



**CITY OF
COACHELLA**

**Mid-Year 2024/2025
Budget Update**

March 12, 2025
City Council Meeting



US Economy

- What to expect in 2025
 - **Federal Funds Rate**
 - As of January 2025, the federal funds rate was in the range of 4.25%-4.5%.
 - **Economic Activity:** Real Gross Domestic Product increased at a rate of 2.3% in the 4th qtr. 2024.
 - U.S. inflation decelerated to 2.9% in January 2025 compared to 3.1% in January 2024
 - **Employment:** The U.S. unemployment rate remained at historic lows in February 2025 at 4.0%. However, it is higher than March 2024 at 3.8%





US Economy

- **What to expect in 2025** (cont.)
 - **Housing**
 - In January 2025, the housing market in the Coachella Valley was characterized by rising prices, increased inventory and a 6.1 month supply of homes.
 - Home sales Decreased in January 2025 by 4.9% compared to December 2024, but they decreased by 1.2% in the last 12 months.
 - Housing prices in the Coachella Valley experienced a price increase of 2.3% (February 2024 to February 2025)
 - Expectations for 2025.
 - Existing Home sales increase by 13.5% (Source NAR)
 - New Home sales increase by 19% (Source: NAR)

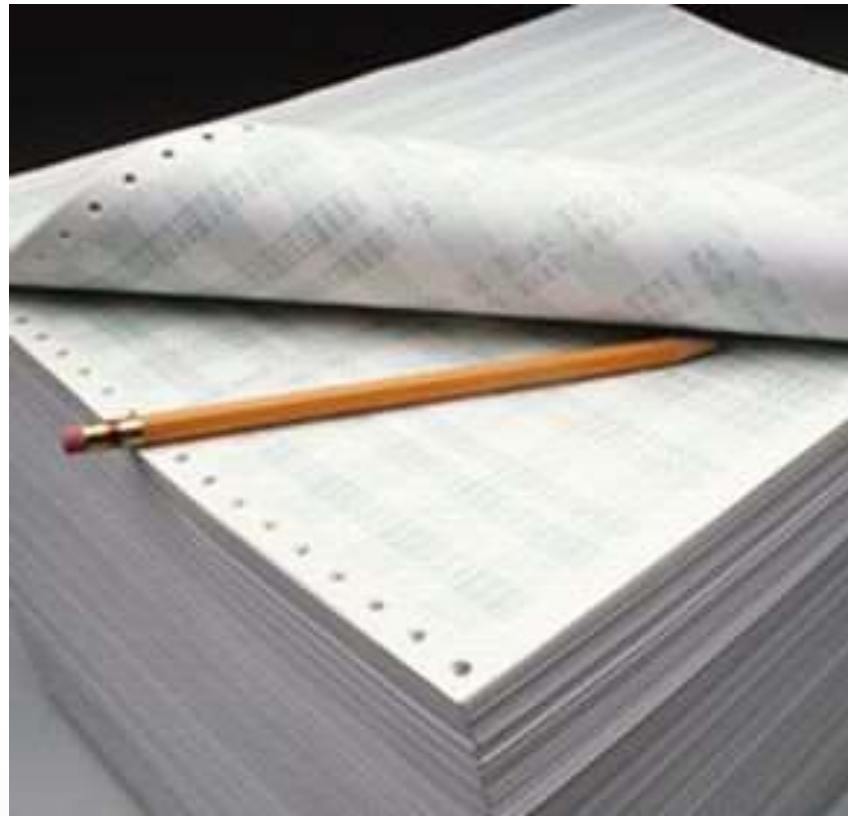


California Economy



- What to expect in 2025(cont.)
 - **Personal Income:** U.S. personal income decreased by .6% in the 4th qtr. of 2024. Personal consumption and expenditures increased by .5%
 - U.S. personal savings increased by .1% over the same quarter a year ago.
 - As of February 2025, California's overall economy is positioned to grow approx. 2.7% from 2024.
 - Unemployment as of February 2025: 5.5% (5.3% in 2024)
 - **Coachella** unemployment was 10.7% in February 2025 compared to 9.4% in February 2024

