



Staff Report

City Council

Item No. {{section.number}}.P

Meeting Date: August 14, 2024

From: Charles McClendon, City Manager

Title: Resolution Supporting Measure W

RECOMMENDATION:

To approve a resolution expressing City Council support for Measure W.

BACKGROUND:

The City Council adopted the following action item as part of their five-year strategic plan adopted in April of 2023:

Action B-13 Develop a plan to address the need for funding for parks and recreation services through the DRD; and other resident priorities including streets, and work toward a potential funding measure in 2024.

The City Manager appointed a committee of residents to review unfunded needs in the community, explore possible solutions and potentially make recommendations to the City Council. The committee, which has since been named the Resident Committee on Maintaining a Safe and Self-Reliant Cathedral City first met and began their work on October 26, 2023. They received a presentation from Financial Services Director Kevin Biersack on the City's current financial status including information on where revenues come from and where money goes according to the current adopted budget. Discussions included the large portion of the general fund budget that goes to personnel, both city staff salaries and benefits and the costs of contracted services, and the large portion of the general fund budget that goes to the police and fire departments. These conditions make it very difficult if not impossible to reallocate existing funds to cover the identified unfunded needs in Cathedral City. The committee also discussed the effect of the approximately \$6 million spent on recovery from the damage caused by Tropical Storm Hilary, which does not include an estimated additional local contribution of up to \$6 million for street repairs which will be required to repair damage cost by the storm and subsequent clean-up work.

The second meeting of the committee was held on November 16, 2023. The primary agenda item was a presentation by staff from the Desert Recreation District. The presentation covered the history of the annexation effort and the outcome of the 2022 Measure K. The

discussion then turned to what the DRD can bring to Cathedral City immediately upon annexation, which is all the recreation programming that can be provided without a community recreation center using parks, schools and other facilities. Parks maintenance standards, the park ambassador program to keep our parks safe and secure by preventing undesirable activities at parks and other benefits of the DRD assuming responsibility for parks maintenance were also discussed. Finally, the committee looked at what a community recreation center might cost and how it might be programmed.

The next meeting was held on December 7, 2023. The agenda included a presentation by Engineering and Public Works Director John Corella on the city Pavement Management Plan. Committee members were very interested in the funding gap between what is needed to maintain and improve the condition of the streets and the funding that is available via traditional funding sources including state SB1 funds and the local maintenance of effort funds. The City uses grants, Measure A and gas tax funds to supplement those sources as they are available, but still falls far short of the funding needed in any given year. This results in some of the streets with the lowest pavement management index having to wait for repair work due to the great cost differential between having to completely rebuild a street compared to a slurry seal to extend the life of a street that is in better condition. Also on December 7, the committee heard a presentation from Fire Chief Mike Contreras outlining the need for maintaining response times for emergency medical services and an innovative plan to add a fourth ambulance staffed with two paramedics to respond to medical calls for service in circumstances where emergency medical dispatch has determined that a two-person response will meet the identified need. This will leave the more costly fire engine response available for other calls where that is required and improve ambulance availability and response time across the system.

The final meeting of the committee was held on January 11, 2024. The agenda included a review of the previous presentations and was followed by a discussion of ideas from committee members for addressing the identified funding gaps. Discussion included the applicability and limitations of grant funding, public private partnerships and single-purpose tax measures. Ultimately, the committee members coalesced around recommending a general purpose, half-cent sales tax (transaction and use tax) to the City Council. It was noted that a half-cent tax would raise about the same amount as the original Measure K would have raised – approximately \$5 million per year. That amount of revenue would fund, in approximately equal amounts the following:

1. Annexation into the DRD and their assumption of parks maintenance responsibilities and keeping parks safe and secure in Cathedral City.
2. Operating costs for a community recreation center.
3. Debt service costs to develop a community recreation center – most likely the adaptive reuse of an existing building.
4. An additional \$1 million per year for street maintenance work per the pavement management plan.
5. The addition of a two-person medical response ambulance on each of the fire department's three shifts (six staff total).

The City Council heard the report of the resident committee on January 24, 2024, and directed staff to proceed with further discussion on a possible ballot measure, including conducting polling in the community to evaluate the viability of a potential measure.

The City Council considered the recommendation of the Resident Committee on Maintaining

a Safe and Self-Reliant Cathedral City during the Council meeting on July 24, 2024. Since the committee's initial report was reviewed by Council on January 24 several steps were taken to provide opportunities for residents of Cathedral City to provide input on the identified funding needs and other service priorities.

