



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** February 25, 2014

From: Marc Puckett, Assistant Town Manager **Item No:** 7
Finance & Administration

Subject: FISCAL YEAR 2013-2014 MID-YEAR BUDGET REVIEW

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

RECOMMENDED ACTION:

- 1) That the Town Council receive and file the Fiscal Year 2013-2014 Mid-Year Budget Review Report.
- 2) Approve Budget Amendment Number 14-16

SUMMARY:

Discussed herein for your review and consideration is the Fiscal Year 2013-2014 Mid-Year Budget Review Report. This report provides an update on the Town's progress towards implementation of its one-year financial plan, its adopted operating and capital improvement budget, as of December 31, 2013, the fiscal mid-year for Fiscal Year 2013-2014. Specific attention is focused on the Town's General Fund.

The primary purpose of this report is to provide an update on the status of the Town's budget highlighting any changes or issues that may need to be addressed since the budget's adoption on June 11, 2013. To that end, included within this report are certain proposed budget adjustments to various revenue sources and categories of expense due to financial events occurring subsequent to adoption of the budget which are discussed herein.

The Mid-Year Budget Review report also briefly highlights any changes in economic conditions that may have impacted the Town's budget during the current fiscal year and briefly discusses challenges the Town may need to address during preparation of the proposed Fiscal Year 2014-2015 Operating and Capital Improvement Budget.

BACKGROUND:

The Town Council adopted the FY 2013-2014 Operating and Capital Improvement budget on June 11, 2013. The Adopted Operating and Capital Improvement budget is the Town's one-year spending plan for FY 2013-2014. It serves as a planning guide for the ensuing fiscal year. The adopted budget demonstrates how available resources are matched against the Town's service priorities to provide essential services to the community. It demonstrates how established short-term goals and objectives will be implemented over the next year.

Also, it underscores the Town's continued commitment to provide more efficient services to residents and maintains adequate resources for unforeseen emergencies.

After adoption, financial events occur throughout the course of the year that impact upon the budget and the implementation of spending priorities outlined therein. These events, such as the State's elimination of the Town's Redevelopment Agency, necessitate adjusting the budget projections from time to time during the course of the fiscal year.

Staff is proceeding to implement a "best practices" approach to the budget development process. In doing so, staff has modified the mid-year budget process each of the past three years and again this year as part of staff's overall efforts to continually improve the quality of information provided to Council and the community. This process is part of an on-going effort and additional process improvements will be evident in the upcoming budget development process for Fiscal Year 2014-2015.

There are several estimated revenue and appropriation adjustments proposed by staff based upon actual experience and/or historical data contained herein.

In total, adjustments to the various estimated revenue projections in the FY 2013-2014 General Fund adopted budget amounts to an estimated increase of \$1,139,500. Adjustments to the various departmental and non-departmental categories of budget appropriations in the General Fund total an increase of \$202,000. These mid-year adjustments to the FY 2013-2014 General Fund adopted budget to be considered by Council are summarized in Budget Adjustment number 14-16 and Exhibit A attached hereto.

Staff will be making a presentation summarizing the proposed changes to the budget outlined in the attached exhibit and highlighting financial events occurring at the State and local level since adoption of the budget at the June 11, 2013, Council meeting.

Due to external factors affecting the Federal, State, and local economy, it was felt that a brief review of the Town's revenue and expenditure structure may be helpful in understanding some of the challenges ahead in the coming year's budget cycle. This review will focus primarily on the Town's key revenue sources and expenditure categories considered of general interest and also primarily responsible for these challenges.

From time to time, the Town Council may approve additional appropriations for various programs and services throughout the course of the fiscal year. Some of the additional appropriations that may be approved throughout the year include adjustments to project appropriations due to increasing the scope of the project or for those programs that receive grant funding after adoption of the budget. The Town, as a matter of fiscal conservancy, does not typically budget grant revenues until such time as the grant award has been received and receipt of the grant funding is eminent. After receipt of a grant, a staff report (typically a consent calendar item) including a proposed budget amendment is submitted to Council for approval to formally acknowledge receipt of the grant and appropriation of the grant funding.

Integration of the budget into the Town’s accounting system and internal control processes is essential in demonstrating the strength of the Town’s financial policies and management practices. This process is essential, for example, during a financial management assessment performed by credit rating agencies, such as Standard & Poor’s or Moody’s Investor Services. The budgetary integration process is demonstrated through adoption of reasonable and comprehensive budget assumptions with budget reviews and revisions performed at interim periods throughout the course of the fiscal year.

The focus of the mid-year budget review presentation is primarily the Town’s General Operating Fund revenues and expenditures. The majority of the Town’s operating expenditures are accounted for within this fund. Other special revenue fund budgets, such as the Community Development Block Grant (CDBG) or Home Funds, do not usually require adjustments at mid-year due to the specific nature of the resource allocations and program requirements. When revenues for these special revenue funds are not fully expended during the year, balances are carried forward for re-appropriation in the subsequent years’ budget process. Adjustments to other funds are submitted to Council on an “as needed” basis periodically throughout the year.