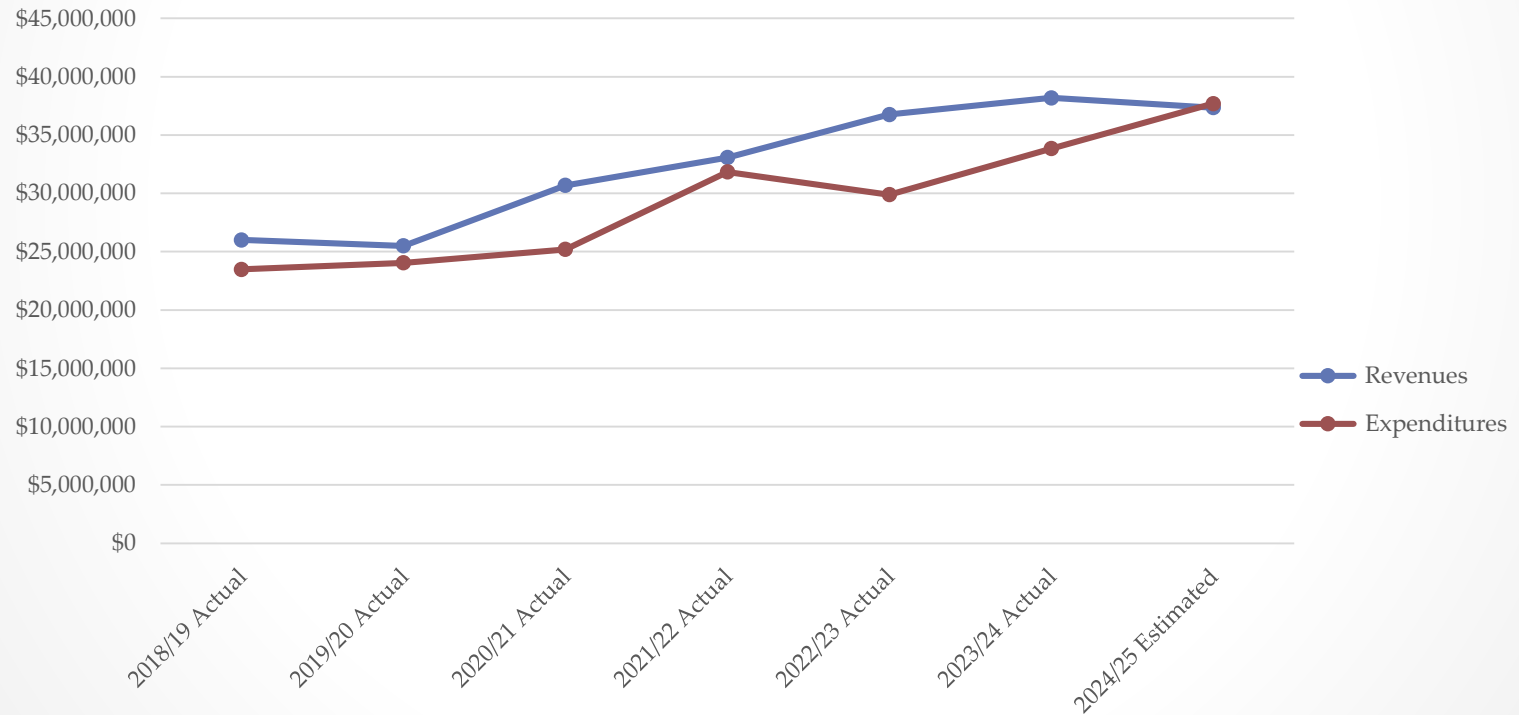
\$\$\$\$ The Numbers \$\$\$\$\$





Coachella FY 24-25 Mid-Year Budget Update

General Fund Revenue and Expenditure 7 Year History





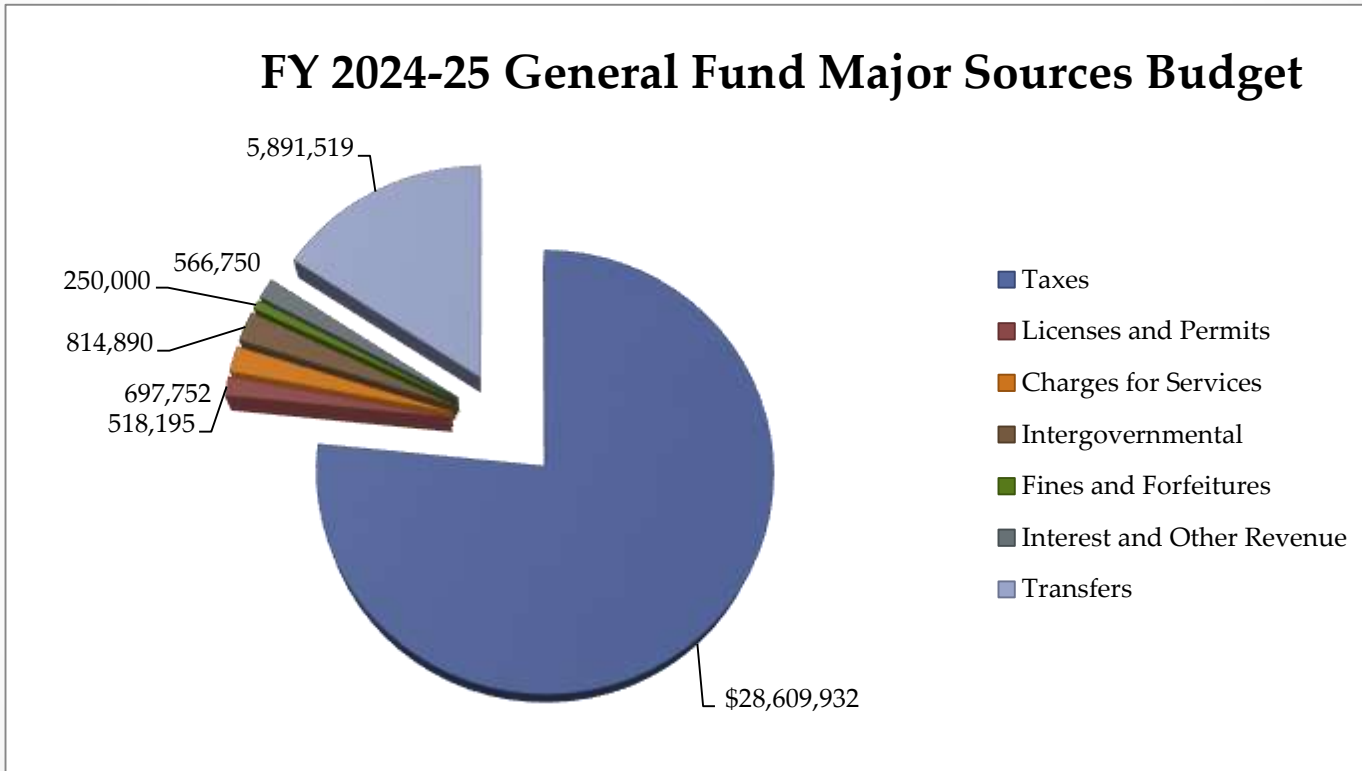
CITY OF COACHELLA

Mid-Year 2024/2025 General Fund Revenues



Coachella FY 24/25 Mid-Year Budget Update

FY 2024-25 General Fund Major Sources Budget





Coachella FY 24/25 Mid-Year Budget Update

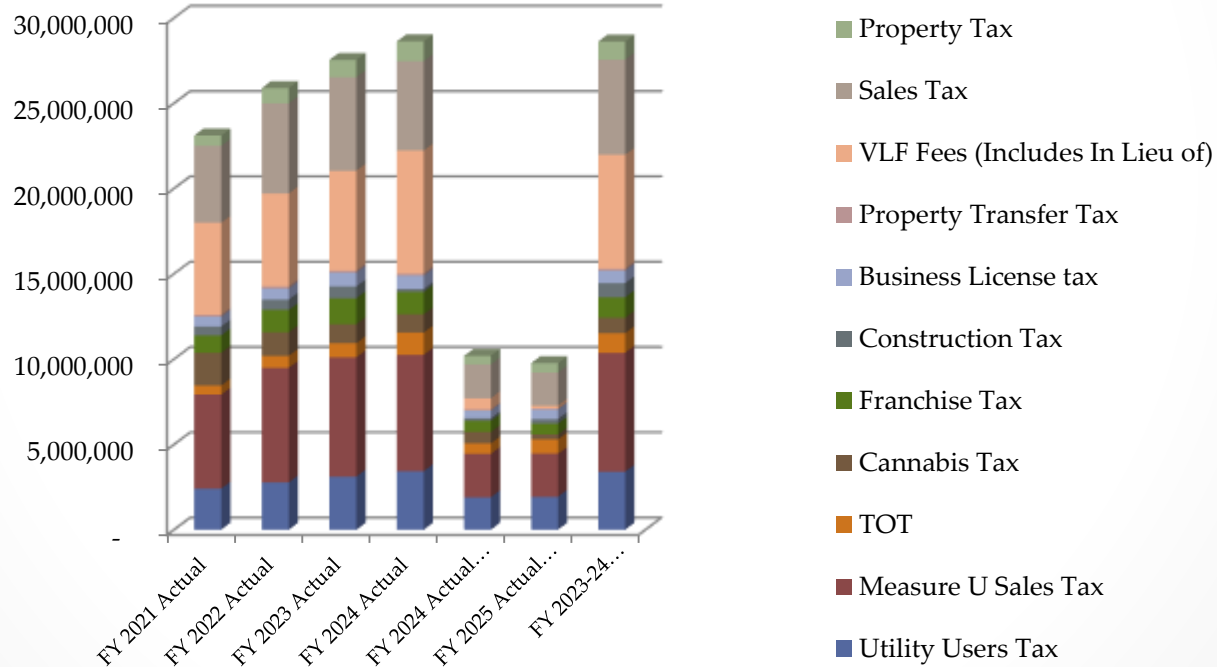
General Fund Projected Revenue 2024 – 2025 Mid-Year Budget

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2023-24 January 31st	FY 2024-25 January 31st	FY 2024-25 Approved Budget
Taxes	\$ 27,540,901	\$ 28,623,833	\$ 10,192,988	\$ 9,767,627	\$ 28,609,932
Licenses and Permits	910,130	508,714	331,760	498,738	518,195
Charges for Services	978,465	767,553	395,768	329,375	697,752
Intergovernmental	1,473,217	1,095,594	275,394	172,172	814,890
Fines and Forfeitures	350,103	294,906	152,992	171,010	250,000
Interest and Other Revenue	813,992	1,820,293	276,991	688,363	566,750
Transfers	4,332,090	5,071,453	1,595,606	1,599,810	5,891,519
Total	\$ 36,398,897	\$ 38,182,346	\$ 13,221,499	\$ 13,227,096	\$ 37,349,038



Coachella FY 24/25 Mid-Year Budget Update

7 Year General Fund Tax Revenue History





CITY OF COACHELLA

