

Measure P Analysis

Desert Recreation District

Desert Recreation District

FY 2026-27 Proposed Budget

Overview of Preliminary District-Wide Proposed Budget

	FISCAL YEAR 2026-27 PROPOSED BUDGET				
	REVENUES	EXPENDITURES	NET BUDGET	TRANSFERS IN / (OUT)	TOTAL BUDGET
CORE GENERAL FUND					
110 - General Fund	\$ 20,473,461	\$ 16,945,556	\$ 3,527,905	\$ (3,736,639)	\$ (208,734)
010 - Golf Course Fund	2,615,710	2,989,009	(373,299)	-	(373,299)
500 - Capital Projects Fund	4,590,945	10,316,149	(5,725,204)	-	(5,725,204)
810 - Quimby Act Fund	-	-	-	-	-
TOTAL CORE GENERAL FUND:	\$ 27,680,116	\$ 30,250,714	\$ (2,570,598)	\$ (3,736,639)	\$ (6,307,237)
ASSESSMENT DISTRICT FUNDS					
121 - District-Wide 93-1	\$ 858,488	\$ 4,172,080	\$ (3,313,592)	\$ 3,313,592	\$ -
122 - AD 97-1 - Thousand Palms	554,265	713,595	(159,330)	159,330	-
123 - AD 01-1 - Indio	1,568,106	1,831,823	(263,717)	263,717	-
124 - AD 02-1 - Placitas de la Paz	146,714	152,109	(5,395)	-	(5,395)
125 - AD 03-1 - Huerta de Mecca Park	139,561	46,964	92,597	-	92,597
TOTAL ASSESSMENT DISTRICT FUNDS:	\$ 3,267,134	\$ 6,916,571	\$ (3,649,437)	\$ 3,736,639	\$ 87,202
TOTAL DISTRICT-WIDE PROPOSED BUDGET:	\$ 30,947,250	\$ 37,167,285	\$ (6,220,035)	\$ -	\$ (6,220,035)

- Proposed District-Wide appropriation authority = \$37,167,285
- Introduces “Core General Fund” to align funds with District’s audits
- Core General Fund Budget Use of Reserves = (\$6,307,237):
 - Net Neg. Budget = (\$2,570,598)
 - Transfers Out = (\$3,736,639)
- Most Assessment District Funds rely upon General Fund transfers (subsidies)

Desert Recreation District

FY 2026-27 Proposed Budget

Overview of Proposed Core General Fund Budget

Fund		FY 2026-27 Proposed Budget		
		Revenues	Expenditures	Net
✓ 010	Golf Course Fund	\$ 2,615,710	\$ 2,989,009	\$ (373,299)
✓ 110	Unrestricted General Operating Fund	\$ 20,473,461	\$ 20,682,195	\$ (208,734)
✓ 500	CA Infrastructure Replacement Fund	\$ 4,590,945	\$ 10,316,149	\$ (5,725,204)
✓ 800	Quimby Act Fund	\$ -	\$ -	\$ -
TOTALS - COMBINED (CORE) GENERAL FUND:		<u>\$ 27,680,116</u>	<u>\$ 33,987,353</u>	
NET SURPLUS / (DEFICIT):				<u>\$ (6,307,237)</u>
PRIOR YEAR ENDING FUND BALANCE:				\$ 16,334,241
CURRENT YEAR SUPPLUS / (DEFICIT):				\$ (6,307,237)
ENDING FUND BALANCE - FISCAL YEAR:				<u>\$ 10,027,004</u>

- Funds shown are considered as part of “General Fund” for audit purposes
- General Fund expenditures include amounts required (transfers out) to subsidize certain Assessment Districts with deficits (results in General Fund deficit)
- Golf Course Fund expected to require \$373,299 in General Fund subsidy to balance
- Estimated Ending Fund Balance @ June 30, 2027 expected to be approximately \$10.10 million

Desert Recreation District

FY 2026-27 Proposed Budget

Overview of Assessment District Proposed Budget(s)

