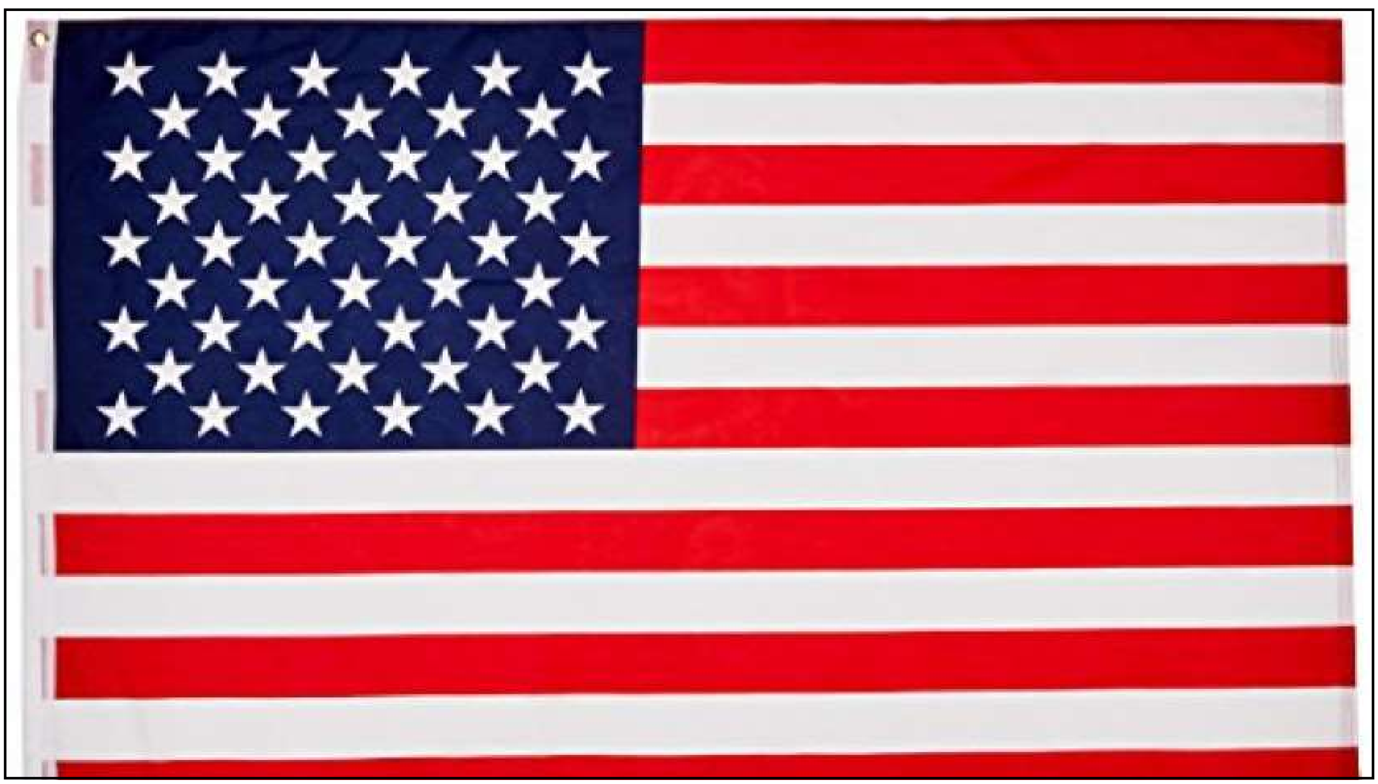
POWER POINTS

FINANCIAL ADVISORY COMMISSION MEETING

MAY 7, 2025

Financial Advisory Commission Meeting
May 7, 2025

1



2

Financial Advisory Commission Meeting 5/7/2025

Business Item No. 1
Approve the Fiscal Year 2025/26 Meeting Dates

3

Proposed Meeting Dates

Date	Type
Wednesday- September 3, 2025	Regular meeting
Wednesday- November 5, 2025	Regular meeting
Wednesday- December 3, 2025	Proposed Special meeting
Wednesday- February 11, 2026	Regular meeting
Wednesday- April 8, 2026	Proposed Special meeting
Wednesday- May 13, 2026	Regular meeting
Wednesday- June 10, 2026	Proposed Special meeting

