



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** February 28, 2017

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

Subject: FISCAL YEAR 2016-2017 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 2016-2017 Mid-Year Budget Review Report.
2. Approve Budget Amendment Number 17- 9 incorporating revenue and expenditure changes and carry forwards as proposed herein.

SUMMARY:

Discussed herein for your review and consideration is the Fiscal Year 2016-2017 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, 2016 and the fiscal mid-year for Fiscal Year 2016-2017. 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 14, 2016. 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 2017-2018 Operating and Capital Improvement Budget.

BACKGROUND:

The Town Council adopted the FY 2016-2017 Operating and Capital Improvement budget on June 14, 2016. The Adopted Operating and Capital Improvement budget is the Town's one-year spending plan for FY 2016-2017. It serves as a planning guide for the ensuing fiscal year and demonstrates progress towards implementation of the Town Council's long-term goals as outlined in the Vision 2020 plan. The adopted budget also demonstrates how established short-term goals and objectives will be implemented over the next year. It demonstrates how available resources are matched against the Town's service priorities to provide essential services to the community. 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 necessitate adjusting the budget projections from time to time during the course of the fiscal year to keep the spending plan up-to-date based on current financial conditions.

Staff is proceeding to implement a "best practices" approach to the budget development process. In doing so, staff modified the mid-year budget process as part of overall efforts to continually improve the quality of information provided to Council. 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 2017-2018.

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 estimated revenue projections in the FY 2016-2017 General Fund adopted budget amount to a decrease of \$17,886. Adjustments to the various departmental and non-departmental categories of budget appropriations in the General Fund totaled to an increase of \$33,320. On an "all funds" basis, total revenues are proposed to increase by \$148,515 and total expenditures are proposed to increase by \$268,051. These mid-year adjustments to the FY 2016-2017 General Fund adopted budget will be considered by Council at its February 28, 2017 Town Council meeting and are summarized in Budget Adjustment Number 17- 9 and Exhibit A attached hereto.

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.

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. To that end, it is noteworthy that the Town’s Standard & Poor’s debt rating was recently re-confirmed as an “A” rating.

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 FY 2016-2017 was \$29.6 million. The table below is a summary of the total resources and resource requirements for the adopted FY 2016-2017 General Fund budget:

TABLE 1

General Fund Summary	
Estimated Revenues	\$ 21,643,686
Transfers In	7,489,857
Approp. From Fund Balance	474,146
Total Resources	\$ 29,607,689
Adopted Budget	\$ 29,607,689
Balance	-0-

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 (6) 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 2016-2017 budget highlighted below and as outlined in the attached Budget Adjustment Number 17-9 (Only significant General Fund changes have been highlighted):

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, although there appears to be clear signs of improvement in the real estate market, the taxable values have increased by about 5% which is slightly more than anticipated (3.5%), and are anticipated to increase slightly above 3.5% next year. The Assessor's Office has provided a preliminary estimate of anticipated increase in the Assessment roll of 4.0% to 5.0% growth in property tax revenues for the FY 2017-2018 fiscal year which includes "Prop. 8" recoveries projected between 4-6%. There are still a total of 2,236 Prop. 8 parcels under review. Most of these parcels have been under the Prop. 13 limit since 2007. In FY 2016-2017, Prop. 8 recoveries accounted for 1.46% of the increase in taxable values. Taxable values in Apple Valley have not increased at the same rate as many areas of San Bernardino County and have continued to lag forward-looking estimates each of the past three (3) years. Property tax revenues are projected to remain near current estimates for the remainder of the fiscal year resulting in no change in current revenue estimates of \$2,774,600. Significant appreciation in property values during FY 2017-2018 and corresponding taxable values in excess of projections may occur during the next two (2) fiscal years due to new construction and Prop. 8 recoveries. More information will be available regarding property tax estimates and collections once the County Assessor has completed preparation of the Assessor's roll.

The State has completed the unwinding of the "Triple Flip" which sunset on December 31, 2015. In March 2004, the voters of California approved Proposition 57, the California Economic Recovery Bond Act. The measure authorized the issuance of \$15 billion in "Economic Recovery Bonds" to close the state's operating budget deficit. Under Proposition 57, the bonds are repaid from a dedicated 0.25 percent increase in the state sales and use tax. The city/county portion of the sales and use tax rate imposed Bradley-Burns Uniform Sales Tax law is reduced by 0.25 percent, such that there is no net impact on the total rate. Cities and counties are reimbursed for the reduced sales and use tax revenue with transfers of local property tax revenues that would otherwise have gone to schools. Schools are made whole from the state general fund and experience no negative impact. This mechanism was known as the "triple flip." FY 2016-2017 will be the first fiscal year since 2004 that the Town has received the full 1% Bradley-Burns local sales tax.

Sales Tax: Growth in sales tax revenues has been inconsistent for the past six (6) quarters. Actually sales tax revenues were up 2.7% for the first quarter of FY 2016-2017. Sales tax revenues are estimated to remain flat or decrease slightly by 1.5% through June 30 resulting in a decrease in sales tax collections of approximately \$102,000. Retail

sales have slowed in some areas throughout the County. As a result, a downward adjustment in the Town's sales tax revenue estimates for FY 2016-2017 is proposed in the amount of \$102,000 from \$6,015,500 to \$5,913,500.

