

Melissa Sanchez

From: David Hyams <financial_perspectives@hotmail.com>
Sent: Thursday, January 4, 2024 8:35 AM
To: Melissa Sanchez
Subject: Fw: Measure J - Dec 2023 Meeting - Budget Documents
Attachments: Page 1.jpg; Page 2.jpg; Page 3.jpg; Page 4.jpg

NOTICE: This message originated outside of The City of Palm Springs -- **DO NOT CLICK** on **links** or open **attachments** unless you are sure the content is safe.

Melissa,
Please forward this email to the Measure J Commissioners and include as Public Testimony for the upcoming Jan 2024 meeting.

Please confirm via email when this has been done.

Thank you,
David

Measure J Commissioners

Commissioners,

I have alerted the Finance Director to **numerous data integrity issues with the latest Measure J Budget spreadsheets** posted on the City website (see details below and attached). By meeting time in January you should expect the documents to be updated.

These issues have been in the Public domain since last Fall and ideally **should have been identified by one of you**. I realize that 7 Commissioners are new in position; as such this is a learning opportunity.

Trust but Verify aided me well in my 35 year career in Accounting and Finance with Chevron Corporation. Ticking and tying numbers between spreadsheets may not sound important; however, I encourage Commissioners to take on this detailed Oversight.

Upwards of Half a Billion Dollars in revenue will be generated during the 25 year life of Measure J. With amounts this large, the devil was always going to be in the detail. **Commission oversight and Public transparency is paramount.**

In my email to Director Mooney I applauded the increased Measure J details that he is attempting to provide. To leverage off this increased transparency I propose that a Budget & Expenditure subcommittee be formed to ensure that this information is prepared and presented in a very clear and understandable manner for Public consumption.

The subcommittee should be comprised of 3 Commissioners, a Finance Dept. employee, and a member of the Public.

Thank you for your attention.

regards,

David K Hyams

From: David Hyams <financial_perspectives@hotmail.com>
Sent: Tuesday, January 2, 2024 10:39 AM
To: kristopher.mooney@palmspringsca.gov <kristopher.mooney@palmspringsca.gov>
Cc: melissa.sanchez@palm <melissa.sanchez@palm>
Subject: Measure J - Dec 2023 Meeting - Budget Documents

Director Mooney,

I believe it is important that Measure J Budget and Actual and Projected Expenditure data be presented in an understandable manner for Public consumption.

Transparency provided by additional detail is very valuable and I applaud the new level of detail you are attempting to provide the Measure J Commission.

However, it is important that the detail provided is complete and accurate. **The 4 documents of data discussed at the December 21, 2023 meeting (especially Pg 4) contain many data integrity issues.** My experience suggests these issues can be remedied by utilizing better Excel tools and skills, documented work processes and viewing the presentation from the Public and Commissioners perspective.

I believe that these 4 budget documents, currently on the City website, be updated as soon as possible.

Attached are my modified documents for your review and reference.

Following are my comments for your consideration.

Data Integrity Issues

Summary of Measure J Funds - Pg 1

- 23-24 Budget for Street Repairs is shown as \$9,000,000, however on Pg 2 Annual Paving Rehabilitation is shown as \$6,000,000.

Expenditure amounts on Page 1 should be reconciled to amounts on all other pages as necessary.

Measure J Summary - Pg 2

- 23-24 Expenditures (Actual) for Community Initiated Projects is blank. The amount shown on Page 1 is \$308,903.

Expenditure amounts on Page 2 should be reconciled to amounts on all other pages as necessary.

Measure J Community Initiated Projects - Pg 3

- 22-23 Budget of \$1,831.475 is not traceable. Does it relate to the \$2,027,420 6/30/23 balance on Pg 2.
Expenditure amounts on Page 3 should be reconciled to amounts on all other pages as necessary.
- 23-24 Expenditures show a total of \$308,904, however the total is \$308,903. Amounts should tie to the \$.

Measure J Summary - Pg 4

- 7 project balance amounts are different between this page and amounts on Pg 2. See circled items on attached Pg 4.
- 9 project expenditure amounts are different between this page and amounts on Pg 2. See circled items on attached Pg 4.