4

Financial Advisory Commission Meeting 5/7/2025

Study Session Item No. 1

Discuss The Fiscal Year 2025/25 Investment Policy

5

Proposed Edits

- Section V Maximum Maturities: Added language from the state government code regarding forward settlement dates.
  - §53601 "A security purchased in accordance with this section shall not have a forward settlement date exceeding 45 days from the time of investment."
- Section VII: Minor edit to decouple the annual approval of the investment policy from the annual granting of investment authority to the Treasurer.
  - When the Policy goes to City Council for adoption, the title of the staff report, shall indicate approval of the Policy and designation of authority to the City Treasurer.
- Section IX: Clarifications to the type of documentation the City might use to verify the credentials of broker/dealers as compared to advisors or financial institutions.
  - Financial statements, FINRA reporting, SOC-1 reporting, etc.

6

Proposed Edits, Continued

- Section X Permissible Deposits and Investments: Clarified that while the policy generally allows for investments as permitted by the state code, our policy may at times be more restrictive than the code. Placed bank (non-negotiable) CDs under the 'Checking, Savings, Sweep Accounts' category, as negotiable CDs are a tradeable product on the secondary market
- Section XVI Review of Investment Portfolio: Additional language regarding how often staff monitors the portfolio, along with available market information, for potential issues with securities falling out of compliance with the policy

7

CMTA Certification


California Municipal Treasurers Association

Investment Policy Certification

Issued on 12/15/2024

City of La Quinta

The California Municipal Treasurers Association certifies that the investment policy of the City of La Quinta complies with the current State statutes governing the investment practices of local government entities located within the State of California.

CALIFORNIA REPUBLIC

CMTA

President

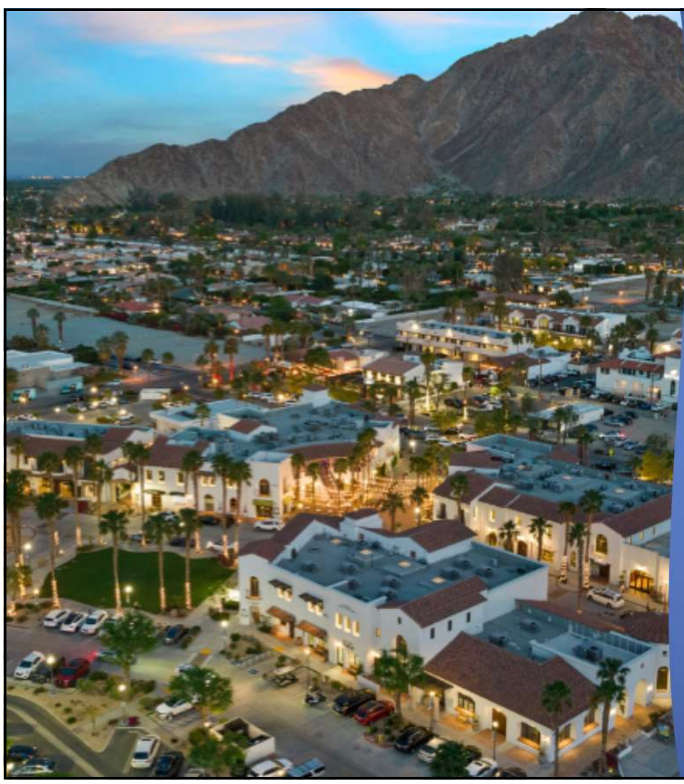
12/15/2024

Date

8

Financial Advisory Commission Meeting 05/07/2025 Study Session Item No. 2 Discuss the Fiscal Year 2025/26 Preliminary Proposed Budget

9



BUDGET OVERVIEW

- Focus on General Fund and Internal Service Funds
- Revenues & Expenses
  - Changes from FY 24/25
  - Discuss assumptions and major variances
- Measure G Summary