Mid-Year 2024/2025

General Fund Expenditures



Coachella FY 24/25 Mid-Year Budget Update

General Fund Expenditures by Department

Department Name	FY 2022-23 Actual	FY 2023-24 Actual	Actual Expenses as of January 31, 2024	Actual Expenses as of January 31, 2025	FY 2024-25 Approved Budget
City Council	\$ 187,292	\$ 206,905	\$ 113,444	\$ 151,021	\$ 267,195
City Clerk	186,571	176,177	68,924	138,587	167,548
Admin - City Attorney	987,642	874,282	373,111	325,233	810,600
Admin - City Manager	422,186	319,412	188,462	180,081	305,999
Admin - Public Information Officer	-	132,365	292	207,407	363,761
Admin - Human Resources	217,420	401,159	209,441	313,383	399,094
Admin - General Government	3,461,586	6,216,040	2,757,530	2,586,148	4,411,341
Economic Development Department	201,764	366,622	203,169	221,237	375,215
Economic Development - Grant Administration	141,619	72,893	40,589	52,220	100,613
Finance Department	943,290	742,614	423,480	452,797	1,405,070
Information Technology	932,130	1,107,342	488,108	926,781	1,040,051
Development Services - Administration	54	292,266	-	185,272	338,254
Development Services - Planning	905,524	557,280	508,202	296,787	1,121,026
Development Services - Building	383,620	649,219	280,983	303,260	625,866
Development Services - Code Enforcement	414,849	595,399	348,839	399,633	1,060,173