The total adopted General Fund budget for Fiscal Year 2013-2014 was \$24.6 million. The table below is a summary of the total resources and resource requirements for the adopted Fiscal Year 2013-2014 General Fund budget:

General Fund Summary	
Estimated Revenues	\$ 19,371,251
Transfers In	5,412,641
Total Resources	\$ 24,783,892
Adopted Budget	\$ 24,608,985
Approp. To Fund Balance	174,907
Balance	-0-

The FY 2012-2013 adopted budget included budget balancing strategies amounting to approximately \$2,847,000 in total as submitted to Council. Of the total amount of adjustments, \$600,000 were one-time adjustments and \$2,247,000 may be considered structural adjustments to the budget. One-time adjustments do not solve structural budget imbalances. Absent other budgetary impacts, these imbalances will continue to exist and must be addressed as part of future budget cycles. The remaining structural imbalance in FY 2013-2014 was eliminated through an increase in property tax revenues due to a redistribution of accumulated captured tax revenues to taxing entities from the former redevelopment agency. Presently, it is anticipated that as the economy continues to recover, it is anticipated that future increases in key revenue sources coupled with prudent spending constraints will fully eliminate any remaining structural imbalance in the Town’s General Fund budget.

All Town departments have provided feedback to the Finance department regarding the status of their current year's expenditures and budgetary performance as projected through the end of the fiscal year. A comparison of budget-to-actual performance by department for the first six months of the fiscal year is included in Exhibit B.

Based on staff's analysis of the current year's operating revenues and expenditures and, based upon information and input provided by all departments, staff recommends the following adjustments to the FY 2013-2014 budget highlighted below and as outlined in the attached Budget Adjustment Number 14-16 (Only some of the more significant General Fund changes have been highlighted below):

Revenues:

Property Tax: Per the County Assessor's Office, with respect to property values, the residential real estate market has stabilized and pockets of improvement in assessed values can be seen throughout the County. Overall, there appears to be steady improvement in the real estate market and the taxable values are anticipated to increase by up 3% to 3.5% for the next year. In some areas within the Town, it is anticipated that increases in assess values will result in Proposition 8 recoveries meaning that the taxable values will increase at a rate greater than 2% up to the Prop. 13 compounded limit. In some cases, it is anticipated that the Prop. 8 recoveries may result in taxable value increases as high as 8-10% from the prior tax year. The Assessor's Office had anticipated an increase in the Assessment roll of 2.0% to 2.5% growth in the current fiscal year. Taxable values have for the most part increased slightly above that range for the current fiscal year resulting in a slight increase in property taxes of approximately \$100,000. The Assessor's Office is projecting taxable values to continue to increase by 3.0% - 3.5% again for FY 2014-2015. However, the Assessor's Office has noted that it has not yet completed preparation of the roll and cannot provide projections based upon assessment roll data for the next fiscal year. Significant appreciation in property values and corresponding taxable values is possible, although not projected at this time, during the next two fiscal years. Further, property tax revenue estimates for FY 2013-2014 were adjusted upward by \$1,000,000 due to a redistribution of tax increment revenues to the Town for the Town's share of an \$11,800,000 payment made by the former Apple Valley Redevelopment Agency (RDA) to the County Treasurer-Tax Collector. This payment was made by the former RDA as required per the amount determined available for distribution to other taxing entities outlined within the Low and Moderate Income Housing Fund Due Diligence Review performed pursuant to AB1484.

Sales Tax: Sales tax revenue collections in Apple Valley have decreased for each of the last three quarters on a year over year basis. Sales tax revenues are down on a year-over-year for the most recent quarter. The Town's sales tax collections had previously increased each quarter for the past ten quarters based upon a comparison of the trailing twelve month period. However, due to aberrations in reported sales tax collections coupled together with leakage believed to be due to the recent opening of Super Walmart stores in Hesperia and Victorville, sales tax revenues have fallen the last three quarters. Construction of a Super Walmart in Apple Valley is expected to begin prior to June, 2014 which should noticeably stem sales tax leakage to other nearby communities. As a result, sales tax estimates are being adjusted downward by \$600,000 to \$5,225,000 for the remainder of FY 2013-2014. On an adjusted basis, for the most recent quarter that information is available (July through September), countywide sales tax collections were up 4.3% on a year-over-year basis. Statewide sales tax collections were up an average of 5.3%. Sales tax collections for Apple

Valley were down 5.2%, as adjusted, for the July through September, 2013 quarter and have lagged the statewide and countywide average increases in recent quarters.

User Fees and Fines: The adopted budget included a slight revenue increase due the passage of a general increase in user fees which was projected to generate approximately \$170,000 in new revenues. However, due to an increase in the volume of permits issued and plan-check activity, revenues have increased at a rate greater than anticipated in the adopted budget. Overall, the number of permits issued year-to-date has increased by 41%. This total includes primarily building permits and, building and safety and engineering plan check fees. Revenues from this additional activity are anticipated to result in approximately \$356,500 in additional revenues in the current fiscal year. Also, this construction activity is anticipated to result in additional sales tax revenues and property tax revenues in the following fiscal years.

Other Revenues (Tow Release Fees): Due to a change in State Law, vehicle tows resulting from Sobriety Check Points are now limited. A peace officer may not tow a vehicle from a sobriety checkpoint if the driver's only offense is driving without a license or on an expired license. If the driver's only offense is driving unlicensed or with an expired license, the driver must be afforded the opportunity to have a licensed driver come pick up their vehicle. This law has decreased the number of tows from checkpoints by more than half. Before this law became effective, the average number of tows per checkpoint was approximately 17. Subsequent to the implementation of this law, the average number of tows per checkpoint has declined to 7. As a result, estimated revenues from tow release fees is being reduced by \$40,000.