ASSESSMENT DISTRICT FUNDS

121 - District-Wide 93-1	\$ 858,488	\$ 4,172,080	\$ (3,313,592)
122 - AD 97-1 - Thousand Palms	554,265	713,595	(159,330)
123 - AD 01-1 - Indio	1,568,106	1,831,823	(263,717)
124 - AD 02-1 - Placitas de la Paz	146,714	152,109	(5,395)
125 - AD 03-1 - Huerta de Mecca Park	139,561	46,964	92,597
TOTAL ASSESSMENT DISTRICT FUNDS:	\$ 3,267,134	\$ 6,916,571	\$ (3,649,437)

- Funds 121 / 122 / 123 require subsidy from General Fund to balance budget.
- Funds 124 / 125 are wholly funded as independent assessment districts (do not require subsidy).
- Revenues in Fund 121 (AD 93-1) do not increase from year-to-year; applicable District-wide maintenance costs are more than 4x revenues.
- Fund 121/123 do not have annual escalators for CPI and are capped at \$9.90 (Fund 121) & \$54 (Fund 123).

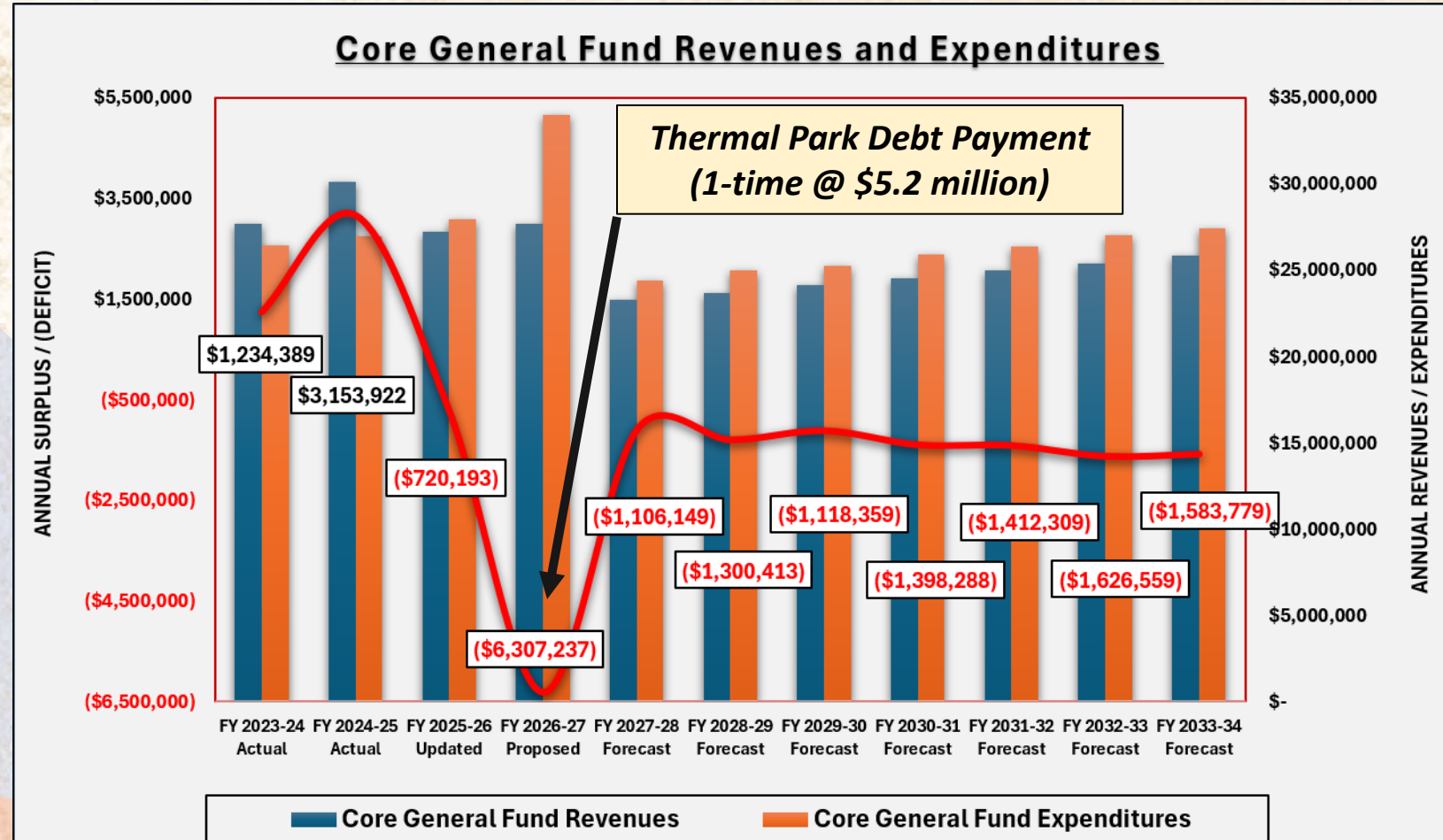
Desert Recreation District

FY 2026-27 Proposed Budget

Core General Fund Multi-Year Forecast

Forecast Results:

- **Labor costs ~ \$250,000 annually**
- **Capital / Deferred Maintenance costs \$500,000 annually**
- **General Fund Subsidies @ ~ \$4 million annually for FY 2026-27 and beyond**



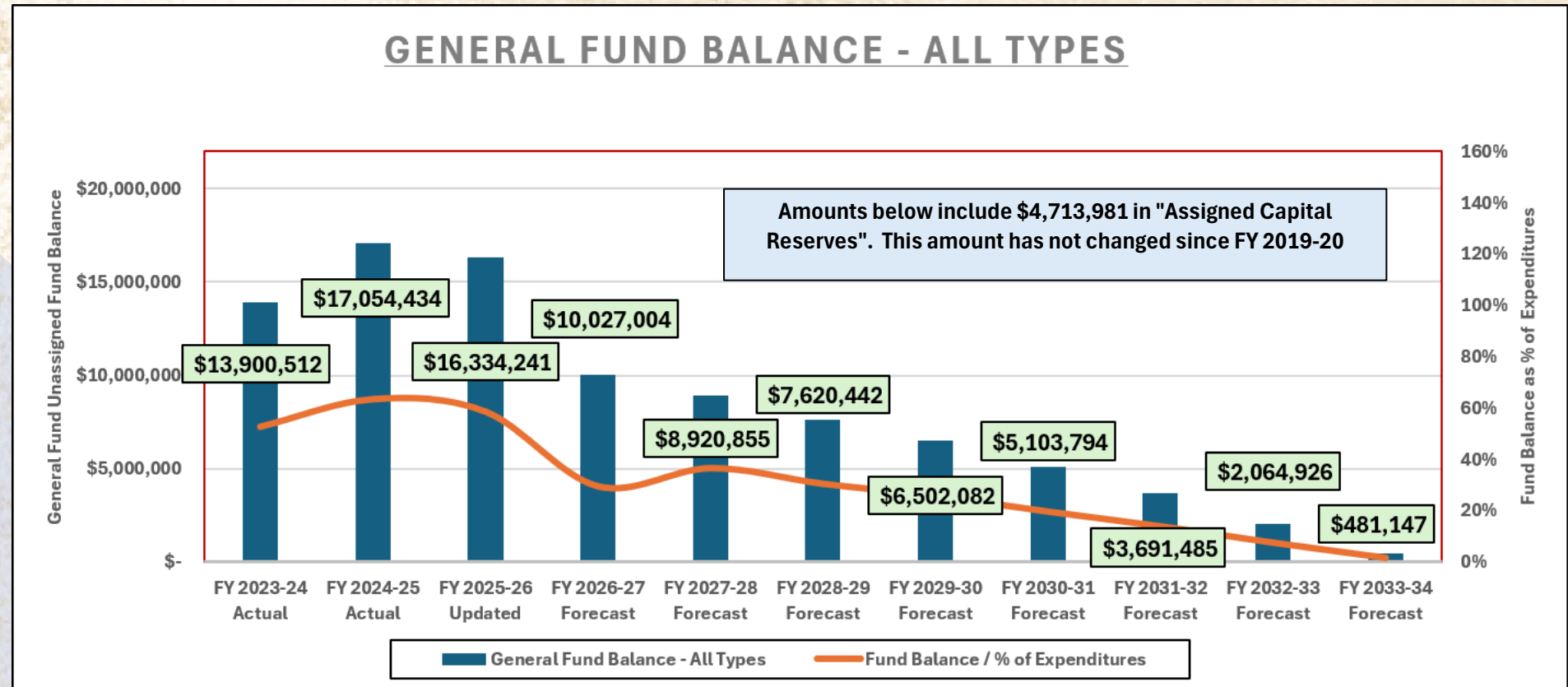
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FY 2026-27 Proposed Budget