Additional Considerations to better inform and educate the Public.

Summary of Measure J Funds - Pg 1

- Define on this and other pages when the Fiscal Year is i.e. Jul 1 - Jun 30. For many in the Public not better defining this causes confusion.
- The line item Interest Income/Unrealized Gain Loss should have (Loss) bracketed. This will align with the loss amount in 2021-2022.
- The line item Cont Appropriations (Carryover) should have this added - "see page 4 for more details". As this is the largest amount on the page this addition will enable finding the details much easier.

Measure J Summary - Pg 2

- Rename the column Balance 6/30/23 to either **Unspent or Remaining** Balance 6/30/23.

Measure J Community Initiated Projects - Pg 3

- Add a start and estimated completion date for each project? This will allow greater project timeline transparency to the public.

Measure J Summary - Pg 4

- Rename this page to Measure J Summary - Continuing Appropriations (Carryover) Into the 2023-2204 Fiscal Year. This will better describe and tie this page to the same total as shown on Pg 1.

I have copied Melissa as we spoke briefly last week about my concerns.

Please let me know if you have any questions.

regards,

David K Hyams

BS Accounting & Finance - San Jose State University 1980

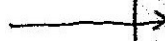
35 Year career with Chevron Corporation in a variety Accounting and Finance functions both domestic and international (1981-2015)

City of Palm Springs
Summary of Measure J Funds

	Year-End Final Audited 2021-2022	Unaudited Fiscal Year 2022-2023	YTD Fiscal Year 2023-2024	Budget	
				Adopted Budget 2023-2024	Adopted Budget 2024-2025
Beginning Fund Balance	\$ 21,142,569	\$ 32,744,800	\$ 10,970,753	\$ 6,308,265	\$ 3,476,113
Measure J Sales Tax Revenue	22,202,207	21,942,491	4,162,501	22,520,046	23,405,226
Interest Income/Unrealized Gain(Loss)	(445,703)	348,226	229,791	250,000	250,000
Miscellaneous Revenue	13,955				
Total Revenues	21,770,458	22,290,717	4,392,292	22,770,046	23,655,226
<i>Existing Budget Obligations:</i>					
Multi-Year Projects:					
Street Repairs	5,983,348	7,017,207	62,879	(3) 9,000,000	6,000,000
Community Initiated Projects	13,275	315,610	308,903	2,000,000	6,000,000
Airport Reserve on Aviation Fuel Sales per FAA	-	-	200,000	200,000	200,000
Total Multi-Year Projects (Subtotal)	5,996,622	7,332,817	571,782	11,200,000	12,200,000
Other Approved Projects and Expenses:					
Debt Service (Downtown Revitalization Project)	1,402,832	3,138,500	783,425	3,133,279	3,133,620
Downtown Maintenance, Landscaping & Security	599,309	607,727	289,169	650,000	400,000
Transfer Out to Other Funds (PD Radios & Plaza Theatre)	-	2,000,000	-	-	-
Expenditures	2,169,464	-	-	-	-
Adopted Capital Projects FY22-23 Expenditures	-	2,644,960	3,407,742	(2) 8,768,920	(2) 6,996,500
Cont Appropriations (Carryover) - see detail on Pg 4	-	25,656,598	484,500	-	-
Cont Appropriations (Carryover) - CIP	-	2,684,162	-	-	-
Project Cost Over Runs	-	-	-	(1) 1,000,000	(1) 1,000,000
Parks and Recreation (Cap Prj Cost Over Runs)	-	-	-	750,000	750,000
Project Completion Marketing and Communication	-	-	-	100,000	100,000
Total Expenditures	10,168,227	44,064,764	5,536,618	25,602,199	24,580,120
Net Change	11,602,231	(21,774,047)	(1,144,325)	(2,832,153)	(924,894)
Fund Balance Restricted for Measure J Capital	31,649,800	9,675,753	8,331,428	1,981,113	856,219
Fund Balance Restricted for Airport Projects	1,095,000	1,295,000	1,495,000	1,495,000	1,695,000
Total Fund Balance	32,744,800	10,970,753	9,826,428	3,476,113	2,551,219

Bracket

(Loss)



see detail on Pg 4

(1) 1,000,000

* Note: Effective December 8, 2017, per a Federal Aviation Administration ruling, the City is required to set aside Measure J sales taxes collected on aviation fuel sales for airport project expenses.