Expenditures:

Contract Services: Contract services accounted for within the General Government budget increased by \$33,000. The additional expenditures were primarily related to an increase for a Community survey anticipated to cost approximately \$20,000. It is anticipated that the Community survey will be completed prior to the end of the current fiscal year. Also, contract services in the Town Manager's budget increased by \$10,000 and contract services in the Finance department increased by \$10,000 as a result of additional sales tax audits and sales tax consulting services.

Planning Contract Services: Based upon a review of the anticipated contract services needed within the Planning department for the remainder of the fiscal year, contract services expenditures are projected to decrease by \$15,000. This reduction will decrease the budgeted appropriation for contract services in the Planning department budget from \$106,000 to \$91,000.

Legal Costs: The legal costs for the Town's contract attorneys are on track to increase by approximately \$150,000 from the anticipated budgeted expenditures of \$250,000. This increase is directly attributable to increased legal fees for non-retainer legal services from prior year spending levels. Although additional legal services have been included within the base retainer fee, this increase appears to relate to litigation/legal services related to dispensaries, RDA dissolution and animal hoarding cases.

Building Maintenance: Beginning with the past fiscal year, all costs for the Sheriff’s operations have been allocated to the Sheriff’s cost center including costs for building maintenance. However, ordering for all building supplies is still conducted centrally through facilities maintenance. The estimated maintenance costs allocated to the Sheriff’s cost center for the first year of this change were determined to be too low necessitating a budgetary increase of \$5,000 in the budgeted appropriations.

Insurance Costs: The budgeted appropriations for insurance costs did not include sufficient funding due to a slight modification of the formula for insurance costs resulting in a cost increase of approximately \$24,000 for the past twelve months.

Graffiti Removal Program: As a result of a decreased need for graffiti removal this year, a reduction in the graffiti removal appropriation of \$20,000 is possible. This reduction is believed to be a direct result of the arrest and prosecution of taggers and continued graffiti abatement activities.

As previously mentioned, the preceding highlights of the proposed revenue and expenditure changes to the FY 2013-2014 adopted budget are intended to summarize those key changes representative of the proposed changes in total. Additional detail of the proposed budget adjustments are outlined within the proposed Budget Adjustment Number 14-16. Including all of the proposed adjustments to estimated revenues in the amount of \$1,139,500 and adjustments to budgeted appropriations in the amount of \$202,000, the General Fund budget for Fiscal Year 2013-2014 is estimated to be approximately \$24.8 million. The following table is a summary of the total resources and resource requirements for the adopted Fiscal Year 2013-2014 General Fund budget including the adjustments as proposed:

General Fund Summary	
Estimated Revenues	\$ 19,371,251
Proposed Rev. Adjustments	1,139,500
Transfers In	5,412,641
Total Resources	\$ 25,923,392
Adopted Budget	\$ 24,608,985
Proposed Approp. Adj.	202,000
Approp. To Fund Balance	\$ 1,112,407
Balance	-0-

Other budgetary impacts worth noting include the following items:

Redevelopment Agency Dissolution Activities: Dissolution activities continue for the Town’s former Redevelopment Agency. The Town completed the required Due Diligence Reviews required pursuant to AB 1484. Of significant note, this bill created a “claw-back” provision by which the state required any unobligated funds be paid to the County of San Bernardino Auditor/Tax Collectors Office for redistribution to other taxing agencies. For schools, apportionment payments from the State were essentially offset dollar for dollar by the AB 1484 claw-back payments to the County resulting in no new funding for schools. This

process allowed the State to maximize the benefit of the RDA dissolution process for the State's general fund.

The impact of Governor Brown's State budget proposal on the Town of Apple Valley's Redevelopment Agency has eliminated annual collections of property tax increment amounting to \$6.6 million. In addition, the Town lost \$11.8 million in housing funds due to making required payments to the County Treasurer-Tax Collector last fall pursuant to amounts calculated in the Due Diligence Reviews. Of note, the Town did receive its "Finding of Completion" from the State department of Finance for completion of the Due Diligence Review process which allowed the Town access to over \$17 million in stranded bond proceeds allocated to the construction of the Yucca Loma bridge project.

Parks and Recreation Fund: As stated in the Parks and Recreation Master Plan adopted by Council in May, 2013, "the same vision that prompted a higher level of investment in parks and recreation services over the last ten years was defined more formally in Apple Valley's Vision 202 Strategic Plan." This process has affirmed the vision of the community for improved parks, engaging community events and increased recreational opportunities. However, in order to achieve the vision outlined within the master plan and continue to fund the enhanced level of investment in parks and recreation services achieved over the last ten years, additional investment is needed. As noted in the master plan, the efforts to increase this investment may include;

- Development of a formal cost recovery policy for programs, events and services;
- Identification of an appropriate level of General Fund support;
- Identifying community supported capital and operations funding, such as ¼ cent sales tax, impact fees, landscape maintenance districts, etc.

The funding question for the continued support of the level of investment in Parks and Recreation activities must be answered. Addressing this issue is critical to the continued fiscal health of the General Fund and the Town as a whole.

