</u>	<u>1,107,106</u>	<u>346,000</u>	<u>34,000</u>	<u>1,886,000</u>
<u>CP Parks Fund (430):</u>				
1. Reimbursements				
2. Interest	1,349	1,000	1,000	1,000
<u>Total Parks Fund</u>	<u>1,349</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
<u>CP Drainage Fund (420):</u>				
1. Interest	8,045	3,000	4,000	3,000
<u>Total Drainage Fund</u>	<u>8,045</u>	<u>3,000</u>	<u>4,000</u>	<u>3,000</u>
<u>CP Signal Fund (440):</u>				
1. Reimbursements	177,550	-	-	-
2. Interest	721	500	500	500
<u>Total Signal Fund</u>	<u>178,271</u>	<u>500</u>	<u>500</u>	<u>500</u>
<u>CP Library Fund (452):</u>				
1. General Fund Transfers In	283,570	125,000	375,000	-
<u>Total Library Fund</u>	<u>283,570</u>	<u>125,000</u>	<u>375,000</u>	<u>-</u>
<u>Building Maintenance Fund (450):</u>				
1. General Fund Transfer In	91,400	91,000	91,000	50,000
2. Interest	13,391	5,000	13,390	5,000
<u>Total Building Maintenance Fund</u>	<u>104,791</u>	<u>96,000</u>	<u>104,390</u>	<u>55,000</u>

PALM DESERT ESTIMATED REVENUES, Exhibit 1

CATEGORY / FUND	Actual FY 12-13	Budget FY 13-14	Projected FY 13-14	Budget FY 14-15
<u>Economic Development Fund (425):</u>				
1. Interest & Rent	-	-	911,001	
<u>Total Property Maint. City/RDA Fund</u>	-	-	911,001	-
<u>Debt Service Funds(Various 300's)</u>				
1. Transfer In/Taxes	-	-	-	9,160,191
<u>Total Debt Service Funds</u>	-	-	-	9,160,191
<u>Parkview Office Complex Fund(510):</u>				
1. Rent/Leases of Buildings	1,206,471	1,248,810	1,126,000	1,249,182
Rebates	9,229	7,000	11,600	1,500
2. Interest	12,232	5,000	12,000	7,500
<u>Total Parkview Office Fund</u>	1,227,932	1,260,810	1,149,600	1,258,182
<u>Equipment Replacement Funds (530):</u>				
1. General & Fire Fund Transfer In	173,512	220,000	220,000	450,000
2. Interest	21,952	10,000	22,000	22,000
3. Other Revenue	79,230	-	46,050	-
<u>Total Equip. Replacement Fund</u>	274,694	230,000	288,050	472,000
<u>Landscape & Lighting Districts (272-299):</u>				
1. Transfer In		77,000	77,000	75,000
2. Taxes		337,719	337,719	344,829
3. Interest	-	-	-	-
<u>Total Landscape & Lighting</u>	-	414,719	414,719	419,829
<u>Business Improvement Districts (272-299):</u>				
1. Taxes		467,977	467,977	262,546
2. Interest	-	-	-	-
<u>Total Business Improvement</u>	-	467,977	467,977	262,546
<u>Desert Willow Golf Fund (520):</u>				
1. Golf Course	7,494,833	7,734,590	7,550,000	7,837,934
2. Resturant Revenue	2,343,733	2,517,349	2,400,000	2,490,845
3. Interest	-	-	-	-
<u>Total Desert Willow Fund</u>	9,838,566	10,251,939	9,950,000	10,328,779
<u>Housing Fund (870):</u>				
1. Transfers In & Interest	691,758	773,261	735,997	776,580
<u>Total Housing Fund</u>	691,758	773,261	735,997	776,580

PALM DESERT ESTIMATED REVENUES, Exhibit 1

CATEGORY / FUND	Actual FY 12-13	Budget FY 13-14	Projected FY 13-14	Budget FY 14-15
<u>Housing Authority Fund (871):</u>				
1. Rent fm Apartments/Interest	5,208,200	5,195,199	5,395,077	5,623,874
2. Reimbursement/Transfers	4,728,855	-	1,591,825	
<u>Total Housing Authority Fund</u>	<u>9,937,055</u>	<u>5,195,199</u>	<u>6,986,902</u>	<u>5,623,874</u>