



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** August 9, 2016
From: Orlando Acevedo, Assistant Director **Item No:** 6
 Economic Development and Housing
Subject: FISCAL YEAR 2016-17 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 2016-17 Budget of the Apple Valley Village Property and Business Improvement District Association (Association).

SUMMARY:

The PBID Association unanimously adopted its Fiscal Year 2016-17 Budget (Attachment 1) on June 15, 2016, thereby approving key programs and services consistent with its adopted District Management Plan, including continuation of marketing activities, kiosk and banner signage, parade and street fair events, 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 consulting services.

The Association estimates Fiscal Year 2015-16 year-end expenditures of \$133,796 plus \$60,000 in Town-administered programs for a total of \$193,796 in expenditures.

The Association's approved budget for the new 2016-17 Fiscal Year is \$766,800 for general and administrative expenses and an additional \$200,000 for contract services administered directly by the Town, including enhanced police services in the Village area and ongoing Highway 18 Median Landscape Maintenance.

The Town will remit to the Association a portion of their collected annual assessment dollars, approximately \$241,800 (\$766,800 minus Association's cash on hand of \$525,000), for their 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, 2016, 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 (5) years (Fiscal Year 2007-08 – Fiscal Year 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 501c(4) nonprofit corporation. The Association Board was, subsequently, selected to act as the PBID administering body and entered into an Agreement for Services (Agreement) 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 (5) year period, Fiscal Year 2012-13 – Fiscal Year 2016-17. 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 Fiscal Year 2016-17 Budget utilizes PBID Assessment Revenues only and has no direct impact on Town Funds.

ATTACHMENT:

Apple Valley Village PBID Association Fiscal Year 2016-17 Budget

Apple Valley Village Property and Business Improvement District Association
Fiscal Year 2016-17 Budget

REVENUES		Proposed Budget 2016-17
Total Beginning Balance (includes Town-held assessment revenues)		508,000
PBID Association Cash on Hand		525,000
Assessment and Interest Revenues		209,000
Total Available Balance		1,242,000

EXPENSES			
	Adopted Budget 2015-16	Est Expense 2015-16	Proposed Budget 2016-17
Association General and Admin Expenses			
Secretary Services: minutes/agendas/administration	18,000	18,000	18,000
Phone	750	679	750
Consultant Services	5,000	6,845	24,000
Insurance	3,000	1,711	2,500
Postage	500	1,012	750
ARGP (Aesthetics Rehabilitation Grant Program)	10,000	2,441	7,500
Website setup and hosting	2,500	485	750
Legal and Accounting i.e. Assessment Update/Mgmt, Audit	7,500	2,327	7,500
Marketing: Consultant, Ads, Newsletter, Tradeshows	95,000	94,012	87,650
Training/educational conferences, workshops and seminars	2,000	0	2,000
Small Office Supplies	300	442	300
Meeting Refreshments	250	114	250
Office Equipment: Copy machine, recorder	500	0	500
Taxes/Filing Fees	150	30	150
Kiosk signage, banners and entry statement lighting	10,000	4,522	10,000
Miscellaneous	100	200	200
Property Acquisition/Improvements	200,000		200,000
Median Utilities	5,500	976	4,000
Drainage Improvements	400,000	0	400,000
Total Association General and Admin Expenses	761,000	133,796	766,800
Town-Coordinated Projects/Activities Expenses (Fund 8110)			
Enhanced Security Services w/Sheriff's Dept	30,000	30,000	30,000
Hwy 18 Landscape Maintenance and Set-Aside	170,000	30,000	170,000
Total Town-Coordinated Expenses	200,000	60,000	200,000
Total Association and Town Expenses	961,000	193,796	966,800

SUMMARY		
Total Available Balance		1,242,000
Total Association and Town Expenses		966,800
Ending Fund Balance		275,200
Check Request (Town remits to PBID Association for FY2016-17 General and Admin Expenses Minus Cash on Hand)		241,800