PEG Fees: The Town began receiving PEG fees from Frontier and Charter Communications during the second quarter of FY 2016-2017. It is anticipated that the Town will receive approximately \$70,000 during this fiscal year. These fees will be used to offset costs associated with the Town's municipal access channels which will begin streaming content to residents during the next few weeks.

EXPENDITURES:

Contract Services – County Sheriff: During preparation of the FY 2016-2017 proposed budget, staff was provided with a revised Schedule A to the County Sheriff contract which increased the contracted cost of sheriff services by \$203,787 from \$12,016,336 in FY 2015-2016 to \$12,220,123 as proposed for FY 2016-2017. This 1.7% increase amounted to an additional \$203,787 over the prior year's costs. In August, 2016, the County Sheriff provided staff with an additional revision to the Schedule A for FY 2016-2017 increasing the contract costs by an additional \$480,493 due to settlement of the Sheriff's contract. The new revised total of \$12,700,616 amounted to a one (1) year contract cost increase of 5.7% or \$684,280. The County Sheriff advised staff to expect increases in contract costs of over \$500,000 each of the next two (2) years. ***Increases of this magnitude are not sustainable without a new revenue source to fund future public safety costs.*** The Sheriff's contract amounts to 50% of General Fund operating expenditures. Over the past four (4) years, the Sheriff's contract cost has increased by an additional \$2,000,000 for the same level of service.

Personnel Services: As a result of the unanticipated increases in the County Sheriff's contract costs, staff reorganized personnel and services resulting in a reduction in staffing levels and a net savings in the General Fund of \$291,695 for FY 2016-2017. Due to these changes, General Fund savings for FY 2017-2018 are anticipated to be approximately \$700,000.

Election Costs: During preparation of the FY 2016-2017 Clerk's Office budget, staff had requested the County Elections Office to provide a cost estimate for two (2) Council seats for the upcoming election. That information was not received until August after the Town's budget had been adopted. The election estimate for two (2) Council seats provided by the County was \$34,000. Staff had conservatively budgeted \$50,000 for the costs of the November election. However, this estimate did not include the costs of the ballot measure backed by Liberty Utilities. This ballot measure increased the election cost estimate provided by the County by \$50,000 to \$85,000. These additional costs were not budgeted and require an additional appropriation of \$35,000 to fund the election costs.

Police Department Facility Improvements: The Town was awarded two (2) Homeland Security Grants totaling \$43,000 for security improvements to the Police equipment yard. These improvements included construction of a split-block wall, iron security gates, key

pads, safety photo beams, card readers and an awning. An additional appropriation of \$69,330 from the Law Enforcement Facilities Fund available fund balance is requested to provide for matching funds for the grant and additional funding necessary to complete the project.

OTHER BUDGETARY ISSUES:

AVCE: The Town's Community Choice Aggregation Program (Apple Valley Choice Energy) will begin selling electricity to the Town's residents on April 1. Per the rate structure adopted by Town Council, participating Town residents will immediately begin receiving a 3% rate reduction from the SCE electricity rates now in effect. There is a 60-75 day lag in the revenue collections due to the timing of SCE's billing cycles. Staff will propose a further amendment to the budget to account for this activity as more information becomes available.

Blue Cut Fire: The Town's Animal Shelter acted as the animal shelter for all small animals displaced by the Blue Cut Fire event. During this event, Shelter staff worked around the clock to ensure proper care of all affected animals. Over 500 animals came into the shelter during this event. Costs associated with caring for these animals was approximately \$36,000. These expenditures are offset by reimbursements from CalOES through the County of San Bernardino. As a result, there should be no net effect on the current year's budget.

Project Carry-forwards: There are a number of multi-year projects each year which require that the appropriation unspent as of June 30 be carried forward into the following fiscal year. Attachment 6 summarizes those projects that began in a prior fiscal year for which appropriations will be carried forward into the current fiscal year. This action does not change the total amount appropriate for each project by Council and is only intended to match the appropriation to the expenditures per the project's timeline.

CalPERS Discount Rate Change: Over the next three (3) years, CalPERS will phase in a reduction in the discount rate from the current level of 7.5% to 7%. Decreases in the assumed rate of return or investment earnings will result in increased employer contributions. These increased employer contributions will first affect the Town's budget in Fiscal Year 2018-2019. The additional employer contributions will range from 0.25% - 0.75% of covered payroll annually based upon plan experience.

Including all adjustments to revenues and appropriations, the General Fund budget for FY 2016-2017 is estimated to be approximately \$29.7 million. The following table is a summary of the total resources and resource requirements for the adopted FY 2016-2017 General Fund budget including the adjustments as proposed:

TABLE 2

General Fund Summary	
Estimated Revenues	\$ 21,643,686
Proposed Rev. Adjustments	(17,886)
Transfers In	7,489,857
Approp. From Fund Balance	524,352
Total Resources	\$ 29,640,009
Adopted Budget	\$ 29,607,689
Prop. Approp. Adjustments	32,320
Total Adj. Appropriations	\$ 29,640,009
Balance	-0-

SUMMARY:

The FY 2016-2017 budget was adopted with a planned appropriation from General Fund available fund balance. Following adoption of the budget, Council approved additional appropriations for various programs, services and carryovers from FY 2015-2016. As of the June 14, 2016 adoption of the FY 2016-2017 budget, the planned appropriation from available fund balance in the General Fund amounted to \$474,146. As of December 31, 2016, net revenue adjustments decreased total available resources in the General Fund by \$17,886. Additionally, net appropriation increases in the General Fund amounted of \$32,320. These net adjustments increased the appropriation from General Fund fund balance from \$474,146 to \$524,352 as of mid-year. These proposed revenue and expenditure adjustments are outlined in Exhibit A (Attachment 2).