Development Services - AVA	323,735	361,295	214,220	126,821	264,265
Development Services - Graffiti	85,648	103,767	58,574	65,552	183,544
Development Services - Cannabis Compliance	30,277	103,576	59,129	60,416	186,956
Engineering Department	656,415	869,786	445,210	511,264	1,138,400
Engineering - Storm Drain	14,970	52,942	3,900	-	50,000
Public Works - Administration	344,615	360,579	149,272	279,983	458,150
Public Works - Streets Maintenance	1,834,758	1,391,567	1,077,921	1,275,352	2,044,029
Public Works - Parks Maintenance	2,032,834	2,562,915	1,465,987	1,135,098	2,437,824
Public Works - Building Maintenance	1,194,523	1,227,502	626,090	685,107	1,197,890
Public Works - Fleet Maintenance	642,633	701,115	346,363	469,594	813,745
Public Works - Recreation Programs	314,459	215,669	150,544	170,316	225,507
Public Works - Seniors Program	413,968	533,767	297,710	256,972	450,787
Public Safety - Police Services	10,409,530	10,660,268	3,775,104	3,959,147	11,268,079
Public Safety - Animal Control	474,040	453,106	234,742	283,177	514,500
Public Safety - Emergency Services	(14,589)	84,165	24,165	41,812	80,000
Public Safety - Fire Services	1,751,018	1,450,526	1,270,024	1,621,464	3,242,928
Total	\$ 29,894,382	\$ 33,842,522	\$ 16,203,529	\$ 17,681,925	\$ 37,348,410