FISCAL REVIEW:

The attached Exhibit A summarizes the proposed adjustments in revenue estimates and appropriations (expenditures) to the current year's adopted operating and capital improvement budget reviewed herein. The attached Budget Amendment 14-16 summarizes the proposed increases in revenue estimates and appropriation adjustments.

Exhibit B summarizes the changes in revenue estimates and budgetary performance for all departments and all funds reflective of all budget amendments previously approved by Council through December 31, 2013.

The net result of these changes in revenue estimates and appropriation increases results in an increase in the planned appropriation to General Fund fund balance in the amount of \$937,500 whereupon the adopted budget anticipated an appropriation to General Fund fund balance in the amount of \$174,907.

LEGAL REVIEW:

No legal review is required for this item.

SUMMARY:

The FY 2013-2014 budget was adopted with a planned appropriation to the General Fund available fund balance of \$174,907. Following adoption of the budget, additional appropriations became necessary for various programs, services, and carryovers from FY 2012-2013. As of December 31, 2013, a increase in appropriations in the amount of \$202,000 is proposed in the General Fund as outlined in Exhibit A. These adjustments are proposed to Town Council as outlined in Budget Amendment 14-16 attached hereto. In addition, proposed revenue adjustments to the General Fund result in a net increase of \$1,139,500 to General Fund estimated revenues. The net result of these changes in revenue estimates and proposed appropriations, results in an increase in the proposed appropriation to available General Fund fund balance of \$937,500. This change increases the planned appropriation to General Fund fund balance to a total amount of \$1,112,407.

CONCLUSION:

The attached Budget Amendment (BA 14-16) is recommended for adoption by Council at its regularly scheduled February 25 Council Meeting. Staff is committed to ensuring that the Town continues its conservative fiscal practices; adopts sound, responsible, financial plans; and maintains its high-level of service delivery to the community in the most cost-effective and efficient manner possible.

ATTACHMENTS:

- 1) Budget Adjustment 14-16
- 2) Exhibit A – Mid Year Budget Adjustment Summary
- 3) Budget to Actual Comparison by Fund/Department/Division
- 4) General Fund/Parks & Rec./Golf Course Revenue Projections
- 5) Calculation of Projected Fund Balances – June 30, 2014

**TOWN OF APPLE VALLEY
MID-YEAR BUDGET ADJUSTMENT SUMMARY
REVENUE
FISCAL YEAR 2013-2014**

Exhibit A

<u>ACCOUNT DESCRIPTION</u>	<u>Amended FY2013-14</u>	<u>Actual 12/31/13</u>	<u>Year-End Revised</u>	<u>Increase (Decrease)</u>
General Fund:				
Property Tax	3,218,000	2,282,422	4,318,000	1,100,000
Prop Tax - Sales Tax Backfill	1,383,000	-	1,276,000	(107,000)
Sales and Use Tax	4,761,300	1,270,689	4,161,300	(600,000)
Pass Thru PA#2	-	155,126	180,000	180,000
Interest Earnings	85,000	9,291	45,000	(40,000)
Tow Release Fees	85,000	19,339	45,000	(40,000)
Animal Licenses	275,000	112,731	235,000	(40,000)
Shelter Donations	50,000	376	10,000	(40,000)
Code Enforcement Fines	300,000	108,493	250,000	(50,000)
Building Permits	233,500	170,319	331,000	97,500
Electrical	55,000	209,594	300,000	245,000
Misc. Rev. Building & Safety	6,000	63,354	136,000	130,000
Building & Safety	110,000	168,456	280,000	170,000
Plan Checks - Engineering	22,000	90,754	110,000	88,000
Site Plan Review	34,000	52,054	80,000	46,000
General Fund Totals	10,617,800	4,712,998	11,757,300	1,139,500

TOWN OF APPLE VALLEY
MID-YEAR BUDGET ADJUSTMENT SUMMARY
EXPENDITURE
FISCAL YEAR 2013-2014

Exhibit A

<u>ACCOUNT DESCRIPTION</u>	<u>Amended FY2013-14</u>	<u>Actual 12/31/2013</u>	<u>Year-End Revised</u>	<u>Increase (Decrease)</u>
General Fund:				
Legal - BB&K	250,000	170,489	400,000	150,000
Subtotal - Town Attorney	<u>250,000</u>	<u>170,489</u>	<u>400,000</u>	<u>150,000</u>
Contract Services	18,000	11,359	28,000	10,000
Subtotal - Town Manager	<u>18,000</u>	<u>11,359</u>	<u>28,000</u>	<u>10,000</u>
Contract Services	64,100	46,082	74,100	10,000
Subtotal - Finance	<u>64,100</u>	<u>46,082</u>	<u>74,100</u>	<u>10,000</u>
Contract Services	17,800	16,351	27,800	10,000
Subtotal - Human Resources	<u>17,800</u>	<u>16,351</u>	<u>27,800</u>	<u>10,000</u>
Insurance	898,900	1,063,603	922,900	24,000
Contract Services	93,000	35,805	126,000	33,000
Subtotal - General Government	<u>991,900</u>	<u>1,099,408</u>	<u>1,048,900</u>	<u>57,000</u>
Building Maintenance	4,000	3,940	9,000	5,000
Subtotal - Police	<u>4,000</u>	<u>3,940</u>	<u>9,000</u>	<u>5,000</u>
Graffiti Removal & Supplies	60,000	11,416	40,000	(20,000)
Services	5,000	-	-	(5,000)
Subtotal - Code Enforcement	<u>65,000</u>	<u>11,416</u>	<u>40,000</u>	<u>(25,000)</u>
Contract Services	106,000	5,100	91,000	(15,000)
Subtotal - Planning	<u>106,000</u>	<u>5,100</u>	<u>91,000</u>	<u>(15,000)</u>
General Fund Totals	<u><u>1,516,800</u></u>	<u><u>1,364,145</u></u>	<u><u>1,718,800</u></u>	<u><u>202,000</u></u>

