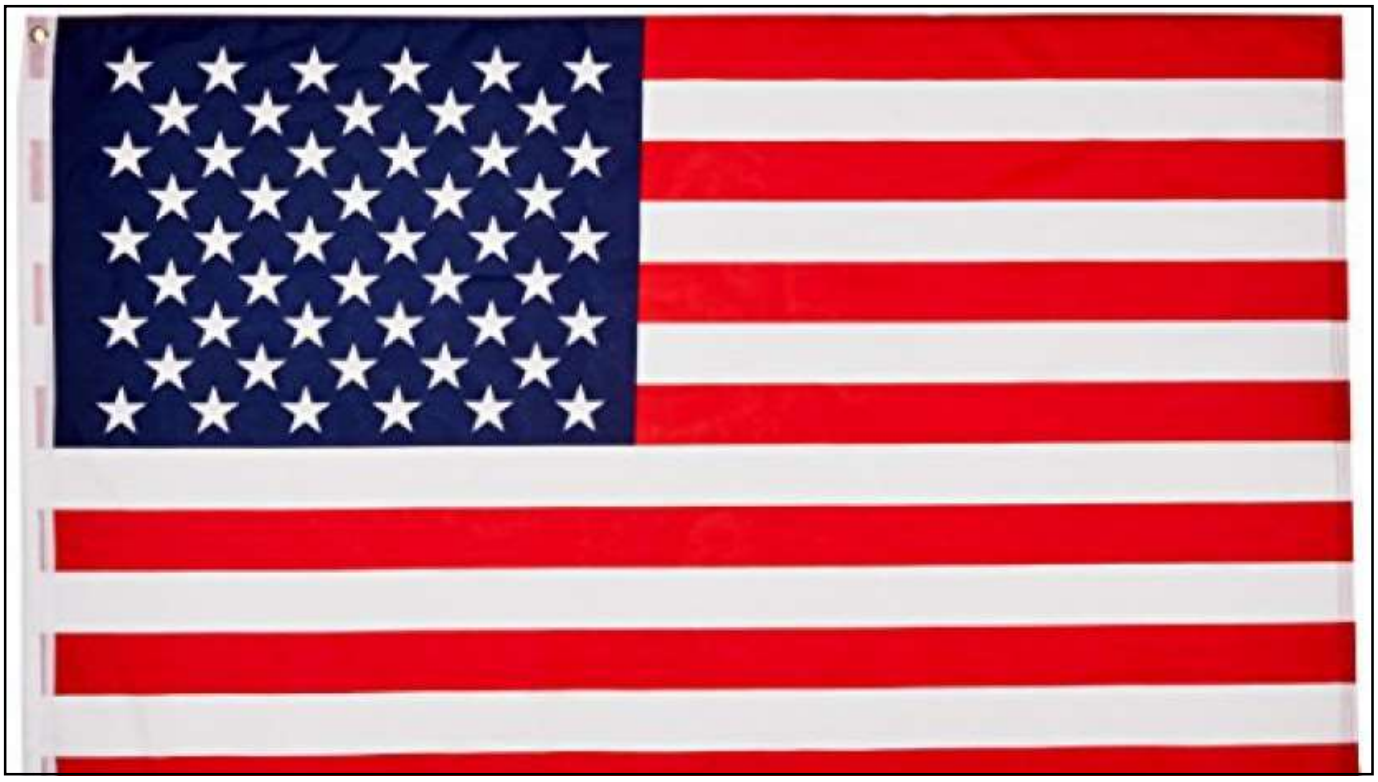
POWER POINTS

FINANCIAL ADVISORY COMMISSION MEETING

FEBRUARY 12, 2025

Financial Advisory Commission Meeting
February 12, 2025

1



2

Financial Advisory Commission
2/12/25

PRESENTATION ITEM NO. 1
EXPANDING LA QUINTA'S ELECTRICAL CAPACITY UPDATE

3

Imperial Irrigation District Service Area

Indio
Coachella
La Quinta

East Coachella Valley Cities

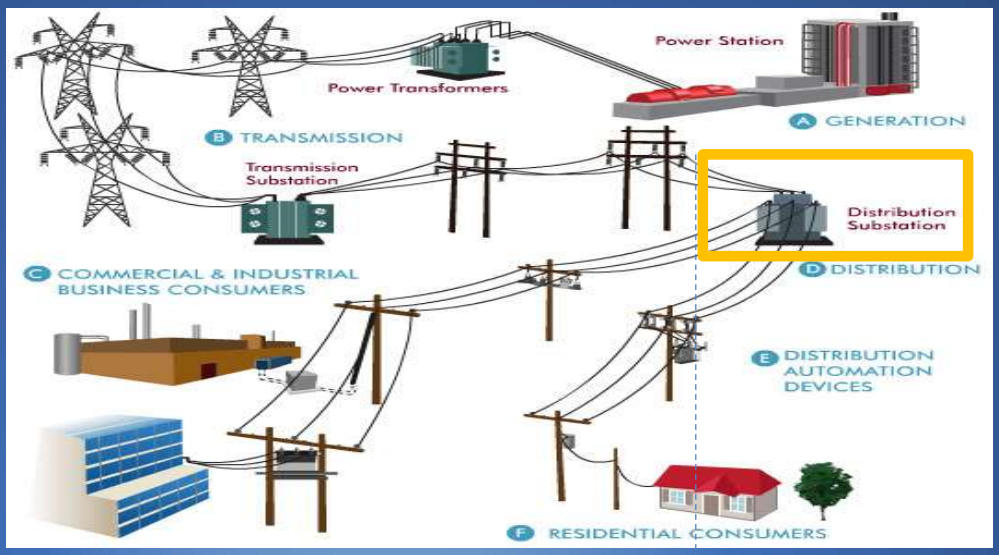
4

Electric Supplier

IID

1934
IID/CVWD
Agreement

CVWD



IID Electric Supply and Delivery System

5

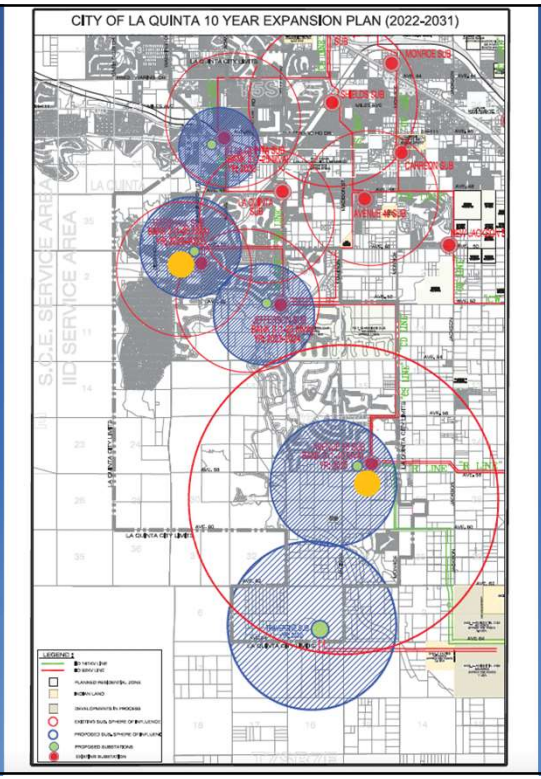
5

IID's POLICY

- Growth pays for growth
- 1934 Comprise Agreement requires same rate for Coachella Valley as Imperial
- Coachella Valley has no representation on IID Board

6

LA QUINTA SUBSTATIONS



7

EFFORTS TO ADDRESS CAPACITY

- Collaboration with affected developers Ave 58
  - Determine schedules and capacity needs
  - City/IID/Developers cost share agreement
  - City/IID agreement for city fund purchase of long lead time items

8

ROADBLOCK

- IID withdraw of Avenue 58 upgrade
- IID's proposed alternate solution to free up capacity at Avenue 58 involving construction of two 100 MW substations involving a cost share with City, County and roughly 25 developers.

