



CITY OF PALMDALE

Budget at a Glance

Fiscal Year
2025-26





Dear Palmdale Residents,

The City remains fiscally strong and committed to fostering a business-friendly environment. This strength is the result of thoughtful financial leadership by our City Council and a shared commitment to making Palmdale a fantastic place to live, work and play.

Our organizational vision is to deliver world-class service that enhances quality of life through innovation, passion, engagement and collaboration. City staff work diligently to invest in critical infrastructure, ensure long-term financial stability and build a thriving, welcoming community.

This document outlines the City's strategic goals and finances that support them. We are taking strong action to keep Palmdale a safe and desirable place for all who call it home.

Local funding drives our success thanks to strong support from Palmdale residents. Measure AV generates \$22.5 million annually for essential city services, like public safety, infrastructure and economic development. Voters again showed their commitment to our City by approving Measure PD, which took effect April 1, 2025, and keeps tax revenues local and working for Palmdale.

I encourage our residents to explore the full City Budget and related financial documents at **www.CityOfPalmdaleCA.gov/Budget**. These resources reflect our commitment to every aspect of Palmdale's future, from economic diversification to housing strategies.

Thank you for your continued engagement and support.

Sincerely,

Salvador Mendez

Salvador Mendez
City Manager Pro Tem





Strategic Priorities

Our budget is a plan for spending that implements the City Council's priorities and strategic goals, delivers first-rate services and is responsive to the community's needs.

Building Culture & Community

- Maintain effective public safety and protect life, property and the environment.
- Provide high-quality recreation and open space opportunities.
- Launch a bold new brand identity for the City.
- Revitalize the Chimbole Cultural Center into a lively community hub.
- Expand DryTown Water Park with an exciting new thrill ride attraction.
- Transform 56 acres at SR-14 and Palmdale Boulevard for revolutionary development.

Economic Vitality & Innovation

- Support environmental sustainability through the application of green energy technologies such as zero-emissions hydrogen, microgrids and advanced energy initiatives.
- Promote innovation through tools such as high-speed broadband to streamline business processes and increase responsiveness to the community.
- Generate employment opportunities through job creation and workforce development.
- Build the contingency reserve to 30% in good times and utilize wisely in difficult times.
- Recruit and retain highly competent staff.
- Attract quality retail and dining to elevate the Palmdale lifestyle.

Social Unity

- Provide high-quality essential City services.
- Promote mental health and wellness through community partnerships.
- Engage youth through meaningful opportunities to contribute to our community.
- Create affordable, safe and secure housing.

Transportation & Infrastructure

- Enhance citywide mobility through impactful improvements such as the Rancho Vista Boulevard grade separation project.
- Continue responsible investment in key infrastructure, such as facilities, streets and vehicles.
- Partner with key agencies to restart air service at Palmdale Regional Airport.
- Champion the Center for Transportation Technology Excellence to position Palmdale as a nationwide leader in the transportation technology and innovation sector.
- Support the development of high-speed rail and the High Desert Corridor to solidify Palmdale as a major transportation hub.

Scan the QR code to view more details on the City's latest projects in line with these priorities.



Palmdale Residents and the Budget

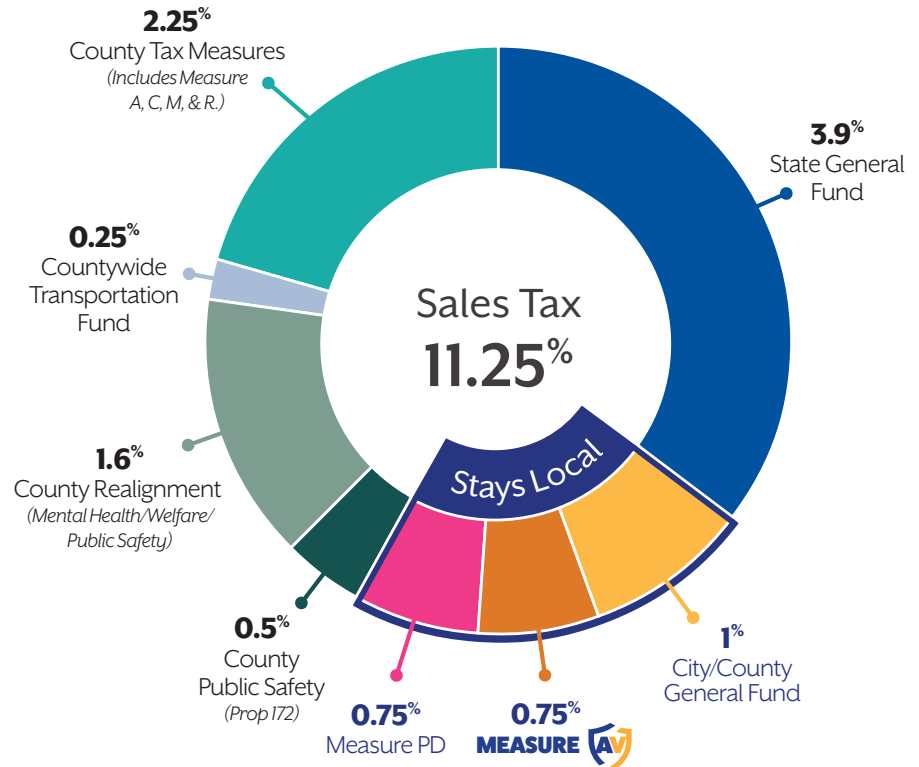
Where Does the City Get Its Money?