ALTERNATIVES CONSIDERED:

No alternatives were considered.

FISCAL REVIEW:

The attached Exhibit A summarizes the adopted adjustments in revenue estimates and appropriations (expenditures) to the current year's adopted operating and capital improvement budget reviewed herein. The attached budget adjustment, Budget Amendment Number 17- 9, summarizes the adopted 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, 2016.

The net result of these changes in revenue estimates and appropriation adjustments increased the appropriation from General Fund fund balance from \$474,146 to \$524,352 as of the FY 2016-2017 mid-year budget report.

CONCLUSION:

The attached budget adjustment (Budget Amendment Number 17-9) and carry forwards proposed to Council for consideration at its February 28, 2017 Council Meeting summarize proposed changes in the adopted FY 2016-2017 Operating Budget. 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 17-9
2. Exhibit A – Mid Year Budget Adjustment Summary
3. Budget to Actual Comparison by Fund/Department/Division
4. General Fund Revenue Projections
5. Calculation of Projected Fund Balances – June 30, 2017
6. FY 2016-2017 Project Carry-forwards



TOWN OF APPLE VALLEY
BUDGET AMENDMENT REQUEST

17-9

Requesting Department	Prepared By	Date Prepared
Finance	Marc Puckett	February 28, 2017

REVENUES AND OTHER FINANCING SOURCES

Account Description	Fund	Dept	Account No.	Amendment Amount
Various General Fund Revenue	1001	Various	Various	(17,886)
Multi Species Grant Revenue	4910	4822	6816-0000	166,401
REVENUE TOTAL				148,515

EXPENDITURES AND OTHER FINANCING USES

Account Description	Fund	Dept	Account No.	Amendment Amount
Various General Fund Expenditures	1001	Various	Various	32,320
Law Enforcement Fac. Fund	4720	1200	9300-0000	69,330
Multi Species Grant Expenditure	4910	4822	8940-0000	166,401
EXPENDITURE TOTAL				268,051

PURPOSE

To adjust various revenue and expenditure sources as recommended by staff at mid-year budget review and in the amounts as noted per the attached Exhibit A

Department Director	Date	ATM Fin. & Admin./Asst. Fin. Dir.	Date

Town Manager	Date	Entered by	Date

TOWN OF APPLE VALLEY
MID-YEAR BUDGET ADJUSTMENT SUMMARY
REVENUE
FISCAL YEAR 2016-2017

Exhibit A

Fund	Dept	Object	<u>ACCOUNT DESCRIPTION</u>	<u>Amended FY2016-17</u>	<u>Actual 12/31/16</u>	<u>Year-End Revised</u>	<u>Increase (Decrease)</u>
			General Fund:				
1001	0000	4055	Sales and Use Tax	6,015,500	1,889,890	5,913,500	(102,000)
1001	0000	4096	PEG Fees	-	17,454	70,000	70,000
1001	0000	4255	Interest Earnings	95,886	54,995	110,000	14,114
			General Fund Totals	6,111,386	1,962,339	6,093,500	(17,886)
			Grants Fund				
4910	4822	6816	Multi Species Grant	-	50,762	166,401	166,401
			Grand Total	6,111,386	2,013,101	6,259,901	148,515