TOWN OF APPLE VALLEY, CALIFORNIA
BUDGET COMPARISON
BY FUND/BY DEPARTMENT

<u>Fund/Department</u>	<u>FY 10-11 Actual Expenditures</u>	<u>FY 11-12 Actual Expenditures</u>	<u>FY 12-13 Actual Expenditures</u>	<u>FY 13-14 Amended Budget</u>
<u>General Fund (1001)</u>				
Non-Departmental	1,187,961	-	-	-
Town Council	140,315	201,183	169,188	197,798
Town Attorney	480,734	586,580	163,515	250,000
Town Manager	216,684	626,958	447,840	504,906
Finance	107,429	1,077,791	994,717	1,163,998
Town Clerk	214,863	352,668	397,538	390,312
Public Information	160,416	368,162	416,478	477,558
Human Resources	184,277	458,428	294,630	394,743
Information Technology	183,536	638,607	509,360	542,378
General Government	293,558	1,982,270	1,589,873	2,111,127
Public Facilities	1,423,224	1,504,729	2,242,104	2,392,934
Police	10,589,317	10,961,407	11,052,589	11,475,731
Emergency Preparedness	87,601	72,245	26,691	39,848
Animal Control	711,838	739,573	780,318	755,053
Animal Shelter	850,753	863,885	923,852	1,064,049
Public Services - Admin	49,367	470,658	462,913	433,167
Code Enforcement	1,032,233	1,024,428	860,682	966,078
Building & Safety	262,639	252,632	319,188	282,215
Economic Development	-	145	49,626	96,540
Engineering	329,710	336,051	312,062	350,600
Planning	966,009	743,198	667,453	719,950
Street Lighting	6,217	-	-	-
Subtotal Fund 1001	19,478,681	23,261,598	22,680,617	24,608,985
<u>Parks & Recreation (2510)</u>				
Non-Departmental	29,919	18,365	13,612	-
Parks	1,990,749	1,920,648	1,570,704	1,695,316
Facilities	251,206	244,548	256,821	246,104
Adult Sports	54,793	52,289	44,741	54,323
Aquatic Program	530,540	475,079	466,531	452,298
ASAP	187,891	173,487	190,894	200,560
CAVE	16,612	65	-	-
Day Camp	51,265	52,107	49,560	51,854
Instructor Classes	146,384	150,752	156,208	167,191
PIO Events	215,055	206,247	162,769	179,187
Recreation	78,011	156,070	128,916	137,880
Recreation Department Events	85,736	88,862	67,545	87,090
Rentals	80,728	84,323	93,989	99,238
Skate Park Facilities	248,532	1,059	1,349	5,000
User Groups	48,318	34,902	31,857	32,440
Youth Sports	94,488	102,525	102,097	108,660
Subtotal Fund 2510	4,110,227	3,761,328	3,337,593	3,517,141
<u>Redevelopment Agency:</u>				
RDA PA#1 Low/Mod (2710)	104,659	146,042	-	-
RDA PA#2 Low/Mod (2720)	401,084	243,471	-	-
VVEDA Redev Oblig Ret Fund PA#1 (2725)	-	914,633	1,148,239	1,331,163
Redev Oblig Ret Fund PA#2 (2730)	-	2,532,360	2,939,622	16,655,232
RDA PA#1 80% (3010)	2,476,223	369,936	-	-
RDA PA#2 80% (3020)	9,292,808	749,583	-	-
RDA PA#1 Capital Projects (4010)	102,928	413,207	-	-
RDA PA#2 Capital Projects (4020)	257,431	1,356,387	-	-
Subtotal Redevelopment Agency	12,530,474	6,579,577	4,087,861	17,986,395

TOWN OF APPLE VALLEY, CALIFORNIA
BUDGET COMPARISON
BY FUND/BY DEPARTMENT

<u>Fund/Department</u>	<u>FY 10-11 Actual Expenditures</u>	<u>FY 11-12 Actual Expenditures</u>	<u>FY 12-13 Actual Expenditures</u>	<u>FY 13-14 Amended Budget</u>
<u>Apple Valley Golf Course (5710)</u>				
Non-Departmental	(113,945)	110,926	117,125	248,315
Administration	139,780	144,189	129,963	91,850
Food & Beverage	206,886	4,398	7,654	7,250
Cart Barn	66,137	73,358	68,165	70,650
Grounds	882,492	763,321	627,178	552,650
Facilities	218,318	246,535	204,251	140,277
Parking Lot	-	465	-	-
Pro Shop	110,332	102,464	76,318	84,400
Tennis Court	1,025	2,384	575	100
Subtotal Fund 5710	<u>1,511,025</u>	<u>1,448,040</u>	<u>1,231,229</u>	<u>1,195,492</u>
Grand Total	<u>37,630,407</u>	<u>35,050,543</u>	<u>31,337,300</u>	<u>47,308,013</u>