*Note: Fiscal Year is Jul 1 to Jun 30

(1) Why aren't these overruns pushed to specific projects? Keeping at this high level does not allow transparency of which projects have overrun.

(2) Key Data Point - Detail should be more evident and easy to find on Pg 2

(3) amt on Pg 2 for 23-24 is \$2,000,000 - why diff?



CITY OF PALM SPRINGS

Department of Finance

Measure J Summary

Fiscal Year July 1st - June 30

Pg 2

Unspent

Project Number	Project Name	Status	Project Owner	Balance 06/30/23	FY23-24 Budget	FY23-24 Expenditures (Actual)	FY24-25 Budget	FY24-25 Expenditures (Estimated)	Remaining Balance
16-08	MAIN LIBRARY RENOVATIONS	Contract Awarded - Under Design	Engineering	4,138,339	2,921,400	6,204	1,000,000	7,059,739	1,000,000
18-06	VICTORIA RTHHRDY RESTROOMS	Not Started	Engineering	1,220,000	366,000			1,466,000	
18-09	FIRE TRAINING FACILITY	Not Started/tied in w/lt Fire Station No. 1	Engineering	1,150,000	345,000			1,150,000	
18-10	DOWNTOWN SFTY BOLLARD PH2	On Hold	Engineering				500,000		500,000
	Set Aside for the Downtown Amphitheatre	Recommended to Ad Hoc Committee	Parks and Rec		754,000				
19-16	PD 911 CAD RMS	RFP to be issued soon	Police	1,671,980	1,078,020			2,000,000	
19-18	JC FREY BUILDING REHAB	Comblned/Contract Awarded	Engineering		1,131,000			1,131,000	
19-23	KEYLESS ENTRY PHASE 2	Scope Development/IT Dept	Information Technology	203,348	651,000				854,348
19-24	DEMUTH PARK ADA ACCESS PH2	Combined with 21-16 RFP Awarded under design	Engineering	595,714	1,000,000	63		1,117,000	
19-25	LIFE SAFETY IMPRV FIRE SPRKLR	Scope Development	Public Works	900,000	500,000		500,000	1,900,000	
19-26	EMERGENCY GENERATORS CITYFAC	Scope Development	Public Works	1,200,000	777,500			1,977,500	
19-27	HVAC CITY WATER TREATMENT PRGM	Not Started/Public Works	Public Works	607,500				607,500	
19-28	RECREATIONAL LED LIGHTING UPGR	Under Construction	Engineering	4,702,213		2,759,062			
20-03	PALM CYN INDIAN ROUNDABOUT	Under Design	Engineering	334,487	520,000	26,867	200,000		754,487
20-04	SUNRISE PLAZA HVAC IMPROVEMENTS	Not Started/Public Works	Engineering	400,000	650,000		696,500	1,746,500	
21-16	DEMUTH DOG PARK	RFP Awarded under design	Engineering	202,000				202,000	
21-17	ARNICO TRACT SEWER PHASE 4	Construction Almost Complete	Engineering	684,950		573,354			
22-11-2	PARK BENCHES	In Process	Parks and Rec	10,000					10,000
22-11-3	PAVILION LANDSCAPING	Completed	Parks and Rec	10,000					10,000
22-19	RELOCATE FIRE STATION 1	RFP being worked for site location	Engineering	1,600,000					4,700,000
N/A 260.2	DOWNTOWN MAINT. UNALLOCATED (NO PROJECT)	Open	Engineering		650,000	289,169	400,000	400,000	
22-20	COMMUNITY INITIATED PROJECTS (detail on next page)	In Process	Engineering	2,027,420	2,000,000	+308,903	6,000,000		9,698,500
22-21	PEDESTRIAN STREETS MASTER PLAN	Scope Development/will start being worked soon	Engineering	500,000	500,000		500,000	1,000,000	
22-24	PICKLEBALL COURTS	Under Design	Engineering	150,000	575,000	21,317			
22-25-1	DOWNTOWN PROJECT-DSRTFASHIONPLAZA	Open	Clean Up	8,863					8,863
22-26	SAN RAFAEL DRIVE TURF CONVERSION	Not Started/sustainability and public works	Public Works with Sustainability	150,000					150,000
22-32-1	PROPERTY MAINTENANCE/LANDSCAPE	Open	Clean Up	95,121					95,121
22-37-1	AIRP RES-FUEL FAA	Open	Airport	1,295,000	200,000	200,000	200,000		1,695,000
PAVING	ANNUAL PAVING REHABILITATION	Under Construction	Engineering	3,000,000	6,000,000	62,879	6,000,000	6,000,000	
18-04 -MEAS J	PLAZA THEATER - TRANSFERRED TO GENERAL FUND	Completed	Clean Up	38,872					38,872
OTHER		On Hold		8,582		15,690			8,582