Sales Tax

For every dollar you spend, **you are taxed 11.25%**. How much of your sales tax does the City receive?



The City keeps 2.5% of sales tax.



Property Tax

For every dollar paid on property taxes:





Saving Residents Money

The City of Palmdale is dedicated to completing projects while saving you money.

Here are a few of the ways we are saving taxpayers' dollars:

Long-term Financial Planning

The City is committed to long-term comprehensive financial planning. It prepares and publicly presents, during the budget process, a detailed five-year forecast that includes an analysis of key revenues and expenditures, along with proposed measures to address any projected gaps.

Pension Stabilization Trust Fund

CalPERS: The City has taken many proactive steps to manage rising pension costs through the years. Most significant recent action was to allocate \$1.25 million to the Pension Stabilization Trust Fund, which now has over \$10.1 million reserved for future Unfunded Actuarial Liability (UAL) payments.

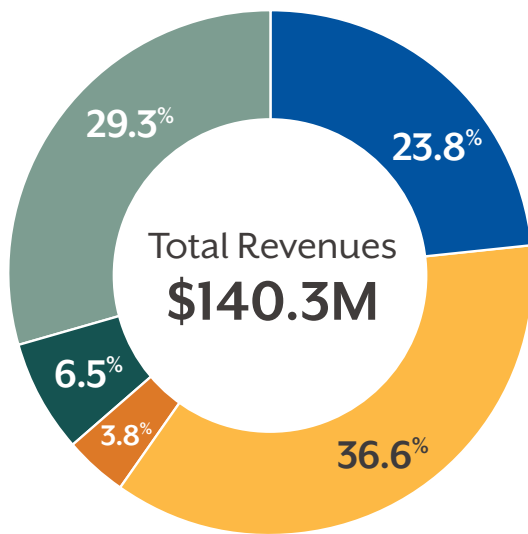
Grant Funding

The City applies for and receives grants from a variety of sources at the local, state and federal levels. The funds received will go toward many citywide projects including Palmdale Boulevard/SR-14 interchange improvements, arterial road rehabilitation projects, Courson Park revitalization, housing development and rehabilitation projects, Avenue R signal synchronization, Rancho Vista Boulevard/Sierra Highway grade separation and more.

Type of Grant	Amount
State	\$ 3,645,270
Measure R	500,000
SAVES	25,000
Miscellaneous	5,850,990
Total Grant Funds for FY 25-26 Budget	\$ 10,021,260

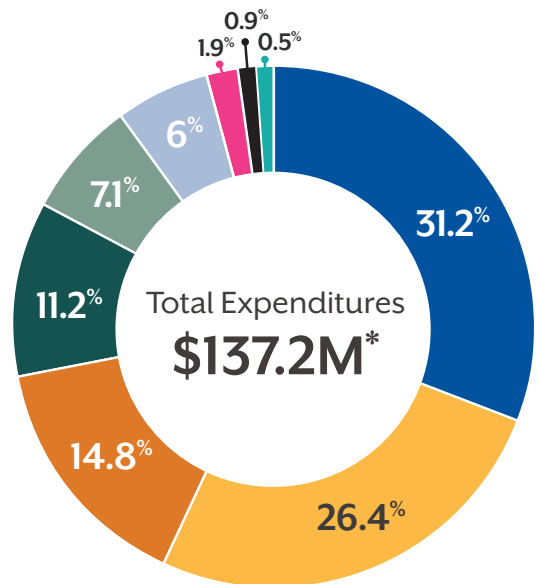
General Fund

The General Fund is the primary operating fund for the City, which provides activities, programs and services for the community. These revenue sources include property tax, sales tax, transient occupancy tax and service fees. Expenditures in the General Fund are primarily spent on public safety, building and safety, City infrastructure and government administration.