GENERAL FUND REVENUE					
Code	Revenue Classification	Actual Revenue 2010-11	Actual Revenue 2011-12	Actual Revenue 2012-13	Amended Budget 2013-14
LOCAL TAXES					
4020	Property Tax	2,049,373	2,172,489	2,810,338	3,218,000
4025	Property Tax (Sales Tax Backfill)	1,382,393	1,267,248	1,383,032	1,383,000
4030	Property Tax (VLF Backfill)	5,168,855	5,132,738	5,100,276	5,190,000
4055	Sales & Use Tax	3,819,221	4,139,105	3,804,832	4,761,300
4085	Franchise Taxes	1,727,194	1,720,033	1,816,243	1,875,000
4095	Transient Occupancy Tax	6,051	6,670	7,152	8,000
4110	Motor Vehicle In-Lieu	318,318	34,778	36,036	-
4134	Tax increment/Pass through	40,152	132,576	299,387	-
4142	Business License Fees	179,195	168,488	178,138	180,000
4144	CSA 17	1,630,304	-	-	-
4176	Property Transfer Tax	141,983	150,085	166,272	150,000
Subtotal - Local Taxes		16,463,039	14,924,210	15,601,706	16,765,300
FINES & FEES & PUBLIC SAFETY CONTRIBUTIONS					
4355	Police Fines & Forfeitures	127,488	91,423	108,682	100,000
4360	False Alarms	100	-	-	-
4365	Police Reports & Charges	-	2,197	1,884	5,000
4377	Tow Release	101,800	81,200	66,950	85,000
6925	OTS Sobriety Check Point	-	63,920	44,914	-
6927	Police Grants	134,902	119,817	106,663	149,500
Subtotal - Fines & Fees		364,290	358,557	329,093	339,500
PUBLIC SERVICES					
4145	Debris Recycling	1,500	-	4,500	1,000
4160	Microfilming	4,162	4,731	5,200	5,000
4410	Animal Control Citation Fines	20,851	28,834	55,950	25,000
4420	Animal Control Permits	2,175	3,206	2,782	3,000
4430	Animal Licenses	264,369	275,261	249,848	275,000
4435	Animal Services Sheltering Contract	-	-	130,465	303,705
4440	Field P/U Apprehension	9,001	10,724	10,123	10,000
4450	Field P/U Release	7,304	5,750	5,916	6,000
4460	Impound Boarding Fees	21,075	23,553	23,250	20,000
4465	Lien Fees	701	779	1,188	10,000
4470	Miscellaneous AC	17,358	16,125	21,484	20,000
4480	Owner Turn in @ Shelter	18,090	18,118	24,228	18,000
4490	Pet Adoptions	81,089	80,816	88,609	80,000
4500	Quarantine Fees	1,595	2,000	3,413	2,500
4510	Rabies Vaccination	8,456	8,253	9,563	10,000
4517	Shelter Cap Imp County Payments	-	-	35,000	-
4520	Shelter Donations	253	405	490	50,000
4530	Over/Short	11	62	23	-
4540	Spay and Neuter Deposit	4,065	3,594	4,112	4,250
4550	State Mandated Fees AC	6,590	6,943	7,147	6,950
5580	Short/Over Recreation	-	95	(191)	-
6050	Code Enforcement Fines	639,250	370,186	276,066	300,000
6070	Property Maint Inspections	107,989	99,372	111,861	120,000
6168	Right-of-Way Permits	53,300	42,115	48,622	42,000
Total - Public Services		1,269,184	1,000,922	1,119,649	1,312,405
Building & Safety					
6108	Building Permits	220,864	165,677	240,037	233,500
6114	CSA	1,550	2,995	2,225	-
6120	Electrical	30,558	46,400	84,048	55,000
6122	Extension Requests	-	-	843	-
6130	Grading	4,150	1,807	3,784	2,500
6134	Inspections (Other)	9,372	10,396	10,113	10,000
6148	Mechanical	26,708	22,853	20,554	25,000
6152	Misc Revenue - Building & Safety	3,453	6,019	10,057	6,000
6158	Plan Check	80,009	113,599	106,468	110,000
6162	Plumbing	36,852	29,730	30,776	30,000
6169	SB 1473	372	(60)	155	-
6174	SMI Tax	511	(308)	160	-
Total - Building & Safety		414,399	399,108	509,220	472,000