TOWN OF APPLE VALLEY
MID-YEAR BUDGET ADJUSTMENT SUMMARY
EXPENDITURE
FISCAL YEAR 2016-2017

Exhibit A

Fund	Dept	Object	<u>ACCOUNT DESCRIPTION</u>	<u>Amended FY2016-17</u>	<u>Actual 12/31/2016</u>	<u>Year-End Revised</u>	<u>Increase (Decrease)</u>
General Fund							
1001	1010	7110-0000	Cafeteria and other benefits	53,072	16,903	30,914	(22,158)
			Subtotal - Town Council	53,072	16,903	30,914	(22,158)
1001	1030	7010-0000	Salaries Regular	385,292	192,646	361,916	(23,376)
			Subtotal - Town Manager	385,292	192,646	361,916	(23,376)
1001	1050	7010-0000	Salaries Regular	783,690	416,439	770,587	(13,103)
			Subtotal - Finance	783,690	416,439	770,587	(13,103)
1001	1060	7010-0000	Salaries Regular	288,539	145,371	286,772	(1,767)
1001	1060	7315-0000	Elections	50,000	-	85,000	35,000
			Subtotal - Town Clerk	338,539	145,371	371,772	33,233
1001	1070	7010-0000	Salaries Regular	291,501	142,990	284,677	(6,824)
			Subtotal - Public Information	291,501	142,990	284,677	(6,824)
1001	1080	7010-0000	Salaries Regular	317,394	180,596	305,868	(11,526)
			Subtotal - Human Resources	317,394	180,596	305,868	(11,526)
1001	1200	7140-1000	Retiree Health Expense	-	5,000	17,500	17,500
			Subtotal - General Government	-	5,000	17,500	17,500
1001	1400	7010-0000	Salaries Regular	146,792	78,533	143,647	(3,145)
			Subtotal - Public Facilities	146,792	78,533	143,647	(3,145)
1001	2010	7020-0000	Salaries Part-Time	10,761	6,126	12,273	1,512
1001	2010	8948-0000	County Sheriff	12,388,550	7,445,591	12,700,616	312,066
			Subtotal - Police	12,399,311	7,451,717	12,712,889	313,578
1001	2020	7010-0000	Salaries Regular	80,831	38,950	73,607	(7,224)
			Subtotal - Emergency Prep.	80,831	38,950	73,607	(7,224)
1001	2120	7010-0000	Salaries Regular	418,033	216,915	422,239	4,206
			Subtotal - Animal Control	418,033	216,915	422,239	4,206
1001	2130	7010-0000	Salaries Regular	643,206	315,501	600,346	(42,860)
			Subtotal - Animal Shelter	643,206	315,501	600,346	(42,860)
1001	3010	7010-0000	Salaries Regular	178,724	90,239	178,227	(497)
			Subtotal - Public Services	178,724	90,239	178,227	(497)
1001	3110	7010-0000	Salaries Regular	635,669	313,188	605,076	(30,593)
			Subtotal - Code Enforcement	635,669	313,188	605,076	(30,593)
1001	4310	7020-0000	Salaries Part-Time	19,249	4,988	9,841	(9,408)
			Subtotal - Economic Dev.	19,249	4,988	9,841	(9,408)
1001	4610	7020-0000	Salaries Part-Time	548,002	219,804	382,519	(165,483)
			Subtotal - Planning	548,002	219,804	382,519	(165,483)

TOWN OF APPLE VALLEY
MID-YEAR BUDGET ADJUSTMENT SUMMARY
EXPENDITURE
FISCAL YEAR 2016-2017

Exhibit A

Fund	Dept	Object	<u>ACCOUNT DESCRIPTION</u>	<u>Amended FY2016-17</u>	<u>Actual 12/31/2016</u>	<u>Year-End Revised</u>	<u>Increase (Decrease)</u>
			General Fund Totals	17,239,305	9,829,780	17,271,625	32,320
			Law Enforce. Fac. Fund				
4720	1200	9300-0000	Capital Projects	-	28,260	69,330	69,330
			Grants Funds				
4910	4822	8940-0000	Multi Species Habitat Conservation	-	9,546	166,401	166,401
			Grand Total	17,239,305	9,867,586	17,507,356	268,051

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

<u>Fund/Department</u>	FY 13-14 Actual Expenditures	FY 14-15 Actual Expenditures	FY 15-16 Actual Expenditures	FY 16-17 Amended Budget
<u>General Fund (1001)</u>				
Town Council	172,015	259,138	250,351	245,396
Town Attorney	591,877	854,540	739,117	610,000
Town Manager	514,098	595,889	617,464	602,194
Finance	1,156,910	1,216,907	1,317,333	1,223,766
Town Clerk	588,891	452,274	484,904	499,843
Public Information	449,295	469,482	573,064	536,097
Human Resources	401,900	459,432	516,533	503,758
Information Technology	523,873	508,651	357,361	373,000
General Government	2,548,890	2,728,714	3,948,770	4,711,627
Public Facilities	2,234,770	2,228,375	2,260,382	2,007,658
Police	11,613,712	12,131,828	12,444,942	12,919,007
Emergency Preparedness	28,504	29,782	77,666	140,911
Animal Control	720,616	662,012	750,826	728,188
Animal Shelter	1,078,679	1,257,797	1,291,128	1,251,988
Public Services - Admin	441,586	557,275	657,040	261,555
Code Enforcement	931,525	984,217	1,026,505	1,045,454
Building & Safety	474,667	582,982	601,989	592,175
Economic Development	57,200	88,725	108,409	126,540
Engineering	465,657	444,058	509,832	360,600
Planning	667,205	828,282	1,005,057	867,932
Street Lighting	-	-	-	-
Street Capital Projects	-	-	-	-
Subtotal Fund 1001	25,661,870	27,340,360	29,538,673	29,607,689
<u>Parks & Recreation (2510)</u>				
Brewster Park	293,540	262,547	269,594	244,876
Civic Center Park	244,281	247,131	142,805	218,816
Corwin Park	44,852	52,912	47,965	53,715
Grounds Operations	507,640	617,229	520,862	553,892
Horsemen's Center	78,520	62,912	94,782	36,733
James Woody Park	296,381	162,887	190,781	271,051
Lion's Park	22,244	32,387	29,677	30,331
Mendel Park	27,551	51,910	54,961	52,864
Mt. Vista Park	306	74	-	-
Schmidt Park	41,746	58,516	71,351	74,324
Sycamore Rocks Park	27,719	25,396	26,519	28,030
Three Diamond Skate Park	3,944	4,251	4,833	9,751
Thunderbird Park	57,566	62,395	56,181	63,842
Virginia Park	47,911	54,429	45,999	55,465
Yucca Loma Park	24,492	52,102	51,473	56,587
Parks	1,718,693	1,747,078	1,607,783	1,750,277
Facilities Operations	29,890	24,892	29,000	28,901
Brewster Facilities	7,019	6,484	8,688	5,800
Civic Center Amphitheater Facilities	5,782	(1,656)	2,601	4,290
Corwin Facilities	5,085	4,361	6,764	5,250
Horsemen's Facilities	5,589	6,074	7,032	5,500
James Woody Park Auditorium	101,025	98,764	116,056	105,603
James Woody Park Gymnasium	90,960	79,505	87,969	88,351
James Woody Park PAL Center	2,623	2,580	2,760	6,911
James Woody Park Restroom	13,040	15,496	15,241	15,049
Facilities	261,013	236,500	276,111	265,655
Adult Sports	40,773	41,629	38,252	35,081
Aquatic Program	470,940	445,877	445,742	465,958
ASAP	166,942	164,040	223,771	261,998
Day Camp	51,693	53,365	68,513	59,728
Instructor Classes	141,667	159,835	169,500	167,327