Measure J Interfund Items	DEBT	Measure J Debt Service (current year's figures only)	N/A							
				(3)	\$ 26,904,390	\$ 20,618,920	\$ 3,959,790	\$ 19,596,500	\$ 27,757,239	\$ 19,523,774
						3,133,279	783,425	3,133,620	3,133,620	
					\$ -	\$ 3,133,279	\$ 783,425	\$ 3,133,620	\$ 3,133,620	\$ -
				(3)	\$ 26,904,390	\$ 23,752,199	\$ 4,743,215	\$ 22,730,120	\$ 30,890,859	\$ 19,523,774

(1) \$308,903 shown as Community Initiated Projects expenditure on Pg 1

(2) 23-24 Budget shown on Pg 1 is \$9,000,000

(3) These amounts on this line should be reconciled to Pg 1.

Pg 2



CITY OF PALM SPRINGS
 Department of Finance
 Measure J Community Initiated Projects (Proj. 22-20)
 Fiscal Year 2023-24 and Fiscal Year 2024-25 Budget

Pg 3

Number	Name	Status	Project Owner	FY22-23 Budget	FY22-23 Expenditures	FY23-24 Expenditures	FY24-25 Expenditures	Remaining Balance
1	Drainage at the boys and Girls Club	Completed	Engineering	\$ 72,500				\$ (111,102.78)
2	Shade Structure over the playground at Victoria Park	In process/with Public Works	Public Works	58,000				58,000
3	Fencing between the Pool and Pavillion	Design in Process/together with Locker Rooms	Engineering					
4	Repair Existing Exercise Equipment at Desert Highland Park	Not Started/Public Works and Parks	Parks and Rec	32,625				32,625
5	Add 4 New Pieces of Exercise Equipment at Desert Highland Park	Not Started/Public Works and Parks	Parks and Rec	71,775				71,775
6	Hiking Trail Maintenance and Trailhead Signage	Not Started/Public Works and Parks	Parks and Rec	145,000				145,000
7	Shade Structures at Animal Shelter	In Construction	Engineering	280,500		5,020		275,480
8	Demuth Dog Park Upgrades to address immediate needs	Shade Structure In progress	Engineering	362,500		96,610		265,890
9	Resurfacing the Walking Path at Desert Highland Park	Pending a quote/parks and rec	Parks and Rec	72,500				72,500
10	Swim Center Locker Rooms & Fencing between Pool & Pavillion	Design in Process	Engineering	232,000			23,671	208,329
11	Palm Canyon Theatre Maintenance Repairs	Scope Development	Public Works	280,575				280,575
12	Visitor Center Up Lighting	Completed	Engineering	43,500	43,500			-
13	Wellness Centers and Local Schools (4 schools)	Check issued	None	100,000	100,000			-
14	School Gardens at Local Schools (4 schools)	Check Issued	None	80,000	80,000			-
SUBTOTAL				\$ 1,831,475	\$ 315,610	\$ 308,904	\$ -	\$ 1,299,071

(1)

(2)

(1) Where is the 6/30/23 balance of \$2,027,420 ^{from Pg 2} reflected on this page? Consider tying to this Amt.