GENERAL FUND REVENUE					
Code	Revenue Classification	Actual Revenue 2010-11	Actual Revenue 2011-12	Actual Revenue 2012-13	Amended Budget 2013-14
Planning & Zoning					
6104	Appeals	468	224	-	500
6110	Certificate of Compliance	2,346	1,564	2,346	2,500
6112	Copies and Reproduction	4,847	1,533	3,110	2,500
6118	Development Permit	5,942	5,062	8,366	10,000
6128	General Plan Amendment	16,464	(1,455)	-	12,000
6132	Home Occupation Permit	8,580	5,885	7,095	5,000
6142	Lot Line Adjustment	1,960	589	589	2,000
6144	Lot Merger	584	2,336	1,168	2,000
6150	Minor Sub-divisions	-	626	42	-
6156	Miscellaneous Revenue - Planning	1,737	2,129	13,658	8,000
6165	Open Space	21	270	88	-
6167	Refund Processing Fees	-	-	-	-
6170	Sign Permit	2,434	2,162	1,426	1,500
6172	Site Plan Review	23,162	30,961	35,048	34,000
6176	Special Events	1,291	1,372	1,225	1,000
6178	Specific Plan	-	-	5,072	-
6180	Tentative Parcel Map	-	3,502	-	3,000
6182	Tentative Tract Map	8,148	17,857	(72)	3,000
6192	Use Permit	39,783	16,661	28,934	16,500
6195	Variance (Deviations)	2,339	447	359	2,000
Total - Planning Fees		120,106	91,725	108,454	105,500
Engineering					
6154	Miscellaneous - Engineering	146	-	380	-
6160	Plan Check	6,256	67,057	20,207	22,000
6184	Transportation Impact Fees	-	-	-	-
6188	Transportation Permits	3,022	43,956	2,421	3,000
Total - Engineering		9,424	111,013	23,008	25,000
Sub Total - Community Developer		543,929	601,846	640,682	602,500
OTHER REVENUES					
4148	Donations	-	-	-	-
4165	Miscellaneous Penalties or Fines	2,031	1,203	1,357	2,100
4168	Notary Fees	40	20	80	-
4170	Sale of Cell Easement/Other Reven	345,617	354,330	3,940	-
4172	Passport Fees	16,155	15,618	22,938	15,000
4181	Refunds, Reimbursements	273,235	158,848	110,789	160,000
4183	Gain/Loss on Disposal of Fixed Ass	-	-	-	-
4183-7	SCE Incentive Payments	-	10,005	23,172	-
4184	Short/Over	-	-	1	-
4185	State Mandated Reimbursements	30,166	35,859	55,846	36,000
4255	Interest Earnings	66,935	15,790	-	85,000
4352	Booking Fees	2,372	522	80	600
4370	Restitution	912	1,597	6,522	1,000
5540	Sponsorship Revenue	5,450	-	-	-
5700	Cell Tower & Office Space Rentals	1,738	3,525	15,584	41,346
6690	Water Use Fees	-	28,796	-	-
6808	EMPG Grant	10,985	18,962	17,080	8,500
6931	Seat Belt Compliance	-	1,749	-	-
6996	Town Store Sales	807	1,560	559	2,000
6999	Transfer In - Street Maint. Fund 201	-	737,364	761,203	879,532
6999	Transfer In - Parks & Rec. Fund 251	-	346,499	343,300	391,170
6999	Transfer In - Police Grants Fund 26	-	-	-	-
6999	Transfer In - RDA VVEDA (2725)	-	150,598	-	-
6999	Transfer In - RDA PA No. 2 (2730)	-	150,599	-	-
6999	Transfer In - RDA/VVEDA Fund 401	-	210,837	-	-
6999	Transfer In - RDA PA No. 2 Fund 4C	-	210,837	-	-
6999	Transfer In - Wastewater Fund 501C	-	1,664,026	1,668,583	1,563,943
6999	Transfer In - Solid Waste Fund 551C	-	1,601,001	1,584,416	1,797,996
6999	Transfer In - 5510 Franchise Fee	470,510	483,655	470,878	780,000
Subtotal - Other Revenues		1,226,953	6,203,800	5,086,328	5,764,187
TOTAL - GENERAL FUND REVENUES		19,867,395	23,089,335	22,777,458	24,783,892

Town of Apple Valley
CALCULATION OF PROJECTED FUND BALANCES
for the Fiscal Year Ending June 30, 2014