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

<u>Fund/Department</u>	<u>FY 13-14 Actual Expenditures</u>	<u>FY 14-15 Actual Expenditures</u>	<u>FY 15-16 Actual Expenditures</u>	<u>FY 16-17 Amended Budget</u>
PIO Events	142,459	164,932	194,456	177,083
Recreation	130,492	130,705	155,601	155,093
Recreation Department Events	72,639	76,606	99,470	90,231
Rentals	78,800	78,653	92,780	89,228
Skate Park Facilities	-	-	162	5,000
User Groups	31,612	38,214	40,899	20,164
Youth Sports	103,124	99,648	100,212	82,422
Subtotal Fund 2510	3,410,847	3,437,082	3,513,252	3,625,245
<u>Apple Valley Golf Course (5710)</u>				
Non-Departmental	120,727	147,928	234,318	179,282
Administration	148,566	137,727	125,807	135,875
Food & Beverage	8,362	1,586	1,727	-
Cart Barn	100,496	102,204	100,193	97,500
Grounds	515,158	540,432	493,892	500,175
Facilities	173,092	84,731	71,096	88,162
Parking Lot	802	126	-	-
Pro Shop	64,466	51,784	40,399	68,525
Tennis Court	1,229	404	1,153	500
Subtotal Fund 5710	1,132,898	1,066,922	1,068,585	1,070,019
Grand Total	30,205,615	31,844,364	34,120,510	34,302,953

GENERAL FUND REVENUE					
Code	Revenue Classification	Actual Revenue 2013-14	Actual Revenue 2014-15	Actual Revenue 2015-16	Amended Budget 2016-17
LOCAL TAXES					
4020	Property Tax	3,467,996	2,466,035	2,561,452	2,774,600
4025	Property Tax (Sales Tax Backfill)	1,275,364	1,496,120	1,036,791	-
4030	Property Tax (VLF Backfill)	5,227,993	5,500,799	5,806,584	6,079,900
4055	Sales & Use Tax	4,122,097	4,239,000	4,813,996	6,015,500
4085	Franchise Taxes	1,873,521	2,056,911	1,996,951	2,118,600
4095	Transient Occupancy Tax	7,742	6,900	5,923	7,700
4110	Motor Vehicle In-Lieu	29,883	28,996	28,807	59,200
4134	Tax increment/Pass through	328,726	369,580	398,336	366,700
4142	Business License Fees	180,564	171,936	164,798	156,300
4142-4	CASp-SB1186	1,782	1,686	1,646	-
4176	Property Transfer Tax	192,968	161,515	251,710	197,100
Subtotal - Local Taxes		16,708,636	16,499,478	17,066,994	17,775,600
FINES & FEES & PUBLIC SAFETY CONTRIBUTIONS					
4355	Police Fines & Forfeitures	104,634	85,886	71,441	71,500
4365	Police Reports & Charges	2,493	13,638	12,312	12,800
4377	Tow Release	35,823	61,040	46,150	56,200
6925	OTS Sobriety Check Point	(7,114)	-	-	-
6927	Police Grants	200,574	162,517	127,955	114,400
Subtotal - Fines & Fees		336,410	323,081	257,858	254,900
PUBLIC SERVICES					
4145	Debris Recycling	3,500	1,500	7,500	10,200
4160	Microfilming	6,004	5,092	6,801	5,300
4410	Animal Control Citation Fines	59,992	82,636	40,427	48,500
4420	Animal Control Permits	2,597	8,811	6,948	3,000
4430	Animal Licenses	265,026	241,010	288,513	255,400
4435	Animal Services Sheltering Contract	258,924	352,629	447,255	483,500
4440	Field P/U Apprehension	8,929	7,035	6,372	3,500
4450	Field P/U Release	15,456	10,867	26,206	10,600
4460	Impound Boarding Fees	16,764	20,028	29,180	20,400
4465	Lien Fees	1,166	790	469	1,000
4470	Miscellaneous AC	28,531	50,702	50,250	56,200
4480	Owner Turn in @ Shelter	28,054	14,125	26,474	19,400
4490	Pet Adoptions	114,170	94,387	105,687	96,000
4500	Quarantine Fees	2,565	2,450	2,500	27,000
4510	Rabies Vaccination	11,758	14,094	14,717	15,300
4517	Shelter Cap Imp County Payments	-	-	-	-
4520	Shelter Donations	743	1,570	53	-
4530	Over/Short	(9)	27	59	-
4540	Spay and Neuter Deposit	4,100	4,745	6,159	4,600
4550	State Mandated Fees AC	6,985	5,859	6,309	7,700
5580	Short/Over Recreation	(9)	44	(5)	-
6050	Code Enforcement Fines	216,535	273,198	241,169	214,500
6070	Property Maint Inspections	94,412	103,784	218,869	245,200
6168	Right-of-Way Permits	64,411	64,036	70,370	63,300
Total - Public Services		1,210,604	1,359,419	1,602,282	1,590,600
Building & Safety					
6108	Building Permits	394,181	397,430	421,402	427,900
6111	COO Fees	25,392	24,717	15,274	-
6114	CSA	-	6,125	3,050	-
6120	Electrical	323,538	201,964	180,483	220,000
6122	Extension Requests	(74)	3,143	3,085	-
6130	Grading	13,647	10,973	12,575	14,300
6134	Inspections (Other)	19,758	18,212	16,673	17,000
6148	Mechanical	53,593	36,975	45,616	55,900
6152	Misc Revenue - Building & Safety	152,869	122,966	138,904	166,200
6158	Plan Check	290,800	446,709	196,999	221,000
6162	Plumbing	43,459	48,852	34,442	28,200
6163	Pre-Application	2,572	-	-	-
6169	SB 1473	373	445	427	-
6174	SMI Tax	337	388	239	-
Total - Building & Safety		1,320,445	1,318,899	1,069,169	1,150,500