On February 28, 2024, the City Council authorized funding to conduct a statistically valid public opinion survey of the community to gather additional feedback on service priorities and funding needs in the community. The city awarded a contract to a professional survey research firm, FM3, and a survey instrument was developed, including potential ballot language, and the polling was conducted from March 20 to March 26, 2024. Surveyors contacted 433 voters likely to vote in the November 2024 election. Interviews were conducted using telephone, text and email and were available to respondents in either English or Spanish. Survey results have a margin of error of $\pm 4.9\%$ at the 95% confidence level for full sample questions and $\pm 6.9\%$ for half sample questions.

Survey results were presented to the Council in study session on May 8, 2024. Almost three-quarters of respondents continue to perceive the City needs additional funds and the perceived great need for funds has increased since 2022.

Q. In your personal opinion, do you think the City of Cathedral City has a great need for additional funding, some need, a little need or no real need for additional funds to provide the level of City services that Cathedral City residents need and want?

40% indicated they saw a great need for additional funding and 33% indicated some need.

Maintaining 911 emergency response, fire protection services, and repairing streets and potholes are leading priorities for uses of funds. Following is a list of the top funding priorities deemed most important by survey respondents:

- Maintaining 911 medical emergency ambulance, fire and police response
- Maintaining fire protection and paramedic services
- Recruiting and retaining well-trained paramedics and firefighters
- Repairing neighborhood streets and potholes
- Preparing for, responding to, and recovering from rainstorms and other natural disasters
- Maintaining gang prevention programs
- Protecting Cathedral City's long-term financial stability
- Removing debris after rainstorms
- Helping prevent property crimes, including thefts and burglaries
- Keeping public areas and parks safe and clean
- Maintaining city services
- Maintaining police protection

To provide a further opportunity for residents to participate in the discussion of community priorities, a web page titled Join the Conversation was created and residents were invited, via a mailer sent to every home in Cathedral City, to complete a survey ranking identified priorities in terms of importance to them. About 200 people completed the survey. The following list outlines the priorities ranked highest:

- Recruiting and retaining well-trained paramedics and firefighters
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- Repairing neighborhood streets and potholes
- Maintaining gang prevention programs
- Preparing for, responding to, and recovering from rainstorms and other natural disasters
- Helping prevent property crimes, including thefts and burglaries
- Keeping Parks safe and secure, including addressing homelessness
- Maintaining 9-1-1 medical emergency ambulance, fire protection and police protection response

DISCUSSION:

The following is the ballot language that was referred to the voters by the City Council on July 24, which has subsequently been designated as Measure W:

Cathedral City Services Measure Shall the measure providing funding for Cathedral City's general services such as maintaining 911 medical emergency/ambulance/fire/police response and gang prevention programs; recruiting/retaining well-trained paramedics/firefighters; repairing streets/potholes; preparing for/responding to and recovering from rainstorms/natural disasters; keeping public areas/parks safe/clean; addressing homelessness; by increasing sales tax by ½¢ providing \$5,000,000 annually until ended by voters; requiring audits, spending disclosure, funds locally controlled, be adopted?

The Council resolution to refer the measure to the voters was adopted unanimously after considerable public comment. The measure, if approved by voters, will allow the city to address the items identified by the Resident Committee on Maintaining a Safe and Self-Reliant Cathedral City, by residents through the public opinion survey and by those who completed the on-line *Join the Discussion* questionnaire.

The Council now has the opportunity to further express their support for Measure W by adopting the attached resolution of support.

FISCAL IMPACT:

The approved budget for FY 2024-25 includes \$35,000 for a possible ballot measure as part of the November election. In 2022, the addition of a ballot measure increased the amount paid to the County by \$27,000.

FIVE-YEAR STRATEGIC PLAN:

Goal B - COMMUNITY INVESTMENT

Objective: Cathedral City roads, gateways, public spaces, and other infrastructure are well planned, designed, constructed and maintained

B-11 City Council to support a measure to provide funding for parks and recreation services through the DRD and other resident priorities including streets and enhanced Fire Department services

Goal C - FISCAL STABILITY AND SUSTAINABILITY

Objective: Cathedral City has economically prospered by facilitating the investment of private dollars in high quality development which benefits the community. We remain financially solvent by instituting prudent fiscal policies and transparent financial practices.

Goal E – SAFETY

Objective: Cathedral City is safe for all who live, work, visit, and play in our community

ATTACHMENTS:

1. Resolution in Support of Measure W