Fund Description	Fund Balances 07/01/13	Estimated Revenues FY 13-14	Amended Operating Budget FY 13-14	Amended Capital Budget FY 13-14	Total Amended Budget FY 13-14	Estimated Revenues Over (Under) Adopted Budget	Transfers In	Transfers Out	Projected Ending Fund Balances 06/30/14
General Fund	17,420,082	19,371,251	22,102,058	-	22,102,058	(2,730,807)	5,412,641	2,506,927	17,594,989
Special Revenue Funds:									
Gas Tax Fund	-	2,042,305	1,230,860	-	1,230,860	811,445	300,000	879,532	231,913
Article 8	392,714	350,000	60,000	-	60,000	290,000	-	360,000	322,714
Measure 1 Local	-	-	-	-	-	-	-	-	-
Measure 1 Local 2040	5,748,065	2,045,650	-	4,359,150	4,359,150	(2,313,500)	60,000	-	3,494,565
Measure 1 Regional	-	-	-	-	-	-	-	-	-
Measure 1 Transit	-	-	-	-	-	-	-	-	-
Prop 1B	3,943	-	-	-	-	-	-	-	-
Air Pollution Control	84,572	47,450	47,320	-	47,320	130	-	-	84,702
SANBAG Stimulus	-	-	-	-	-	-	-	-	-
CDBG Program Income	6,992	-	-	-	-	-	-	-	-
CDBG	-	807,462	807,462	-	807,462	-	-	-	-
Neighborhood Stabilization Program	39,318	-	-	-	-	-	-	-	-
NSP 3	-	631,233	631,233	-	631,233	-	-	-	-
HCD State Program	23,977	-	-	-	-	-	-	-	-
HOME Federal Program Income	26,097	-	-	-	-	-	-	-	-
Apple Valley Home	(73,071)	1,114,937	1,114,937	-	1,114,937	-	-	-	(73,071)
Victorville Home	-	487,366	487,366	-	487,366	-	-	-	-
Cal Home	16,811	1,284,673	1,284,673	-	1,284,673	-	-	-	16,811
Parks & Recreation	(6,162,464)	2,971,256	3,125,971	-	3,125,971	(154,715)	545,885	391,170	(6,162,464)
Quimby Funds	14,971	10,500	13,050	-	13,050	(2,550)	-	15,407	(2,986)
Police Grants	(131,282)	191,667	191,667	-	191,667	-	-	149,797	(281,079)
Asset Seizure	46,084	-	45,960	-	45,960	(45,960)	-	-	124
Drug & Gang Prevention	5,383	-	-	-	-	-	-	-	5,383
Assessment District LL	1,058,527	325,350	160,250	-	160,250	165,100	-	-	1,223,627
FEMA	(277,546)	-	-	-	-	-	-	-	(277,546)
Subtotal Special Revenue Funds	823,091	12,309,849	9,200,749	4,359,150	13,559,899	(1,250,050)	905,885	1,795,906	(1,417,307)
Debt Service Funds:									
1999 COPS	206	-	410,000	-	410,000	(410,000)	410,000	-	206
2001 COPS	-	-	332,000	-	332,000	(332,000)	332,000	-	-
2007 Town Hall	-	-	885,150	-	885,150	(885,150)	885,150	-	-
Subtotal Debt Service Funds	206	-	1,627,150	-	1,627,150	(1,627,150)	1,627,150	-	206

Town of Apple Valley
CALCULATION OF PROJECTED FUND BALANCES
for the Fiscal Year Ending June 30, 2014

Fund Description	Fund Balances 07/01/13	Estimated Revenues FY 13-14	Amended Operating Budget FY 13-14	Amended Capital Budget FY 13-14	Total Amended Budget FY 13-14	Estimated Revenues Over (Under) Adopted Budget	Transfers In	Transfers Out	Projected Ending Fund Balances 06/30/14
Capital Improvement Funds:									
NAVISP	1,640,775	4,000	-	-	-	4,000	-	-	1,644,775
Government Facilities	(75,667)	-	-	-	-	-	-	-	(75,667)
Capital Improvement TIF Fund	9,027,925	5,283,000	-	24,211,000	24,211,000	(18,928,000)	14,000,000	-	4,099,925
Animal Control Facilities	103,661	3,550	-	-	-	3,550	-	-	107,211
Law Enforcement Facilities	47,764	24,100	-	-	-	24,100	-	-	71,864
General Government Facilities	69,110	30,000	-	-	-	30,000	-	-	99,110
Public Meeting Facilities	91,885	15,150	-	-	-	15,150	-	-	107,035
Aquatic Facilities	52,430	5,100	-	-	-	5,100	-	-	57,530
Storm Drains	1,102,157	91,500	-	100,000	100,000	(8,500)	-	-	1,093,657
Sanitary Sewer Facilities	947,490	2,900	-	-	-	2,900	-	-	950,390
Project Manager Grants	(269,202)	869,058	869,058	-	869,058	-	-	-	(269,202)
Subtotal Capital Projects Funds	12,738,328	6,328,358	869,058	24,311,000	25,180,058	(18,851,700)	14,000,000	-	7,886,628
Total Governmental Funds	30,981,707	38,009,458	33,799,015	28,870,160	62,469,165	(24,469,707)	21,945,576	4,302,833	24,064,516
Enterprise Funds:									
Wastewater	5,234,164	5,206,650	3,788,842	100,000	3,888,842	1,317,808	-	1,563,943	4,988,029
Solid Waste	4,153,964	10,003,012	8,463,513	-	8,463,513	1,539,499	-	2,577,996	3,115,467
Apple Valley Golf Course	(3,198,964)	861,600	1,195,492	-	1,195,492	(333,892)	333,892	-	(3,198,964)
Total Enterprise Funds	6,189,164	16,071,262	13,447,847	100,000	13,647,847	2,523,415	333,892	4,141,939	4,904,532
Redevelopment Agency									
WEDA Successor Agency Fund	7,534,472	1,331,163	1,331,163	-	1,331,163	-	-	-	7,534,472
AV RDA Successor Agency Fund	24,297,820	2,655,232	2,655,232	-	2,655,232	-	-	14,000,000	10,297,820
WVEDA Debt Service (80%)	-	-	-	-	-	-	-	-	-
PA#2 Debt Service (80%)	-	-	-	-	-	-	-	-	-
WEDA Low/Mod (20%)	-	-	-	-	-	-	-	-	-
PA#2 Low/Mod (20%)	-	-	-	-	-	-	-	-	-
WEDA - Capital Projects	-	-	-	-	-	-	-	-	-
PA#2 - Capital Projects	-	-	-	-	-	-	-	-	-
GRAND TOTAL	69,003,163	58,067,115	51,233,257	28,770,150	80,003,407	(21,936,292)	22,279,568	22,444,772	46,801,340