



Staff Report

City Council

Item No. {{section.number}}.C

Meeting Date: December 11, 2024

From: Charles McClendon, City Manager

Title: Measure W Implementation Plan

RECOMMENDATION:

This item is presented for information, discussion and direction only.

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 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 prevent 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 better response times for emergency medical services and an innovative plan to add a fourth ambulance staffed with two personnel 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 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 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.
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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. After conducting polling in the community, holding several additional study session discussions on key needs in the community, and soliciting further resident input, the Council approved a resolution on July 24, 2024 to refer a revenue measure to the voters:

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 $\frac{1}{2}\%$ providing \$5,000,000 annually until ended by voters; requiring audits, spending disclosure, funds locally controlled, be adopted?

As of November 26, 2024, the unofficial election results showed that Measure W passed with a resounding 74% of votes cast. The overwhelming support for Measure W highlights the deep commitment of residents to enhancing the quality of life in Cathedral City. By approving the measure, residents have voiced their desire to see significant improvements in key areas directly impacting their daily lives. Joining the Desert Recreation District will provide expanded recreation services, and the development of a future community center promises to create vibrant spaces for families and individuals to gather, connect, and thrive. Additionally, the measure will allow for expanded ambulance services, ensuring prompt and reliable emergency response for all residents. Finally, the investment in neighborhood street improvements demonstrates a shared dedication to safety, accessibility, and the long-term vitality of the community's infrastructure.

DISCUSSION:

Since it became apparent that the voters had approved Measure W, staff have been working to develop the necessary plans and action steps to provide the promised additional services to the community.

Joining the Desert Recreation District

Staff are coordinating with the Desert Recreation District (DRD) to finalize the actions necessary for the city to annex into the recreation district. The DRD will formally apply to the Riverside Local Agency Formation Commission (LAFCO) to allow Cathedral City to annex into the district.

Simultaneously, the DRD is preparing a services agreement outlining the specific services the DRD will be providing to Cathedral City. DRD will assume the maintenance and operation of the City's parks, specifically Century Park, Dennis Keat Soccer Park, Ocotillo Park, Panorama Park, and Esperanza Park, to enhance park experiences and elevate community services for the city. In this collaboration, DRD and the City of Cathedral City will work together to maintain recreational facilities, promote community engagement through a variety of programs, and prioritize safety for all in the city's parks and recreation areas. As regional leaders in the parks and recreation sector, DRD is committed to advancing this partnership and creating an enjoyable, welcoming environment for all within the city's parks and recreational facilities. Initially, DRD will also employ one staff person in Cathedral City in a location to be determined to coordinate the provision of recreation programs and assist

residents in signing up for classes.

The required tax sharing agreement and the companion services agreement with the DRD will likely be presented to Council for approval on January 8, 2025.

Beginning to Plan for the Development of a Community Center

One of the first steps in the development of a community center in Cathedral City is to conduct a feasibility study to best determine the location for the center and other operational considerations such as sizing, scalability, cost, additional funding opportunities and potential partnerships. Staff have been putting together a bidders list of potential vendors who can conduct this analysis and are developing the request for proposals to solicit bids which is targeted to go out in January. DRD will be part of this process as they will ultimately be the operators of the facility.

Implementing the Measure W Ambulance Program

The Fire Department has been planning for and has a schedule identified for the implementation of the additional ambulance. The objective of this plan is to recruit and hire the necessary personnel, acquire the needed equipment and resources and implement all components need for full implementation of Measure W on July 1, 2025.

On the agenda tonight is authorization to purchase the new ambulance funded initially through the equipment replacement fund. There is an opportunity to purchase the vehicle now which will result in an earlier timeline for delivery. Through the beginning of December, staff from fire and human resources will be finalizing the Firefighter and Firefighter EMT job descriptions to hire the personnel who will staff this program. From December through May, the fire department will conduct the recruitment process including academies to have staff ready to begin July 1, 2025. This includes the Fire Fighter and Fire Fighter EMT positions, one or two leadership positions (Battalion Chief and/or Captain), and two EMD Dispatchers. The fire department staff have identified and priced the equipment needed to operate the fourth ambulance.

Improving Neighborhood Streets

With plans to allocate approximately \$1 million in Measure W funds to improve neighborhood streets, Public Works and Engineering staff are identifying the streets that will be presented to Council as part of the budget process using this funding beginning in FY 2025/26. Using the adopted Pavement Management Plan (PMP) for guidance, staff will focus on neighborhood streets prioritized in the PMP to maximize the impact of the available funds.

FISCAL IMPACT:

Finance staff have determined that, according to state law, the additional tax authorized by Measure W will become effective on April 1, 2025. Due to the lag in collections by the state, funds for April, May and June will be received by the City in June, July and August 2025 and will be accrued back to FY 2024-2025. It is expected that collections for that three-month period will be approximately \$1 million.

FIVE-YEAR STRATEGIC PLAN:

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.

ATTACHMENTS:

None.