General Fund Revenues

Property Tax	\$ 33.4M
Sales & Use Tax	51.4M
Transient Occupancy Tax (TOT)	5.3M
Franchise Fees	9.1M
Other	\$ 41.1M



General Fund Expenditures

Operations	\$ 42.8M
Public Safety	36.2M
Public Works	20.3M
Parks & Recreation	15.4M
Economic & Community Development	9.8M
City Manager's Office	8.2M
City Attorney	2.6M
Housing	1.2M
City Council	\$ 0.7M

Fiscal Year 2025-26 Proposed Budget

Operating Budget	General Fund	All Funds
City Council	\$ 645,270	\$ 645,270
City Attorney	2,618,700	2,618,700
City Manager Department	8,272,970	9,976,490
Operations Department	30,797,080	123,811,240
Economic & Community Development Department	9,723,930	11,538,930
Public Safety Department	36,283,080	48,004,550
Housing Department	1,208,870	28,702,490
Parks & Recreation Department	15,382,230	21,403,900
Public Works Department	18,768,540	135,072,620
Total Operating Budget	\$ 123,700,670	\$ 381,774,190

Capital Budget	General Fund	All Funds
Bicycle and Pedestrian	—	—
Drainage	—	\$ 300,000
Facilities	—	108,000
General Improvements	\$ 12,000,000	12,000,000
Parks & Recreation	1,500,000	12,491,310
Streets	—	14,000,000
Traffic	—	120,000
Sewer and Watershed	—	4,785,750
Total Capital Budget	13,500,000	43,805,060
Total FY 26 Revenue	140,290,280	422,052,830
Total FY 26 Proposed Expenditure Budget	\$ 137,200,670	\$ 425,579,250



Investing In Our Future

The City invests in the future of our community by funding Capital Improvement Projects (CIP). Over the next year, improvement projects in the following categories will be implemented.

Total investment in the community: \$292,774,910

Ongoing: \$260,969,850 • FY 26 Additions: \$31,805,060



General
Improvements
\$10,847,680

Ongoing: \$10,847,680
FY 26 Additions: \$0



Bicycle &
Pedestrian
\$740,140

Ongoing: \$740,140
FY 26 Additions: \$0



Sewer &
Watershed
\$15,542,380

Ongoing: \$10,756,630
FY 26 Additions: \$4,785,750



Parks &
Recreation
\$48,343,570

Ongoing: \$35,852,260
FY 26 Additions: \$12,491,310



Drainage
\$8,111,150

Ongoing: \$7,811,150
FY 26 Additions: \$300,000



Facilities
\$19,065,580

Ongoing: \$18,957,580
FY 26 Additions: \$108,000



Streets
\$179,077,480

Ongoing: \$165,077,480
FY 26 Additions: \$14,000,000

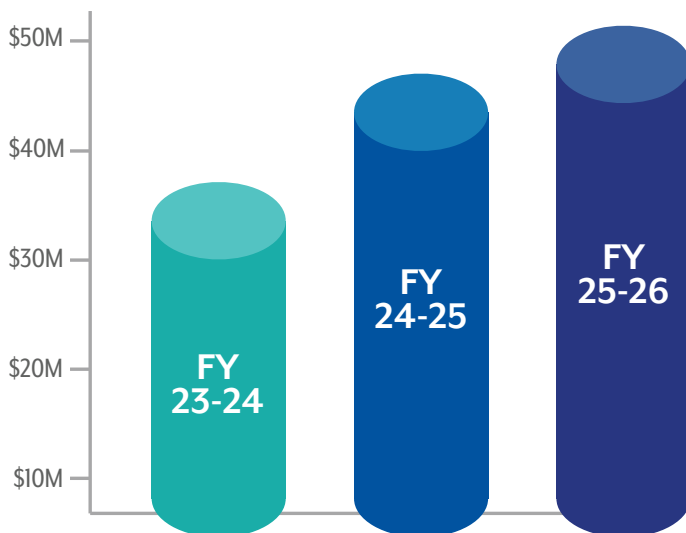


Traffic
\$11,046,930




Ongoing: \$10,926,930
FY 26 Additions: \$120,000

Public Safety

Public Safety is a top priority for the City and provides the resources to keep residents safe. Crime will not stand in our community. Through initiatives such as Flock cameras, graffiti abatement and our aggressive stance on retail theft, we are making your safety our number one priority.



Public Safety Budget

	FY 23-24	\$ 36.0M
	FY 24-25 (Projected)	\$ 45.5M
	FY 25-26 (Proposed)	\$ 48.0M



Costs for law enforcement services are rising throughout the state due to changes in law, increased lawsuits and other expenses associated with policing services. The City will continue to seek innovative ways to manage rising costs to ensure residents have access to Sheriff's deputies and emergency services.



The Public Safety budget funds contracts with the Los Angeles County Sheriff's Department and Animal Care and Control, as well as City operating costs for personnel, vehicles and related expenses.

About the City of Palmdale

The City of Palmdale, with nearly 170,000 residents, sits perfectly nestled in the Antelope Valley against the picturesque backdrop of the San Gabriel Mountains. Our community thrives on its forward-thinking and innovative ethos, driving progress across various sectors, from transportation to aerospace to public safety. Families enjoy Palmdale's excellent schools, affordable housing, abundant recreational opportunities, diverse local culture and welcoming atmosphere, all within reach of the Los Angeles metropolitan area. Despite its urban proximity, Palmdale retains its identity as a desert oasis, boasting stunning landscapes, native Joshua trees and over 300 days of annual sunshine. Explore further at www.CityOfPalmdaleCA.gov.



www.CityOfPalmdaleCA.gov/StayingConnected