9

CITY'S PARALLEL EFFORTS

- CVEC support for the formation of the Coachella Valley Power Agency JPA
- JPA effective day estimated in May 2025
- JPA to hire staff and professionals to fully assess and plan for a pathway to a standalone electric provider

10

IID RATE INCREASE

- IID approves nearly 70% Increase over next 3 years
- Increase to pay higher service costs and up to $1.3 Billion in upgrading aging infrastructure
- This will not pay for substations

11

DEVELOPER CHALLENGES

- Andalusia with 30 lots remaining is trying to solve for 3-4 year lead times by creating a temporary microgrid
- Washington Park Commercial Center – lack of power on multiple fronts
- Saint Francis notified of no power 2 weeks prior to scheduled ground breaking

12

PATH FORWARD

- Become a member of the CVPA JPA
- Bring back Avenue 58 Substation Upgrade
- City to fund purchase of long lead time items
- City to participate in cost share to reserve capacity for future
- Determine and refine repayment mechanism

13

14

Financial Advisory Commission Meeting
2/12/2025
Business Item No. 1
Receive and File Fiscal Year 2023/24 General Fund Year-End Budget Report

15

Report Content

- Revenues
- Expenditures
- Carryovers
- Reserve Summary
- Exhibits

16

General Fund Revenues

General Fund Revenues	2023/24 Final Budget	2023/24 Actuals	Variance
Tax Revenue	63,646,000	64,930,079	1,284,079
Licenses & Permits	2,701,300	2,820,613	119,313
Intergovernmental	9,178,000	12,488,454	3,310,454
Charges for Services	1,153,200	1,494,422	341,222
Fines, Forfeitures & Abatements	395,500	408,126	12,626
Use of Money & Property	4,360,000	7,333,833	2,973,833
Miscellaneous/Transfers In	1,443,100	1,346,240	(96,860)
Total Revenues	**82,877,100**	**90,821,766**	**7,944,667**
Non-Cash Adjustments			
Investments Fair Market Value Adjustment		(1,689,908)	(1,689,908)
RDA Loan Interest Earned, Extraordinary Gain		(272,644)	(272,644)
		(1,962,552)	(1,962,552)
Total Adjusted Revenues	**82,877,100**	**88,859,214**	**5,982,114**

Top 3 revenue sources

- Sales tax $27.6m
- Transient occupancy tax (TOT) $15.7m
- Property taxes $12.7m

17

General Fund Expenses

General Fund	2023/24 Final Budget	2023/24 Actuals	Variance
Operational/CIP Expenses			
Multi-Year Capital Improvements	41,489,381	15,768,244	(25,721,137)
Operational	60,387,250	51,594,404	(8,792,846)
Expenses Before Carryovers	**101,876,631**	**67,362,648**	**(34,513,983)**
Plus Carryovers to 2024/25			
Multi-Year Capital Improvements		21,666,520	21,666,520
Operational		900,000	900,000
Adjusted Expenditures	**101,876,631**	**89,929,168**	**(11,947,463)**
Plus Measure G Reserves	4,000,000	3,771,183	(228,817)
Total Expenditures	**105,876,631**	**93,700,351**	**(12,176,280)**

- Measure G reserves allocation $3.8 million
- Total expenditure savings after carryovers $12.2 million