(2) \$ 308,903 shown on Pg 1 + Pg 2. should tie to the \$

* Suggest that a column be added showing Fiscal Year Originated In
 * Est Completion Date. This will provide ~~another~~ ^{another} relevant view of activity to the public

* Consider

Pg 4

CITY OF PALM SPRINGS

Department of Finance

Measure J Summary

FY24 & FY25 Budget

Continuing Appropriations (Carryovers) Into 2023/2024 Fiscal Year

Amts Circled from Page 2

Amts from Pg 2

Not on Pg 2?
Not on Pg 2?

Not on Pg 2
↓

Project Number	Project Name	Pg 2 Balance 6/30	Unspent Balance 06/30/23	FY23-24 Actual FY24 Actual Expenses	FY24 Actual Expenditures
15-07	DOWNTOWN PARK PROJECT		1,087,325		
16-08	MAIN LIBRARY RENOVATIONS	\$4,138,339	4,136,603	\$6,204	
17-07	NPC Pedestrian Enhancements		1,425,515	484,500	
18-06	VICTORIA RTHHRDY RESTROOMS	\$1,220,000	1,220,000		
18-09	FIRE TRAINING FACILITY	\$1,150,000	1,150,000		
19-16	PD 911 CAD RMS	\$1,671,980	1,671,980		
19-23	KEYLESSS ENTRY PHASE 2	\$203,348	203,348		
19-24	DEMUTH PARK ADA ACCESS PH2	\$595,714	594,403	\$63	
19-25	LIFE SAFETY IMPRV FIRE SPRKLR	\$900,000	900,000		
19-26	EMERGENCY GENERATORS CITYFAC	\$1,200,000	1,200,000		
19-27	HVAC CITY WATER TREATMENT PRGM	\$607,500	607,500		
19-28	RECREATIONAL LED LIGHTING UPGR	\$4,702,213	4,677,956	\$2,759,062	
19-36	TMC & SIGNAL TIMING OPTIMIZATION		41,875		
20-03	PALM CYN INDIAN ROUNDABOUT	\$334,487	505,886	\$26,867	
20-04	SUNRISE PLAZA HVAC IMPROVEMENTS	\$400,000	400,000		
20-27	Pavilion Acoustic Curtains		10,561		
20-30	DEMUTH PARK RESTROOMS		1,533		
20-31	DESERT HIGHLAND PARK RESTROOMS		4,250		
21-01	ANNUAL PAVEMENT REHABILITATION		271,107		
21-16	DEMUTH DOG PARK	\$202,000	202,000		
21-17	ARNICO TRACT SEWER PHASE 4	\$684,950	742,576	\$573,354	
22-11-2	PARK BENCHES	\$10,000	10,000		
22-11-3	PAVILION LANDSCAPING	\$10,000	10,000		
22-19	RELOCATE FIRE STATION 1	\$1,600,000	1,600,000	\$5,184	
22-21	PEDESTRIAN STREETS MASTER PLAN	\$500,000	500,000		
22-24	PICKLEBALL COURTS	\$150,000	150,000	\$21,317	
22-25-1	DOWNTOWN PROJECT-DSRTFASHIONPLAZA	\$8,863	8,863		
22-26	SAN RAFAEL DRIVE TURF CONVERSION	\$150,000	150,000		
22-32-1	PROPERTY MAINTENANCE/LANDSCAPE	\$95,121	95,121		
PAVING	ANNUAL PAVING REHABILITATION	\$3,000,000	1,982,793	\$62,879	
18-04 -MEAS J	PLAZA THEATER - TRANSFERRED TO GENERAL FUND	\$38,872	86,821		
	OTHER	\$8,582	8,582	\$15,690	
			\$25,656,598		

22-20 Community Not included in this summary \$2,027,420 \$0 Expended
 22-37-1 Airport Reserve \$1,295,000 \$200,000 Expenditure

* Consider adding Fiscal Year originally budgeted in