GENERAL FUND REVENUE					
Code	Revenue Classification	Actual Revenue 2013-14	Actual Revenue 2014-15	Actual Revenue 2015-16	Amended Budget 2016-17
	Planning & Zoning				
6104	Appeals	402	169	-	-
6110	Certificate of Compliance	3,328	-	-	-
6112	Copies and Reproduction	2,294	1,381	1,859	2,600
6118	Development Permit	6,864	20,137	10,476	15,300
6128	General Plan Amendment	18,067	3,235	(3,394)	-
6132	Home Occupation Permit	8,820	8,841	8,676	6,100
6142	Lot Line Adjustment	1,254	-	2,326	-
6144	Lot Merger	1,838	-	-	-
6150	Minor Sub-divisions	-	-	638	-
6156	Miscellaneous Revenue - Planning	6,094	10,014	3,338	4,100
6165	Open Space	228	423	132	-
6170	Sign Permit	6,607	3,763	10,064	5,600
6172	Site Plan Review	93,300	110,662	75,153	82,700
6176	Special Events	6,741	6,329	1,496	2,600
6178	Specific Plan	5,170	5,184	-	3,100
6180	Tentative Parcel Map	(69)	18,546	3,079	5,100
6182	Tentative Tract Map	32,564	12,614	(66)	-
6192	Use Permit	38,913	44,403	29,209	31,700
6195	Variance (Deviations)	4,056	6,516	5,204	7,000
	Total - Planning Fees	236,471	252,217	148,190	165,900
	Engineering				
6138	Landscape Review	587	-	-	-
6154	Miscellaneous - Engineering	270	410	-	500
6160	Plan Check	112,617	155,064	85,461	140,000
6161	Plan Unit Development	-	718	-	-
6188	Transportation Permits	(33,738)	28,220	21,332	22,500
	Total - Engineering	79,736	184,412	106,793	163,000
	Sub Total - Community Development	1,636,652	1,755,528	1,324,152	1,479,400
	OTHER REVENUES				
4096	PEG Fees	-	-	52,486	-
4141	Advertising	-	13,055	21,676	38,800
4165	Miscellaneous Penalties or Fines	861	1,071	440	500
4168	Notary Fees	240	200	160	200
4170	Sale of Cell Easement/Other Revenue	12,541	1,445	9,309	5,100
4172	Passport Fees	28,425	30,196	37,996	26,600
4181	Refunds, Reimbursements	814,171	196,339	210,136	13,400
4183	Gain/Loss on Disposal of Fixed Assets	349,865	-	-	-
4183-75	SCE Incentive Payments	22,724	22,866	25,338	15,300
4184	Short/Over	249	(43)	66	-
4185	State Mandated Reimbursements	35,065	125,501	72,732	36,800
4255	Interest Earnings	33,874	58,570	173,871	95,886
4352	Booking Fees	-	1,500	1,102	1,200
4370	Restitution	1,723	975	1,472	1,000
5700	Cell Tower & Office Space Rentals	48,240	40,511	24,389	32,700
6690	Water Use Fees	-	-	-	-
6808	EMPG Grant	18,192	18,408	41,539	20,000
6850	CCA	-	-	-	250,000
6996	Town Store Sales	688	550	354	700
6999	Transfer In - Street Maint. Fund 2010	879,532	974,024	813,743	1,102,007
6999	Transfer In - Parks & Rec. Fund 2510	391,170	422,924	455,148	448,842
6999	Transfer In - Wastewater Fund 5010	1,563,943	1,707,400	1,896,510	1,855,799
6999	Transfer In - Solid Waste Fund 5510	1,797,996	1,935,959	2,112,257	2,076,309
6999	Transfer In - 5510 Franchise Fee	690,504	1,708,966	1,973,526	2,006,900
	Subtotal - Other Revenues	6,690,003	7,260,417	7,924,250	8,028,043
	TOTAL - GENERAL FUND REVENUES	26,582,305	27,197,923	28,175,536	29,128,543