Core General Fund Multi-Year Forecast

Reserves Results:

- *Reserves represent up to 37% of expenditure base (FY 2027-28)*
- *Reserves expected to decrease over time under given set of assumptions*
- *Reserves should be analyzed for appropriate need (Reserve Policy)*



Desert Recreation District

FY 2026-27 Proposed Budget

Overview of Proposed Core General Fund Budget

Noted District Sites with Net Cost to District (i.e. not Cost Recovery) - FY 2026-27

Site	Net Cost (Actual)	Property Owner
005 - Bagdouma Pool	\$ (110,427)	City of Coachella
020 - Bagdouma Park Community Center	\$ (166,083)	City of Coachella
064 - La Quinta Community Center	\$ (244,309)	Desert Rec. District
075 - Mecca Community Center	\$ (149,155)	Coachella Valley USD
088 - Palm Desert Community Center	\$ (841,036)	City of Palm Desert
094 - Pawley Pool	\$ (221,529)	Desert Rec. District
162 - Thermal Community Center	\$ (238,600)	Coachella Valley USD
167 - Oasis Community Park	\$ (67,773)	Desert Rec. District
171 - North Short Yacht Club	\$ (247,242)	County of Riverside
176 - Bermuda Dunes Center	\$ (66,053)	County of Riverside
177 - Indio Hills Community Center	\$ (76,988)	County of Riverside

Total: (\$2,426,195)

- Analysis shows certain “sites” that have a negative net cost to District (i.e. service / program not fully offset by revenue sources)
- Warrants review of certain agreements
 - Intergovernmental reimbursements
 - Review of all “sites” – Site 088 (Palm Desert Community Center) has net negative revenue of (\$841,036) – ½ Loan Debt (\$428,859) / ½ Net Operations Costs (\$412,177)
- Review of programming / services provided at certain “sites”
- Review accounting processes to assure reporting consistency

Desert Recreation District

FY 2026-27 Proposed Budget

Potential Next Step: Policy Review:

- ***Perform comprehensive review of Intergovernmental Services Agreements*** – Make sure sites / programs that are not owned by the District are full cost recovery agreements moving forward.
- ***Undertake study of short- and long-term capital and deferred maintenance needs – determine availability of funding streams***
 - Capital Improvement Plan / Long-term maintenance needs
- ***Review and update GASB 54 Fund Balance (Reserves) Policy – update for desired types of reserves and how replenished if used***
 - Capital and Deferred Maintenance / Economic Contingency / Discretionary Reserves
- ***Determine if District could benefit from reviewing organizational structure / potential reorganization***
 - Programs and Services management / Service agreements review
- ***Review and consider alternatives for revenue enhancement*** – Parcel Tax Measure

What Challenges does DRD face?



DRD currently faces an ongoing structural deficit as the costs of maintaining the parks, facilities and programs to our communities continues to rise.



To maintain the financial health of DRD, budgetary reductions have been made, however, without an additional stable funding source, the Board will have to consider cutting programs and services our communities rely on.



Many DRD facilities are aging and require basic repairs and upgrades. This includes removing asbestos, lead paint and mold, providing safe drinking water, and repairing bathrooms, gas and sewer lines, and outdated electrical systems.

What is a Parcel Tax?

- A parcel tax is a qualified special tax permitted by the California Constitution that can be imposed by a local government, such as a city, county, school district or special district.
- A parcel tax is a form of property tax that is assessed at a rate based on the characteristics of a parcel, such as a single-family home, by acre, by apartment unit, by square foot, rather than a rate based on assessed value of the property which violates Prop. 13.
- A parcel tax requires a two-thirds (66.67%) vote (super majority) for approval.
- The revenue can be used for any type of spending, including construction costs, employee salaries, school funding and other projects/spending needs.