Coachella FY 24/25 Mid-Year Budget Update

General Fund Expenditures by Category

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2023-24 Final Budget	FY 2023-24 Actual January 31th	FY 2024-25 Actual January 31th	FY 2024-25 Adopted Budget
Salaries and benefits	\$ 6,768,316	\$ 7,218,647	\$ 8,304,070	\$ 4,377,398	\$ 5,055,293	\$ 9,919,729
Donations/Contributions/Events	787,226	838,572	997,000	458,114	802,608	579,000
Administrative expenses	10,678	10,058	17,500	9,763	13,591	15,500
Legal services	1,021,453	1,030,051	772,000	426,684	346,460	810,600
Other professional fees	3,356,508	3,731,917	4,066,424	2,084,825	1,975,382	4,039,839
Public safety	12,154,941	12,120,133	13,361,489	5,039,714	5,591,230	14,513,007
Repairs and maintenance	409,887	339,159	425,050	160,610	145,882	356,158
Equipment rental	307,015	376,001	447,000	226,771	323,344	464,108
Insurance expense	925,357	973,403	1,091,700	712,075	959,489	1,743,130
Communication expense	206,179	187,714	259,295	96,199	117,372	173,465
Advertising expense	135,665	215,244	100,150	115,811	219,031	179,200
Meetings, conferences and travel	139,278	211,735	176,506	115,604	75,189	196,802
Supplies	782,907	800,352	730,700	424,506	441,206	729,600
Minor equipment	108,536	124,607	90,218	85,102	81,310	146,050
Computer software	227,673	229,285	245,099	173,148	397,179	413,148
Energy charges	899,949	1,049,364	852,000	539,545	504,523	909,500
Books and periodicals	3,684	408	6,035	14	5,203	7,300
Dues and subscriptions	136,541	177,833	247,831	97,207	206,314	97,921
Machinery and equipment	250,031	1,692,061	274,879	909,639	95,264	15,000
Miscellaneous expenses	229,204	249,719	331,550	150,799	326,054	362,250
Transfers - allocations	12,094	1,103,126	3,129,294	-	-	110,000
Transfers - Debt Service	1,021,261	1,163,134	1,764,148	-	-	1,567,103
TOTAL	\$ 29,894,382	\$ 33,842,522	\$ 37,689,938	\$ 16,203,529	\$ 17,681,925	\$ 37,348,410



Coachella FY 24/25 Mid-Year Budget Update

General Fund – Fund Balance

General Fund - Fund Balance

	7/1/2024 Fund Balance	Fiscal Year 2024-25 Changes	Projected 6/30/2025 Fund Balance
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Fund Balance:

Nonexpendable	\$ 10,658,680	\$ -	\$ 10,658,680
Committed	8,424,192	912,910	9,337,102
Assigned	11,769,131	4,951,728	16,720,859
Unassigned	13,497,680	(5,864,638)	7,633,042
Total Fund Balance	\$ 44,349,683	\$ -	\$ 44,349,683