Town of Apple Valley
CALCULATION OF PROJECTED FUND BALANCES
for the Fiscal Year Ending June 30, 2017

Fund No.	Fund Description	Fund Balances 07/01/16	Estimated Revenues FY 16-17	Adopted Operating Budget FY 16-17	Adopted Capital Budget FY 16-17	Total Adopted Budget FY 16-17	Estimated Revenues Over (Under) Adopted Budget	Transfers In	Transfers Out	Projected Ending Fund Balances 06/30/17
1001	General Fund	16,834,944	21,643,686	25,623,456	-	25,623,456	(3,979,770)	7,489,857	3,984,233	16,360,798
	Special Revenue Funds:									
2010	Gas Tax Fund	(6,710)	1,465,992	1,409,904		1,409,904	56,088	1,657,007	1,102,007	604,378
2013	Article 3	(175,878)	355,700		191,284	191,284	164,416			(11,462)
2015	Article 8	1,640,970	650,000	-	35,000	35,000	615,000	-	400,000	1,855,970
2021	Measure I Local 2040	5,975,111	2,502,219	-	3,979,110	3,979,110	(1,476,891)	923,000	2,675,458	2,745,762
2035	Prop 1B	3,998				-	-			3,998
2040	Air Pollution Control	83,358	47,320	47,320	-	47,320	-	-	-	83,358
2120	CDBG	(215,621)	1,087,704	1,079,564	-	1,079,564	8,140	-	-	(207,481)
2131	NSP 3	3,883	100,000	100,000	-	100,000	-	-	-	3,883
2320	Apple Valley Home	(33,368)	911,623	902,698	-	902,698	8,925	-	-	(24,443)
2330	Victorville Home	30,181	1,463,753	1,463,753	-	1,463,753	-	-	-	30,181
2410	Cal Home	2,644,121	40,000	40,000	-	40,000	-	-	-	2,644,121
2510	Parks & Recreation	(6,637,633)	2,620,420	3,176,403		3,176,403	(555,983)	1,011,701	448,842	(6,630,757)
2520	Quimby Funds	326,024	115,000	-	-	-	115,000	-	-	441,024
2610	Police Grants	31,011	29,177	62,538	-	62,538	(33,361)	-	-	(2,350)
2620	Asset Seizure	1,883	8,000	12,000	-	12,000	(4,000)	-	-	(2,117)
2630	Drug & Gang Prevention	5,957	7,500	-	-	-	7,500	-	-	13,457
2810	Assessment District LL	1,362,930	322,000	470,000	-	470,000	(148,000)	-	-	1,214,930
	Subtotal Special Revenue Funds	5,040,217	11,726,408	8,764,180	4,205,394	12,969,574	(1,243,166)	3,591,708	4,626,307	2,762,452
	Debt Service Funds:									
4106	2001 COPS	-		410,000		410,000	(410,000)	410,000		-
4108	2007 Town Hall	-		883,506		883,506	(883,506)	883,506		-
	Subtotal Debt Service Funds	-	-	1,293,506	-	1,293,506	(1,293,506)	1,293,506	-	-

Town of Apple Valley
CALCULATION OF PROJECTED FUND BALANCES
for the Fiscal Year Ending June 30, 2017

Fund No.	Fund Description	Fund Balances 07/01/16	Estimated Revenues FY 16-17	Adopted Operating Budget FY 16-17	Adopted Capital Budget FY 16-17	Total Adopted Budget FY 16-17	Estimated Revenues Over (Under) Adopted Budget	Transfers In	Transfers Out	Projected Ending Fund Balances 06/30/17
Capital Improvement Funds:										
4050	NAVISP	1,669,682	3,000	-	-	-	3,000	-	-	1,672,682
4410	Capital Improvement TIF Fund	6,273,786	4,216,875	-	6,480,333	6,480,333	(2,263,458)	2,675,458	-	6,685,786
4710	Animal Control Facilities	124,544	4,450	-	-	-	4,450	-	-	128,994
4720	Law Enforcement Facilities	72,960	25,200	-	-	-	25,200	-	-	98,160
4730	General Government Facilities	138,385	35,150	-	-	-	35,150	-	-	173,535
4740	Public Meeting Facilities	183,314	21,200	-	-	-	21,200	-	-	204,514
4750	Aquatic Facilities	78,643	6,300	-	-	-	6,300	-	-	84,943
4760	Storm Drains	1,605,218	121,500	-	-	-	121,500	-	-	1,726,718
4770	Sanitary Sewer Facilities	1,117,192	39,500	-	-	-	39,500	-	-	1,156,692
4910	Project Manager Grants	(128,175)	923,000	-	-	-	923,000	-	923,000	(128,175)
	Subtotal Capital Projects Funds	11,135,548	5,396,175	-	6,480,333	6,480,333	(1,084,158)	2,675,458	923,000	11,803,848
	Total Governmental Funds	33,010,708	38,766,269	35,681,142	10,685,727	46,366,869	(7,600,600)	15,050,529	9,533,540	30,927,097
Enterprise Funds:										
5010	Wastewater	5,702,555	6,940,000	4,769,566	230,000	4,999,566	1,940,434	-	1,855,799	5,787,190
5510	Solid Waste	1,549,434	11,519,700	8,521,174	-	8,521,174	2,998,526	-	4,083,209	464,751
5710	Apple Valley Golf Course	(3,726,763)	648,100	1,070,019	-	1,070,019	(421,919)	422,019	-	(3,726,663)
	Total Enterprise Funds	3,525,226	19,107,800	14,360,759	230,000	14,590,759	4,517,041	422,019	5,939,008	2,525,278
Successor Agency - RDA										
2725	VVEDA Successor Agency Fund	1,838,437	1,137,499	1,137,499	-	1,137,499	-	-	-	1,838,437
2730	AV RDA Successor Agency Fund	634,681	3,101,042	3,101,042	-	3,101,042	-	-	-	634,681
		2,473,118	4,238,541	4,238,541	-	4,238,541	-	-	-	2,473,118
	GRAND TOTAL	39,009,052	62,112,610	54,280,442	10,915,727	65,196,169	(3,083,559)	15,472,548	15,472,548	35,925,493