Desert Recreation District

Previous Tax Measures

- **Measure L (November 2022):**

- City of Indio only
- \$0.07/sq.ft. on single-family residence.
- Revenue - \$3.9 million annually
- Authorized Bond/Appropriation Limits - \$21 million
- Result =
 - YES vote being 54.25% (10,463 votes)
 - NO vote being 45.75% (8,825 votes)

- **Measure K (November 2022):**

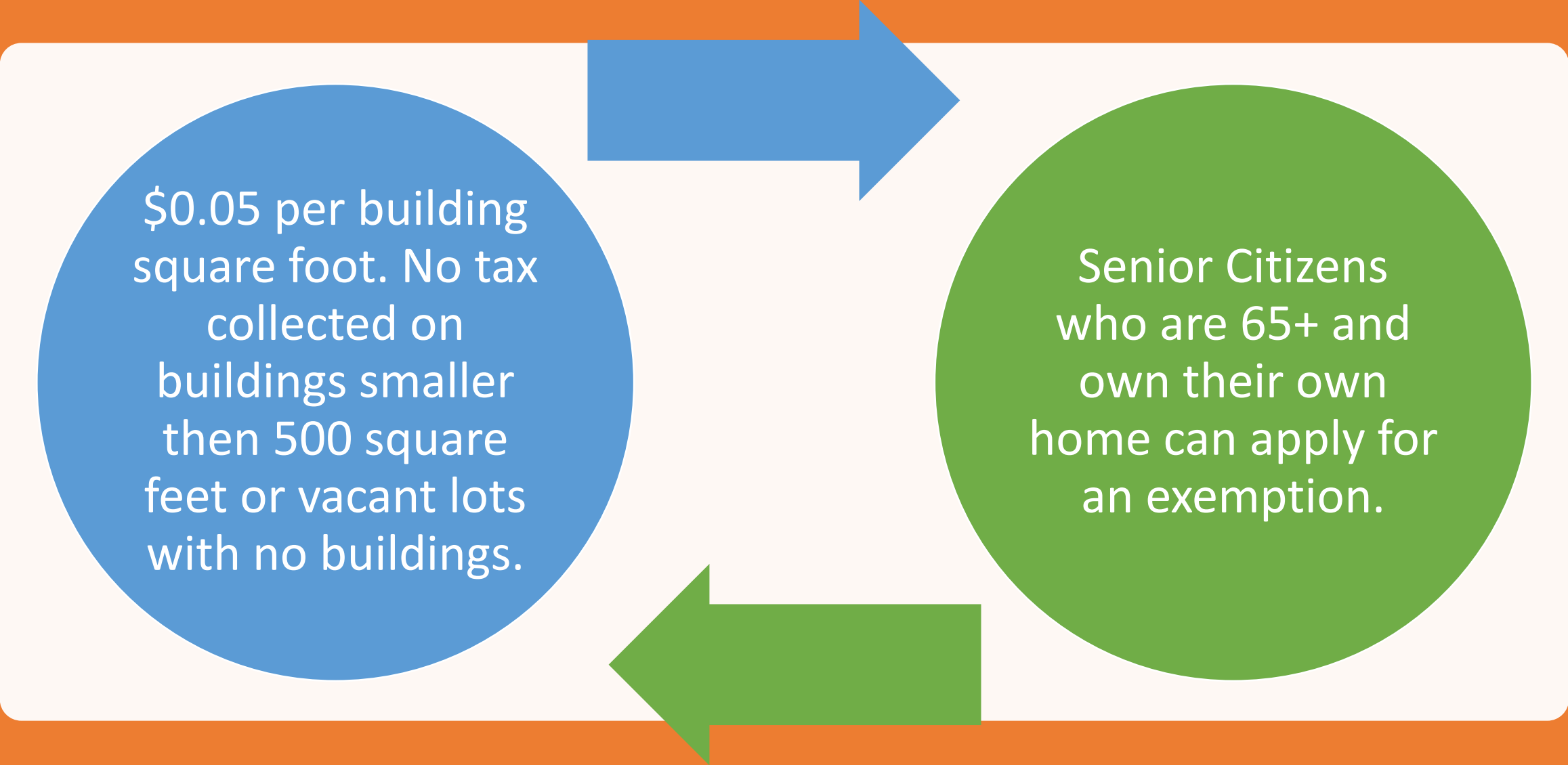
- City of Cathedral City only
- \$0.15/sq.ft. on single-family residence.
- Revenue - \$4.5 million annually
- Authorized Bond/Appropriation Limits - \$39 million
- Result =
 - YES vote being 54.58% (6,980 votes)
 - NO vote being 45.42% (5,808 votes)