10

General Fund Revenues

General Fund Revenues	2024/25 Original	2024/25 Current	2025/26 Proposed	Change Current v. Proposed	% Change
Tax Revenues	63,270,000	63,270,000	62,110,000	(1,160,000)	-2%
Licenses & Permits	2,386,500	2,386,500	2,329,700	(56,800)	-2%
Intergovernmental	11,253,000	11,253,000	12,353,000	1,100,000	10%
Charges for Services	1,028,700	1,028,700	1,032,450	3,750	0%
Fines, Forefeitures & Abatements	341,000	341,000	347,500	6,500	2%
Use of Money & Property/Misc.	4,435,100	4,435,100	6,516,100	2,081,000	47%
Transfers In	-	4,993,504	4,993,504	-	0%
Total Revenues	**82,714,300**	**87,707,804**	**89,682,254**	**1,974,450**	**2%**

Top 3 Revenue Sources:

- ✓ Sales Tax revenue $25.6 million
- ✓ Property Tax revenue $13.7 million
- ✓ Transient Occupancy Tax (TOT) $13.5 million

11

General Fund Expenses

General Fund Expenditures	2024/25 Original	2024/25 Current	2025/26 Proposed	Change Current v. Proposed
City Council	346,400	346,400	348,100	1,700
City Manager Department	1,641,100	1,641,100	1,789,800	148,700
Marketing & Community Relations	1,932,600	1,932,600	1,910,740	(21,860)
City Attorney	800,000	800,000	1,100,000	300,000
Human Resources	745,900	745,900	807,100	61,200
City Clerk Department	1,406,570	1,406,570	1,378,970	(27,600)
Police	19,643,300	19,643,300	21,687,500	2,044,200
Fire	10,572,110	10,972,110	11,657,870	685,760
Community Services Administratio	716,400	716,400	629,500	(86,900)
Wellness Center Operations	683,600	683,600	686,050	2,450
Recreational Programs & Events	1,956,000	1,956,000	2,042,450	86,450
Code Compliance/Animal Control	1,821,340	1,821,340	1,857,940	36,600
Public Safety Administration	269,890	269,890	373,714	103,824
Parks Maintenance	4,538,300	4,538,300	4,164,050	(374,250)
Public Buildings	1,875,750	1,875,750	1,959,050	83,300
Public Works Administration	835,797	835,797	791,500	(44,297)
Public Works Development Service	539,383	539,383	538,100	(1,283)
Streets Department- Traffic	1,036,550	1,186,550	1,327,150	140,600
Engineering Services	1,234,400	1,234,400	1,084,600	(149,800)
Design & Development Administrat	826,800	826,800	721,200	(105,600)
Planning	856,900	856,900	1,509,400	652,500
Building	1,513,600	1,513,600	1,499,700	(13,900)
The Hub	1,499,875	1,499,875	1,329,750	(170,125)
Finance	2,103,500	2,103,500	2,292,500	189,000
Centralized Services	23,935,600	46,177,120	26,735,100	(19,442,020)
Total Expenditures	**83,331,665**	**106,123,185**	**90,221,834**	**(15,901,351)**

12

General Fund Expenditure Assumptions

Salaries & Benefits	Contract Services/Maintenance & Operations	Utilities/Internal Service Charges
• Annual step increases & CalPERS rate increase • Labor market adjustments	• Contract rate increases • Rise in cost of supplies & materials • One-time expenditures such as fee studies, equipment replacement	• One-time purchases in FY 2024/25 (machinery/equipment & park upgrades) • Insurance premium increase

13

General Fund Variances

Division	Change from PY	
Police	$2,044,200	Salary & Benefits, estimated 9.5% rate increase, public safety camera system maintenance
Fire	$685,760	Salary & Benefits/rate increase, fire station bay door and furniture replacement, and Emergency Operations Center enhancements
Parks Maintenance	($374,250)	Salary & Benefits, contract/on-call increases, FY 24/25 park upgrades currently underway, carryover into FY 25/26
Planning	$652,500	Salary & Benefits, master planning efforts for SOI
Centralized Services	($19,442,020)	Annual unfunded pension liability payment, capital improvement carryovers for multi-year projects