Coachella FY 24/25 Mid-Year Budget Update

Approved budget Adjustments FY 2024-25

DATE	DESCRIPTION	Unassigned 17,762,967.00
11/1/2023	Public Spay/Neuter Clinic Events	(\$16,000.00)
7/26/2023	Transit Hub Project-shortfall	(\$497,556.00)
9/13/2023	Avenue 53 Tot Lot	(\$9,900.00)
9/13/2023	improvements at Rancho Las Flores Park	(\$150,000.00)
10/11/2023	KOA Corporation-Professional Services Agreement	(\$40,000.00)
10/11/2023	Bagdouma Park Court Improvements	(\$56,536.39)
1/24/2024	Amend Budget for City Manager's Contract	(\$32,761.00)
10/25/2023	Sponsorship of Raices Cultura	(\$15,000.00)
11/8/2023	Yunex LLC for Project No. 093021	(\$60,000.00)
11/8/2023	drain system maintenance services	(\$50,000.00)
11/8/2023	Professional Services Agreement-Urban Futures, Inc	(\$100,000.00)
1/24/2024	Avenue 48 Arts and Music Line Project	(\$29,881.00)
1/24/2024	USA Shade-Shade replacement for parks	(\$158,757.40)
1/24/2024	West Coast Arborists - Hidden Harvest	(\$57,000.00)
2/14/2024	Professional Service Agreement with MIG	(\$84,093.00)
2/14/2024	Cesar Chavez Day	(\$10,000.00)
2/14/2024	Coachella Women's Summit	(\$25,000.00)
2/14/2024	11th Annual Women Rising event	(\$5,000.00)
2/28/2024	Blue Zones Project	(\$200,000.00)
3/27/2024	corporate yard video camera server	(\$30,344.60)
3/27/2024	Network Server Upgrade	(\$32,458.61)
2/28/2024	Façade Improvement Grant Program - FY 24-25	(\$1,000,000.00)
2/28/2024	Software as a Service Agreement-Munis	(\$633,110.00)
2/28/2024	Dillon Road	(1,658,329.99)
	Total	(\$4,951,727.99)



CITY OF COACHELLA

Mid-Year 2024/2025 Component Units



Coachella FY 24/25 Mid-Year Budget Update

Water Authority Projected Revenue 2024 – 2025 Mid-Year Budget

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	Actual Revenues as of Jan 31, 2024	Actual Revenues as of Jan 31, 2025	FY 2024-25 Approved Budget
Utility Service	\$ 6,238,825	\$ 6,595,290	\$ 3,942,872	\$ 4,220,325	\$ 6,900,000
Connection Fees	\$ 939,437	\$ 370,493	\$ 340,311	\$ 931,850	\$ 985,375
Interest Income	\$ (143,757)	\$ 783,423	\$ 99,510	\$ 126,220	\$ 25,000
Ground Water Replenishment	\$ 439,173	\$ 513,184	\$ 310,124	\$ 339,267	\$ 550,000
Other Charges	\$ 51,030	\$ 79,994	\$ 48,773	\$ 42,239	\$ 55,000
Other Revenue	\$ 103,892	\$ 34,448	\$ 14,174	\$ 11,715	\$ 723,028
Grants	\$ 210,465	\$ 833,025	\$ 213,722	\$ 103,939	\$ 3,282,000
Total	\$ 7,839,065	\$ 9,209,856	\$ 4,969,485	\$ 5,775,554	\$ 12,520,403