Desert Recreation District

DRD Approved Resolution No. 26-25 – Special Election for Parcel Tax

- **DRD Board of Directors Approved Parcel Tax Measure P – July 22, 2025.**
- **Measure will address long-term funding needs associated with aging parks and recreation facilities and the continuation of community services:**
 - **Repairs to water, gas, and sewer systems at District parks and recreation facilities;**
 - **Removal of asbestos and mold and facility safety improvements;**
 - **Maintenance and updating of cooling centers;**
 - **Services for vulnerable seniors, veterans and youth gang and drug prevention programs; and**
 - **Efforts addressing homelessness and its impacts on District facilities and programs.**
- **\$0.05/square foot per building square foot for those who are in the DRD boundary.**
- **Measure P requires a 66.7% YES vote to pass.**

Measure P Exemptions



\$0.05 per building square foot. No tax collected on buildings smaller than 500 square feet or vacant lots with no buildings.

Senior Citizens who are 65+ and own their own home can apply for an exemption.

Examples of Annual Tax Amounts

Building Square Footage:	Annual Tax at \$0.05 per Square Foot:	Monthly Tax at \$0.05 per Square Foot:
1,500	\$75/year	\$6.25/month
1,800	\$90/year	\$7.50/month
2,000	\$100/year	\$8.33/month
2,200	\$110/year	\$9.17/month
2,500	\$125/year	\$10.42/month