14

Internal Service Funds

INTERNAL SERVICE FUNDS SUMMARY			
Fund	Current FY 24/25	Proposed FY 25/26	Variance
Equipment Replacement	2,665,364	1,745,500	(919,864)
Information Technology	3,367,945	4,002,320	634,375
Park Equipment	2,700,000	935,000	(1,765,000)
Insurance Fund	1,058,000	1,235,100	177,100
	9,791,309	**7,917,920**	**(1,873,389)**

- Support the City's internal operations
- Revenues derived from the General Fund based on employee and equipment allocations

15

General Fund Summary

GENERAL FUND FY 2025/26 PROPOSED BUDGET SUMMARY		
Revenues	$	89,682,254
Less Operating/CIP Expenses		(90,221,834)
Preliminary Budget Surplus		(539,580)
Use of Measure G Reserves		600,000
BUDGET SURPLUS	**$**	**60,420**

MEASURE G SALES TAX SUMMARY		
Measure G Sales Tax Revenue	$	14,400,000
Police Services		-
Capital Improvements		(15,000,000)
Available for Appropriation	**$**	**(600,000)**

16

FY 2025/26 Budget Schedule

- May 20 – City Council, Study Session #1
- June 3 – City Council, Study Session #2
- June 4 – Financial Advisory Commission
- June 11 – Housing Commission
- June 17 – City Council, Adoption

For the latest budget information visit:
www.laquintaca.gov/business/finance/budget

17

Discussion & Questions

18

Financial Advisory Commission Meeting
5/7/2025
Departmental Report Item No. 2
Fourth Quarter 2024 (October-December)
Sales Tax Update

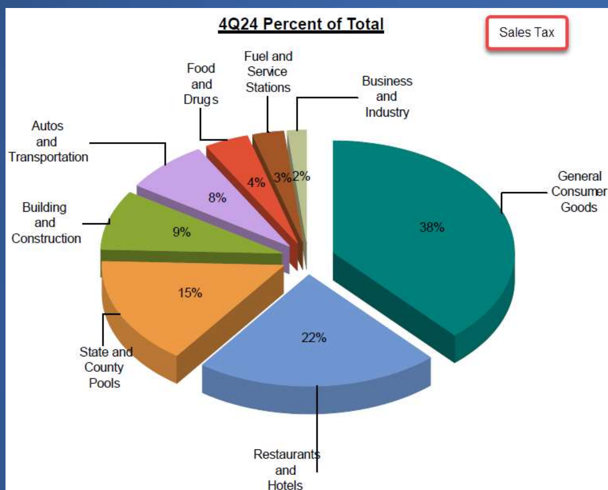
19

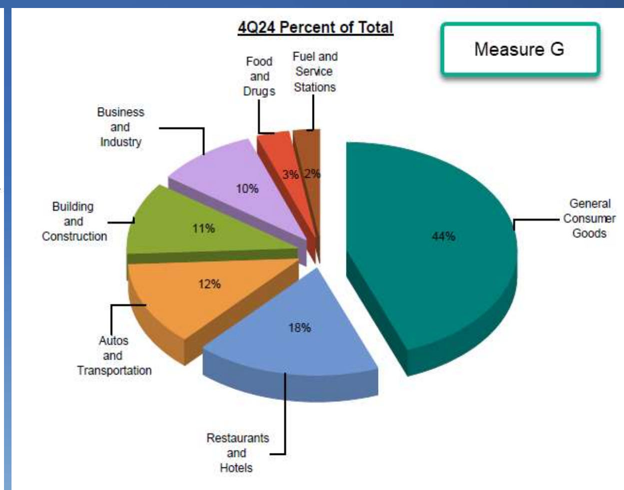
Summary

- Sales Taxes still trending slightly downward – total receipts (on a cash basis) down 2.92% 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

20

Major Industry Groups





21

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	$ 10,107,820	-34.67%	129.29%	15,000,000	(4,892,180)	67.39%
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	$ 7,818,224	-35.76%		12,000,000	(4,181,776)	65.15%

FY 24-25 numbers are through February 2025

22

The Financial Advisory Commission Special Meeting will be on June 4, 2025

23

24