Town of Apple Valley
CALCULATION OF PROJECTED FUND BALANCES
for the Fiscal Year Ending June 30, 2015

GENERAL FUND WORKSHEET

Fund Description	Actual Fund Balances 07/01/13	Estimated Revenues FY 13-14	Estimated Operating Budget FY 13-14	Projected Ending Fund Balances 06/30/14
General Fund	17,420,082	25,910,372		43,330,454
Council			197,798	<u>(197,798)</u>
Town Attorney			400,000	<u>(400,000)</u>
Town Manager			514,906	<u>(514,906)</u>
Town Clerk			390,312	<u>(390,312)</u>
Finance			1,173,998	<u>(1,173,998)</u>
Public Information			476,389	<u>(476,389)</u>
Human Resources			404,743	<u>(404,743)</u>
Information Systems			542,378	<u>(542,378)</u>
General Government			2,412,863	<u>(2,412,863)</u>
Public Facilities			2,386,429	<u>(2,386,429)</u>
Public Safety			11,490,416	<u>(11,490,416)</u>
Emergency Preparedness			33,757	<u>(33,757)</u>
Animal Services - Field Services			765,444	<u>(765,444)</u>
Animal Services - Shelter			1,063,541	<u>(1,063,541)</u>
Public Services - Administration			433,167	<u>(433,167)</u>
Code			892,482	<u>(892,482)</u>
Building and Safety			282,215	<u>(282,215)</u>
Economic Development			76,790	<u>(76,790)</u>
Engineering			350,600	<u>(350,600)</u>
Planning-Community Development			704,950	<u>(704,950)</u>
Subtotal Special Revenue Funds	17,420,082	25,910,372	24,993,178	18,337,276

PO Number	Vendor	Project	GL Code	Amount to Carry Forward
1415-000035	Spaulding Thompson & Assoc	CCA Implementation (Rmdr 1516)	1001-1200-8940-4951	228,139.00
1516-000054	Mc Gregor Shott, Inc	Marketing / PR	1001-4310-8940	5,825.00
1516-000020	Terra Nova Planning	Marketing consultant	1001-4310-8940	5,827.48
		Jupiter Project	1001-4610-8940	1,244.60
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				241,036.08
1213-000073	David Evans & Assoc.	Bike paths design	2013-5210-9271	1,770.00
1516-000049	Vance Corporation	AV Rd Rehab BVR to Town Center	2021-5210-9248	316,477.36
1516-000053	Merrell-Johnson Engineering	Testing for AV Rd	2021-5210-9248	3,465.00
1516-000036	KOA Corp	Consultant Safe Roads to School	2021-5210-9260	106,667.43
1314-000039	Dokken Engineering	Bear Valley Bridge rehab design	2021-5210-9282	621,971.13
1516-000049	Vance Corporation	Central Rd Bus Turnout	2021-5210-9292-4951	24,000.00
1314-000051	David Evans & Assoc.	Bike paths design	2021-5210-9336-5000	36,918.44
0910-000031	Dokken Engineering	Hwy 18 realignment	2021-5210-9410	82,098.83
1516-000048	American Asphalt South	Microsurface 22 miles of road	2021-5210-9525	484,908.20
1516-000049	Vance Corporation	Ramona Rd widening	2021-5210-9536	344,547.36
1516-000049	Vance Corporation	Rancho Verde SRTS	2021-5210-9563	512,000.00
1516-000022	Kimley-Horn & Assoc.	Yucca Loma Widening Design	2021-5210-9595-5000	52,755.00
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				2,585,808.75
0910-000060	Dokken Engineering	Yucca Loma Bridge	4410-5210-9588	65,622.23
1314-000014	Parsons Transportation Group	Yucca Loma Bridge Const Mgmt	4410-5210-9588	71,528.31
1516-000046	Natures Image, Inc	Yucca Loma Restoration Landscape	4410-5210-9588	257,115.00
1314-000014	Parsons Transportation Group	Yucca Loma Widening Const Mgmt	4410-5210-9595	1,009,661.26
1516-000037	Riverside Construction	Yucca Loma Widening Construction	4410-5210-9595	4,894,678.90
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				6,298,605.70
1314-000047	Solution Strategies	MSHCP design	4910-4822-8940	166,400.62
1516-000051	Dean Howard Heat & Air	Purchase and install chiller AVGC	5710-7716-7655	68,180.00
			Total Amt to carry forward	\$9,361,801.15