Coachella FY 24/25 Mid-Year Budget Update

Water Authority Expenditures by Category

	FY 2022-23 Actual	FY 2023-24 Actual	Actual Expenses as of January 31, 2024	Actual Expenses as of January 31, 2025	FY 2024-25 Adopted Budget
Salaries and Benefits	\$ 2,088,118	\$ 2,456,904	\$ 1,427,315	\$ 1,404,563	\$ 2,799,036
Administrative Expenses	55,463	33,667	979	456	33,000
Other Professional Fees	553,763	538,936	236,559	390,598	690,020
Repairs and Maintenance	641,750	498,459	149,538	349,205	327,000
Communication Expense	38,108	38,789	4,926	7,974	42,000
Meetings, Conferences and Travel	1,813	9,569	9,408	-	10,000
Supplies	242,340	298,517	148,237	192,466	315,000
Energy Charges	1,070,673	1,257,383	590,520	637,681	1,200,000
Dues and Subscriptions	57,481	26,319	20,564	14,639	55,000
Minor Equipment	14,237	565	565	1,273	5,000
Computer Software	4,992	4,992	4,992	-	10,000
Debt Service - Interest	553,388	482,454	871,930	-	1,185,960
Lease expense	316,171	316,171	-	-	316,171
TOTAL	\$ 5,638,647	\$ 5,963,818	\$ 3,466,627	\$ 2,998,854	\$ 6,990,187
Transfers and Allocations	3,023,843	1,775,422	693,811	533,288	1,929,328
Depreciation and Amortization	1,100,890	1,164,488	-	-	1,200,000
Capital Expenses	43,609	58,428	134,257	1,939,555	4,855,028
TOTAL	\$ 4,168,342	\$ 2,998,337	\$ 828,068	\$ 2,472,843	\$ 7,984,356
TOTAL	\$ 9,806,990	\$ 8,962,156	\$ 4,294,695	\$ 5,471,698	\$ 14,974,543



Coachella FY 24/25 Mid-Year Budget Update

Proprietary Funds Projected Fund Balance

Coachella Water Authority

Fund Balance on July 01, 2024

Restricted	\$ 11,947,449 ⁽¹⁾
Unrestricted	1,364,573 ⁽¹⁾

Total Fund Balance on July 01, 2024

13,312,022

Plus: Current Fiscal Year Estimated Revenues	12,520,403 ⁽²⁾
Less: Current Fiscal Year Budgeted Expenditures	<u>9,056,014 ⁽³⁾</u>

Projected Fund Balance on June 30, 2025

Restricted	11,947,449 ⁽¹⁾
Unrestricted	4,828,962 ⁽¹⁾

Total Projected Fund Balance on June 30, 2025

\$ 16,776,411

Increase (Decrease)

\$ 3,464,389

(1) Does not include Capital Assets, Accumulated Depreciation or Related Debt

(2) Includes Connection Fees Fund 177

(3) Does not include Debt Service - Principal or capital item & interfund transfers.



Coachella FY 24/25 Mid-Year Budget Update

Sanitary District Projected Revenue 2024 – 2025 Mid-Year Budget

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	Actual Revenues as of Jan 31, 2024	Actual Revenues as of Jan 31, 2025	FY 2024-25 Approved Budget
Property Taxes	\$ 197,251	\$ 232,753	\$ 80,612	\$ 92,405	\$ 184,000
Service Charges	7,004,069	7,612,716	4,100,079	4,500,788	7,100,000
Connection Fees	1,203,153	401,676	377,412	622,156	1,125,454
Interest Income	(62,880)	342,780	33,880	70,646	45,000
Other Revenue	1,240	3,247	-	67	-
Total	\$ 8,342,834	\$ 8,593,172	\$ 4,591,983	\$ 5,286,061	\$ 8,454,454



Coachella FY 24/25 Mid-Year Budget Update

Sanitary District Expenditures by Category

	FY 2022-23 Actual	FY 2023-24 Actual	Actual Expenses as of January 31, 2024	Actual Expenses as of January 31, 2025	FY 2024-25 Adopted Budget
Salaries and benefits	\$ 4,674,019	\$ 3,252,055	\$ 1,423,813	\$ 1,408,611	\$ 2,903,439
Administrative expenses	125,420	95,235	90,904	97,448	95,000
Other professional fees	472,114	530,934	267,993	314,861	701,996
Repairs and maintenance	107,543	126,787	78,904	49,783	192,000
Rental of equipment and vehicles	17,110	38,706	23,355	23,769	60,000
Communication expense	11,392	8,881	4,876	8,007	10,000
Meetings, conferences and travel	1,431	8,196	8,087	2,569	10,000
Supplies	196,752	218,410	117,328	121,314	218,000
Energy charges	735,654	925,214	463,773	409,647	820,000
Dues and subscriptions	33,259	20,942	19,017	12,534	28,500
Machinery and equipment	-	-	13,600	-	40,000
Minor equipment & furniture	12,702	565	565	1,264	10,000
Computer Software	4,992	4,992	4,992	1,000	5,000
Miscellaneous expenses	12,841	6,133	-	-	-
Transfers and allocations	798,920	1,123,407	561,704	571,426	1,142,853
Debt Service - Interest	591,434	586,698	561,785	284,637	2,868,893
TOTAL	\$ 7,795,583	\$ 6,958,734	\$ 3,641,513	\$ 3,315,253	\$ 9,150,681



