



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** May 13, 2014

From: Orlando Acevedo **Item No:** 6
Economic Development Manager
Economic Development

Subject: FY 2014-15 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 2014-15 Budget of the Apple Valley Village Property and Business Improvement District Association (Association).

SUMMARY:

The PBID Association unanimously adopted its FY2014-15 Budget (Attachment 1) on April 23, 2014, thereby approving key programs and services consistent with its adopted District Management Plan, including continuation of marketing activities, kiosk and banner signage, enhanced security (provided by the County Sheriff's), the Aesthetics Rehabilitation Grant Program (ARGP), Highway 18 landscape/drainage improvements and maintenance, as well as allocations to accounting, legal and as needed consulting services.

The Association estimates that at the end of FY2013-14 an unspent balance of \$215,850 will be reprogrammed into the FY2014-15 Budget, which includes \$704,500 for its general and administrative expenses. The Town will thereby remit the \$488,650 balance due (\$704,500 minus cash on hand of \$215,850) to the Association for these day-to-day activities. An additional \$180,000 was budgeted for contract services administered directly by the Town, including landscape and drainage improvements/maintenance and police services.

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, 2014, 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:

Apple Valley Village PBID Association FY 2014-15 Budget

Apple Valley Village Property and Business Improvement District Association
Fiscal Year 2014-15 Budget

Revenues		Proposed Budget 2014-15
Total Beginning Balance (includes Town-held assessment revenues)		520,000
Restricted Funds (Long term Hwy 18 landscape maintenance)		150,000
PBID Association Cash on Hand		215,850
Assessment and Interest Revenues		209,000
Total Available Balance		1,094,850

Expenses	Adopted Budget 2013-14	Est Expense 2013-14	Proposed Budget 2014-15
Association General and Admin Expenses			
Secretary Services: minutes/agendas/administration	15,000	15,000	18,000
Phone	750	750	750
Consultant Services	5,000	0	5,000
Insurance	1,000	1,000	1,200
Postage	500	500	500
ARGP (Aesthetics Rehabilitation Grant Program)	10,000	5,000	10,000
Website setup and hosting	2,500	2,500	2,500
Legal and Accounting i.e. Assessment Update/Mgmt, Audit	5,000	1,000	7,500
Marketing: Consultant, Ads, Newsletter, Tradeshow	35,000	35,000	40,000
Training/educational conferences, workshops and seminars	2,000	0	2,000
Small Office Supplies	500	500	500
Meeting Refreshments	500	500	300
Office Equipment: Copy machine, recorder	500	500	500
Taxes/Filing Fees	100	100	150
Kiosk signage, banners and entry statement lighting	10,000	10,000	10,000
Miscellaneous	50	200	100
Property Acquisition/Improvements	200,000	0	200,000
Median Utilities	2,000	2,000	5,500
Drainage Improvements			400,000
Total Association General and Admin Expenses	290,400	74,550	704,500
Town-Coordinated Projects/Activities Expenses (Fund 8110)			
Enhanced Security Services w/Sheriff's Dept	30,000	30,000	30,000
Hwy 18 Landscape Median and Maintenance Set-Aside	540,804	100,000	170,000
Total Town-Coordinated Expenses	570,804	130,000	200,000
Total Association and Town Expenses	861,204	204,550	904,500

Summary		
Total Available Balance		1,094,850
Total Association and Town Expenses		904,500

Ending Fund Balance		19 0,350
Check Request (Town remits to PBID Association for FY2014-15 General and Admin Expenses Minus Cash on Hand)	18,371	488,650

