



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** May 14, 2013
From: Orlando Acevedo **Item No:** 7
Economic Development Manager
Economic Development Department
Subject: ANNUAL BUDGET OF THE APPLE VALLEY VILLAGE PROPERTY AND
BUSINESS IMPROVEMENT DISTRICT (PBID) ASSOCIATION

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

That the Town Council Approve the Fiscal Year 2013-14 Budget of the Apple Valley Village Property and Business Improvement District (PBID) Association.

SUMMARY:

On April 23, 2013, the Association unanimously adopted its FY2013-14 Budget (Attachment 1), thereby approving key budget activities, including continuation of a kiosk and banner sign program, property acquisition, security services (in partnership with the County Sheriff's Department), the Aesthetics Rehabilitation Grant Program (ARGP), continued Highway 18 median landscape/drainage improvements and maintenance, as well as allocations to marketing, legal and consulting services.

The Association budgeted \$340,400 for its general and administrative expenses and an additional \$480,000 for contract services (landscape and drainage improvements/maintenance, police services). The Association estimates at 2012-13 fiscal year-end an unobligated balance of approximately \$150,000; these unobligated funds will be reprogrammed into the FY2013-14 Budget. The Town will remit the balance of approximately \$190,400 to the Association for administration of its day-to-day activities.

The Association remains accountable for all funds it directly administers and is required to submit expense reports and financial statements to the Town annually. An annual Agreed-Upon Procedures Report will be completed by a third-party Certified Public Accountant by October 1, 2012, and subsequently submitted to the Town to receive and file.

Based upon the foregoing, staff recommends adoption of the form motion

BACKGROUND:

In 2007 the Town Council adopted a resolution establishing the Apple Valley Village Property and Business Improvement District (PBID) for five years (FY2007-08—FY2011-12) to levy

annual assessments against the PBID's assessable parcels to be used solely for purposes described in the PBID's adopted Management District Plan (Plan). In 2008, the PBID property owners formed and incorporated the Village PBID Association (Association), a 501 c (4) nonprofit corporation. The Association Board was, subsequently, selected to act as the PBID administering body and entered into an Agreement for Services with the Town in December 2008 to implement the Plan and to access and expend assessment revenues.

Pursuant to the Agreement, the Town shall remit to the Association the PBID assessment revenues (collected by the County of San Bernardino and paid to the Town) on an as-needed basis and in accordance with an approved annual Budget. Components of the Budget that are directly administered by the Town will be paid directly by the Town. Components of the Budget that are directly administered by the Association will be paid directly by the Association and may be advanced to the Association annually upon Town Council approval of that year's Annual Budget Report.

In 2012 the Association led a successful grassroots campaign to renew the PBID for an additional five-year period, FY2012-13—FY16-17. At its August 14, 2012 meeting, during a public hearing, the Town Council unanimously ratified the property-owner vote, approving the continuation of the PBID.

Attachment 1
Apple Valley Village Property and Business Improvement District
Fiscal Year 2013-14 Budget

Apple Valley Village Property and Business Improvement District Association
Fiscal Year 2013-2014 Budget

Revenues			
			Proposed Budget 2013-14
Total Beginning Balance (includes Town-held funds)			564,835
PBID Association Cash on Hand			150,000
Assessment and Interest Revenues			209,000
Total Available Balance			923,835
Expenses			
	Adopted Budget 2012-13	Estimated Year End 2012-13	Proposed Budget 2013-14
Association General and Admin Expenses			
Secretary Services: minutes/agendas/administration	12,000	12,000	15,000
Phone	750	750	750
Consultant Services (e.g. Dokken Engineering, Civitas)	10,000	10,000	5,000
Insurance	2,000	2,000	1,000
Postage	1,000	1,000	500
ARGP (Aesthetics Rehabilitation Grant Program)	10,000	10,000	10,000
Website setup and hosting	4,200	4,200	2,500
Legal and Accounting: Attorney and CPA; Assessment Roll Updates/Delinquency Reports/Hand Billing; Annual Audit Report	20,000	2,000	5,000
Marketing: Consultant, Ads, Newsletter, Tradeshows	27,000	27,000	35,000
Training/educational conferences, workshops and seminars	2,000	2,000	2,000
Small Office Supplies	500	500	500
Meeting Refreshments	1,000	1,000	500
Office Equipment: Copy machine, recorder	500	500	500
Taxes/Filing Fees	100	102	100
Kiosk signage, banners and entry statement lighting	20,000	20,000	10,000
Miscellaneous	0	529	50
Property Acquisition/Improvements	168,000	0	200,000
Median Utilities	2,000	2,000	2,000
Drainage Improvements			50,000
Total Association General and Admin Expenses	281,050	95,581	340,400
Town-Coordinated Projects/Activities Expenses (Fund 8110)			
Enhanced Security Services w/Sheriff's Dept	30,000	30,000	30,000
Hwy 18 Landscaped Median Project and Maintenance Set-Aside	540,804	518,000	150,000
Road Circulation and Drainage	0	0	250,000
Total Town-Coordinated Expenses	570,804	548,000	430,000
Total Association and Town Expenses	851,854	643,581	770,400
Summary			
Total Available Balance			923,835
Total Association and Town Expenses			770,400
Ending Fund Balance			564,835
Check Request (Town remits to PBID Association for FY2013-14 General and Admin Expenses Minus Cash on Hand)	162,350	162,350	190,400