



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** June 9, 2015

From: Orlando Acevedo **Item No:** 4
Economic Development Manager

Subject: FY 2015-16 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 2015-16 Budget of the Apple Valley Village Property and Business Improvement District Association (Association).

SUMMARY:

The PBID Association unanimously adopted its FY 2015-16 Budget (Attachment 1) on May 20, 2015, 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 Department), 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. New this year includes funding for the coordination and planning of a proposed parade in the Village area in the fourth quarter of 2015.

The Association estimates FY 2014-15 year-end expenditures of \$100,000. The unspent balance, approximately \$604,500, will be reprogrammed into the FY 2015-16 Budget.

The Association approved budget for the new FY 2015-16 fiscal year total is \$761,000 for general and administrative expenses. The Town will remit to the Association a portion of its collected annual assessment dollars, approximately \$154,500 (\$761,000 minus Association's cash on hand of \$604,500), for its day-to-day activities. An additional \$200,000 was budgeted for contract services administered directly by the Town, including enhanced police services in the Village area and ongoing Highway 18 Median Landscape Maintenance.

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, 2015, 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 (FY 2007-08 - FY 2011-12) 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, FY 2012-13—FY 16-17. 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.

FISCAL IMPACT:

The PBID Association's FY 2015-16 Budget utilizes PBID Assessment Revenues only and has no direct impact on Town Funds.

ATTACHMENT 1:

Apple Valley Village PBID Association FY 2015-16 Budget

Apple Valley Village Property and Business Improvement District Association
Fiscal Year 2015-16 Budget

Revenues	
	Proposed Budget 2015-16
Total Beginning Balance (includes Town-held assessment revenues)	465,645
Restricted Funds (Long term Hwy 18 landscape maintenance)	140,000
PBID Association Cash on Hand	604,500
Assessment and Interest Revenues	209,000
Total Available Balance	1,419,145

Expenses			
	Adopted Budget 2014-15	Est Expense 2014-15	Proposed Budget 2015-16
Association General and Admin Expenses			
Secretary Services: minutes/agendas/administration	18,000	18,000	18,000
Phone	750	750	750
Consultant Services	5,000	5,000	5,000
Insurance	1,200	2,400	3,000
Postage	500	500	500
ARGP (Aesthetics Rehabilitation Grant Program)	10,000	3,500	10,000
Website setup and hosting	2,500	2,500	2,500
Legal and Accounting i.e. Assessment Update/Mgmt, Audit	7,500	3,500	7,500
Marketing: Consultant, Ads, Newsletter, Tradeshow	40,000	40,000	95,000
Training/educational conferences, workshops and seminars	2,000	-	2,000
Small Office Supplies	500	500	300
Meeting Refreshments	300	300	250
Office Equipment: Copy machine, recorder	500	500	500
Taxes/Filing Fees	150	150	150
Kiosk signage, banners and entry statement lighting	10,000	20,000	10,000
Miscellaneous	100	100	100
Property Acquisition/Improvements	200,000	-	200,000
Median Utilities	5,500	2,300	5,500
Drainage Improvements	400,000	-	400,000
Total Association General and Admin Expenses	704,500	100,000	761,000

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	170,000	30,000	170,000
Total Town-Coordinated Expenses	200,000	60,000	200,000

Total Association and Town Expenses	904,500	160,000	961,000
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Summary	
Total Available Balance	1,419,145
Total Association and Town Expenses	961,000

Ending Fund Balance	458,145
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Check Request (Town remits to PBID Association for FY2015-16 General and Admin Expenses Minus Cash on Hand)	154,500
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