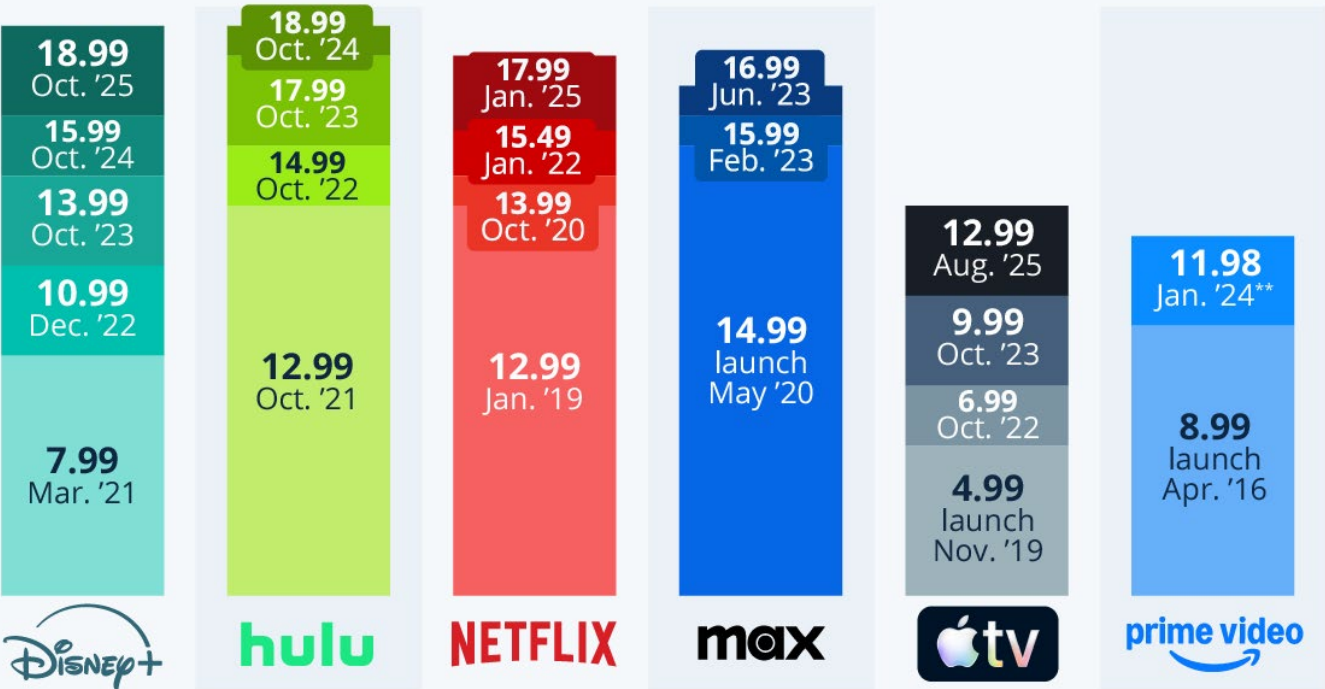
Things More Expensive than Measure P

Which Streaming Services Are the Most Expensive?

Latest subscription price increases of selected video streaming services in the U.S. (in U.S. dollars)*



Plan	Apple Music	Spotify	YouTube Music
Individual	\$11.99	\$12.99	\$11.99
Family	\$19.99	\$21.99	\$18.99
Student	\$6.99	\$6.99	\$6.99



Prices for ads-free standard plans for new customers
 * Amazon offers a standard plan for \$8.99/month, now with an optional ad-free add-on for \$2.99/month
 Sources: Company announcements, Statista research

Things
More
Expensive
than
Measure P

ESPRESSO & COFFEE		
TRY YOUR BEVERAGE WITH STARBUCKS® BLONDE ESPRESSO		
	GRANDE 16 FL OZ	CAL
Caffè Americano	5.85	15
Caffè Latte	7.15	190
Iced Starbucks® Blonde Vanilla Latte	8.15	190
Iced Brown Sugar Oatmilk Shaken Espresso	8.45	120
Iced Toasted Vanilla Oatmilk Shaken Espresso	8.45	140
Caramel Macchiato	8.45	250
White Chocolate Mocha	8.85	430
Apple Crisp Oatmilk Macchiato	9.05	320
Iced Apple Crisp Oatmilk Macchiato	9.05	310
Nitro Cold Brew	7.75	5
Vanilla Sweet Cream Nitro Cold Brew	8.15	70
Chocolate Cream Cold Brew	7.55	250
Cappuccino	7.15	140
Shiraz Brewed Coffee	4.75	5

ESPRESSO	ADD FLAVOR	NONDAIRY	MAKE IT BLENDED
Starbucks® Blonde or Dark 1.35 5 cal	Regular or Sugar-Free 1.05 0-25 cal per pump	Coconutmilk, Organic Soymilk, Oatmilk or Almondmilk 1.25	Iced Beverages Only 75¢

may contain known allergens. Find ingredient information at starbucks.com/menu or on
2,000 calories a day is used for general nutrition advice, but calorie needs vary. Additional
available upon request.

FAST-FOOD PRICES INCREASE
OVER PAST DECADE

	2014	2024	%Increase
	\$5.89	\$9.72	65%
	\$6.09	\$10.93	79%
	\$5.89	\$10.79	83%
	\$5.29	\$11.68	121%
	\$12.87	\$20.32	58%

Source: Average fast-food prices collected
by USAT reporters from 15+ cities

Desert Recreation District

If Measure P Fails:

Site No.	Closing Site Name	Negative Net Cost	Property Owner	Jobs Lost
005	Bagdouma Pool	\$110,427	City of Coachella	13
020	Bagdouma Community Center	\$166,083	City of Coachella	4
075	Mecca Community Center	\$286,517	Coachella Valley USD	6
077	Mecca Pool	\$118,161	Coachella Valley USD	10
143	Mecca Community Park	\$47,008	Coachella Valley USD	2
088	Palm Desert Community Center	\$1,025,931	City of Palm Desert	15
094	Pawley Pool (Indio)	\$381,429	Desert Rec District	26
162	Thermal Community Center	\$284,800	Coachella Valley USD	10
171	North Shore Yacht Club	\$317,853	County of Riverside	7
176	Bermuda Dunes Community Center	\$111,997	County of Riverside	2
177	Indio Hills Community Center	\$119,432	County of Riverside	2
048	Indio Hills Park	\$16,090	County of Riverside	1
071	Mecca Sports Park	\$81,784	County of Riverside	4
157	Corporate Yard	-	Desert Rec District	10
002	Administrative Office	-	Desert Rec District	7
	TOTAL DISTRICT SAVINGS:	\$3,067,512	TOTAL JOB LOST:	119

Measure P -

MyRecreationDistrict.com/measurep

INFORMATION ABOUT MEASURE P



Measure P: Local Park Repair/Safety and Senior/Youth Services Measure

Desert Recreation District's Board of Directors voted unanimously to place Measure P on the November 3, 2026 ballot. Measure P would levy a 5¢ per square foot parcel tax, generating \$11,300,000 annually for recreation facility repairs and preventing service cuts.