18

Carryovers to 2024/25

Capital Improvements

- Total $21,666,520
- For 30 Projects and CIP Savings, detailed in Exhibit C

Operating

- Total $900,000

Other Funds

- Total $4,430,000

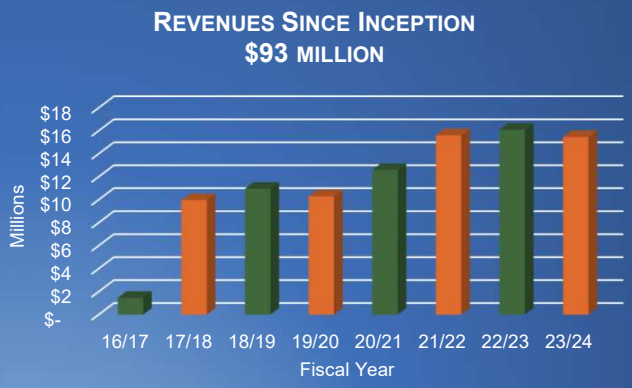
19

Fund Balance

Reserve/Fund Balance	As of June 30, 2023	As of June 30, 2024	Change in Value
Non-Spendable			
Prepaid Costs	125,994	170,577	44,583
Land Held for Resale	5,403,652	5,403,652	-
Advances to Other Funds	-	-	-
Due from Other Governments	19,600,794	17,123,777	(2,477,017)
Total Non-Spendable	**25,130,440**	**22,698,006**	**(2,432,434)**
Restricted			
Pension Trust	5,317,487	5,666,575	349,088
Committed			
Operational Carryovers	2,600,009	900,000	(1,700,009)
Cash Flow Reserve	5,000,000	5,000,000	-
Natural Disaster Reserve	15,000,000	15,000,000	-
Economic Disaster	13,000,000	13,000,000	-
Capital Replacement Reserve	12,000,000	12,000,000	-
Total Committed	**47,600,009**	**45,900,000**	**(1,700,009)**
Assigned			
Public Safety Fire Services	11,986,970	15,652,616	3,665,646
Measure G Sales Tax	29,214,191	32,985,374	3,771,183
Capital Projects	22,623,372	21,666,520	(956,852)
Total Assigned	**63,824,533**	**70,304,510**	**6,479,977**
Unassigned	**44,105,041**	**65,216,627**	**21,111,586**
TOTAL FUND BALANCE	**185,977,510**	**209,785,718**	**23,808,208**

20

Measure G Summary

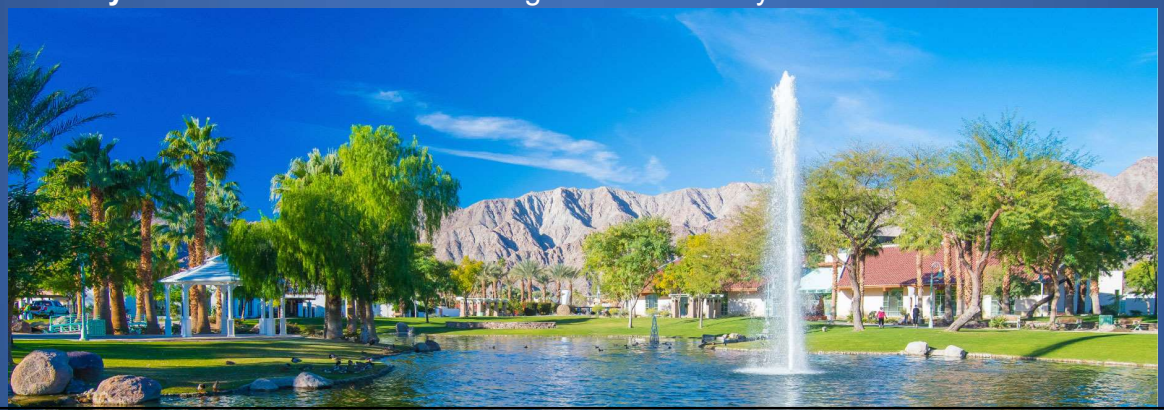


- FY 23-24 Measure G Revenue : $15.5 million
- Revenues since inception: $93 million

21

Discussion & Questions

- **Strong Financial Position** – $23.7M surplus, exceeding expectations
- **Revenue Growth** – Higher tax revenues and investment earnings
- **Controlled Spending** – Savings across departments, efficient budget management
- **Capital Investments** – $21.7M in project carryovers for infrastructure improvements
- **Fully Funded Reserves** – Ensuring financial stability for the future



22

23

Financial Advisory Commission Meeting
2/12/2025
Departmental Report Item No. 2
Third Quarter 2024 (July-September)
Sales Tax Update