Coachella FY 24/25 Mid-Year Budget Update

Proprietary Funds Projected Fund Balance

Coachella Sanitary District

Fund Balance on July 01, 2024

Restricted	\$ 1,384,430 ⁽¹⁾
Unrestricted	4,985,372 ⁽¹⁾

Total Fund Balance on July 01, 2024	<u>\$ 6,369,802</u>
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Plus: Current Fiscal Year Estimated Revenues	8,454,454 ⁽²⁾
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Less: Current Fiscal Year Budgeted Expenditures	<u>9,277,658</u> ⁽³⁾
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Projected Fund Balance on June 30, 2025

Restricted	1,384,430 ⁽¹⁾
Unrestricted	4,162,167 ⁽¹⁾

Total Projected Fund Balance on June 30, 2025	<u>\$ 5,546,597</u>
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Increase (Decrease)	<u>\$ (823,205)</u>
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(1) Does not include Capital Assets, Accumulated Depreciation or Related Debt

(2) Includes Connection Fees Fund 360, excludes interfund transfers

(3) Does not include Debt Service - Principal or capital item.
& interfund transfers



Coachella FY 24/25 Mid-Year Budget Update

Fire Department - Revenues

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	Actual Expenses as of January 31, 2024	Actual Revenues as of Jan 31, 2025	FY 2024-25 Approved Budget
Taxes	\$ 1,091,264	\$ 1,251,234	\$ 1,251,234	\$ 574,727	\$ 945,000
Intergovernmental	67,669	49,061	49,061	592	3,000
Fines and Forfeitures	5,209	8,143	8,143	5,893	2,000
Interest and Other Reven	78,100	77,753	77,753	39,462	40,000
Transfers	2,618,389	2,578,730	2,578,730	2,243,700	4,406,227
Total	\$ 3,860,631	\$ 3,964,922	\$ 3,964,922	\$ 2,864,374	\$ 5,396,227



Coachella FY 24/25 Mid-Year Budget Update

Fire Department - Expenditures

Expenses	FY 2022-23 Actual	FY 2023-24 Actual	Actual Expenses as of January 31, 2024	Actual Expenses as of Jan 31, 2025	FY 2024-25 Approved Budget
Administrative expenses	373,055	596,251	304,340	363,959	720,277
Books and periodicals	16	-	-	-	-
Energy Charges	-	614	-	2,183	-
Machinery and equipment	-	8,212	-	-	-
Professional/contract services	3,481,072	3,686,708	885,696	1,081,704	5,017,261
Repairs and maintenance	9,053	23,759	21,098	1,182	25,000
Supplies	597	4,525	731	500	5,000
Total	\$ 3,863,794	\$ 4,320,067	\$ 1,211,865	\$ 1,449,528	\$ 5,767,538



CITY OF COACHELLA



BUDGET CALENDAR FISCAL YEAR 2025-26 (continued)

FISCAL YEAR 2025-26	
Distribute 2025-26 Budget Worksheets	March 3
Review of Revenue Estimates	March 13
Budget Worksheets Due to Finance	March 27
Budget Workshop with Department Staff & Budget Committee	April 7-10
Complete First Draft of 2025-26 Budget	April 17
Review of first Draft by Budget Committee with Departments	April 21-24
Complete Second Draft of 2025-26 Budget	April 30
Review of Revenues Estimates	May 1
Review of Second Draft by Budget Committee with Departments	May 6
Distribute Budget Package to Council	May 7
Budget Study Session	May 14
Budget Study Session (If Necessary)	May 21
Public Hearing & Adopt 2025-26 Budget	May 28
Public Hearing & Adopt 2025-26 Budget (If Continued)	June 11



CITY OF COACHELLA

Mid-Year 2024/2025 Budget Update

Questions?