If enacted, funds from Measure P could help:

- Update cooling centers for residents and seniors to help during times of extreme heat
- Help address homelessness in our parks and recreation areas
- Provide safe drinking water at all parks and facilities
- Update aging gas and sewer lines and remove asbestos and mold where found
- Maintain safe and clean children's play areas and support youth gang and drug prevention programs
- Update park bathrooms and recreation centers
- Clean up trash and litter at parks, trails, and open spaces

Strict Accountability and Local Control

Measure P would include strict financial accountability:

- ✓ All funds would be locally controlled and could not be taken by the State or used for other purposes
- ✓ Annual audits and public financial disclosures would ensure proper use of funds
- ✓ Income sensitive senior citizens could be eligible for an exemption

SCAN TO LEARN MORE

To learn more about Measure P, please visit MyRecreationDistrict.com/MeasureP



INFORMATION ABOUT MEASURE P

Serving the Coachella Valley

Desert Recreation District (DRD) is the largest park and recreation district in California, covering 1,887 square miles and serving over 420,000+ residents across the greater Coachella Valley. DRD manages and maintains more than 49 parks and recreation facilities, including fitness centers, pools, and more. By contributing to healthier lifestyles, a sense of belonging, and increased tourism, DRD plays an essential role in the economic and social health of the region.

Additional Funding Needed to Prevent Major Cuts

Desert Recreation District offers a variety of programs and facilities to the greater Coachella Valley. Children learn to swim at our community pools, at-risk youth benefit from our after-school programs, and seniors rely on our programs to remain active and escape the heat.

However, DRD is currently facing a funding shortfall and without an additional stable funding source it will be forced to make significant cuts. This would include reducing programs our children and seniors depend on, reducing critical park and recreation facilities maintenance, and reducing the number of community services offered. Iconic facilities such as the North Shore Beach and Yacht Club as well as vital community resources like the Pawley Pool in Indio may be forced to close.

Additionally, many DRD facilities are aging and require basic repairs and upgrades. This includes removing asbestos, lead paint, and mold, providing safe drinking water, and repairing bathrooms, gas and sewer lines, outdated electrical systems, and wiring. If we do not address these issues soon, facilities maintenance costs will continue to rise and programs may be impacted.

Local Park Repair/Safety and Senior/Youth Services Measure

Desert Recreation District's Board of Directors voted unanimously to place Measure P on the November 3, 2026 ballot. Measure P would levy a 5¢ per square foot parcel tax, generating \$11,300,000 annually for recreation facilities repairs and preventing service cuts. If approved by voters, funds from Measure P would be able to help:

- | | |
|---|---|
|  Update cooling centers for residents and seniors to help during times of extreme heat |  Update aging gas and sewer lines and remove asbestos and mold where found |
|  Help address homelessness in our parks and recreation areas |  Update park bathrooms and recreation centers |
|  Provide safe drinking water at all parks and facilities |  Clean up trash and litter at parks, trails, and open spaces |
|  Maintain safe and clean children's play areas and support youth gang and drug prevention programs | |

Strict Accountability and Local Control

Measure P would include strict financial accountability:

- ✓ All funds would be locally controlled and could not be taken by the State or used for other purposes
- ✓ Annual audits and public financial disclosures would ensure proper use of funds
- ✓ Income-sensitive senior citizens could be eligible for an exemption



Both Pawley Pool and the North Shore Beach and Yacht Club are at risk of closing.



To learn more about Measure P, please visit MyRecreationDistrict.com/MeasureP or email questions to CommunityEngagement@desertrec.org

Desert Recreation District

Info@MyRecreationDistrict.com
MyRecreationDistrict.com

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