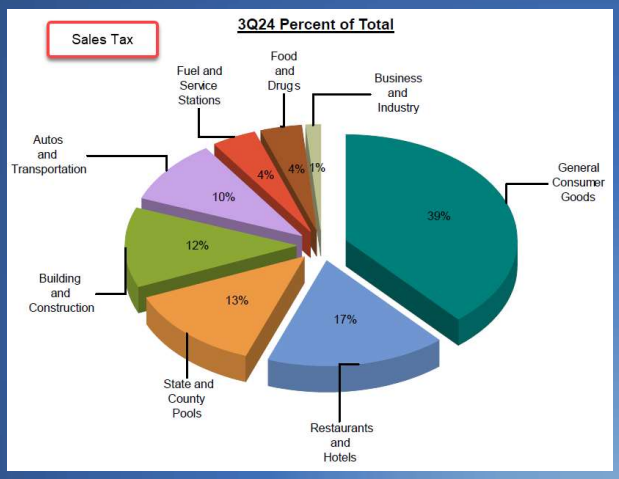
24

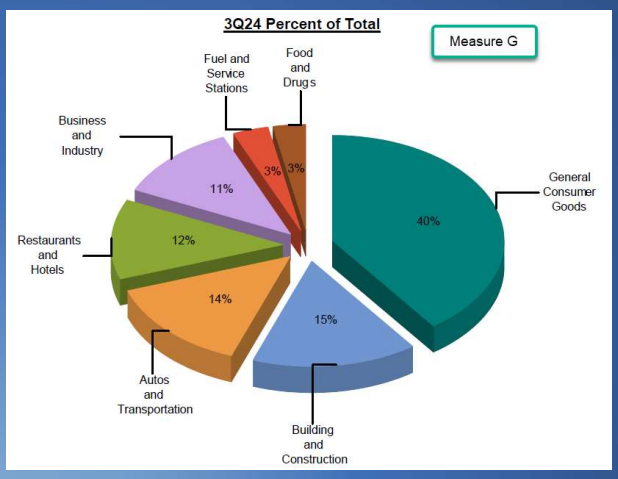
Summary

- Sales Taxes still trending slightly downward – total receipts (on a cash basis) down 2.95% to LY Year-To-Date
- The County and State also saw declines
- Overall consumers continue to be more cautious in their spending and are leaning toward value options

25

Major Industry Groups





26

Sales and MG History

YTD Measure G		%change	MG % of BB	Budget	Variance to Budget	Percent of Budget
Fiscal 16-17	$ 1,462,650		78.62%	1,000,000	462,650	146.26%
Fiscal 17-18	$ 9,967,657		110.88%	9,600,000	367,657	103.83%
Fiscal 18-19	$ 10,958,118	9.94%	110.16%	10,145,000	813,118	108.01%
Fiscal 19-20	$ 10,310,526	-5.91%	116.83%	9,646,500	664,026	106.88%
Fiscal 20-21	$ 12,594,389	22.15%	117.38%	10,617,200	1,977,189	118.62%
Fiscal 21-22	$ 15,615,411	23.99%	124.04%	13,500,000	2,115,411	115.67%
Fiscal 22-23	$ 16,088,087	3.03%	125.69%	15,500,000	588,087	103.79%
Fiscal 23-24	$ 15,471,183	-3.83%	127.12%	15,515,000	(43,817)	99.72%
Fiscal 24-25	$ 5,694,478	-63.19%	133.35%	15,000,000	(9,305,522)	
YTD Sales Tax						
Fiscal 16-17	$ 8,597,655			8,604,000	(6,345)	99.93%
Fiscal 17-18	$ 8,989,328	4.56%		8,776,100	213,228	102.43%
Fiscal 18-19	$ 9,947,125	10.65%		9,300,000	647,125	106.96%
Fiscal 19-20	$ 8,825,489	-11.28%		8,235,900	589,589	107.16%
Fiscal 20-21	$ 10,729,160	21.57%		9,428,700	1,300,460	113.79%
Fiscal 21-22	$ 12,589,104	17.34%		11,500,000	1,089,104	109.47%
Fiscal 22-23	$ 12,799,992	1.68%		12,250,000	549,992	104.49%
Fiscal 23-24	$ 12,170,477	-4.92%		12,205,000	(34,523)	99.72%
Fiscal 24-25	$ 4,270,436	-64.91%		12,000,000	(7,729,564)	

27

The Financial Advisory Commission Meeting will be on March 26, 2025

28

29