



# TOWN OF APPLE VALLEY

## TOWN COUNCIL STAFF REPORT

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**To:** Honorable Mayor and Town Council      **Date:** July 24, 2018  
**From:** Orlando Acevedo, Assistant Director      **Item No:** 3  
Economic Development and Housing  
**Subject:** FY 2018-19 BUDGET OF THE APPLE VALLEY VILLAGE PROPERTY  
AND BUSINESS IMPROVEMENT DISTRICT (PBID) ASSOCIATION  
**T.M. Approval:** \_\_\_\_\_      **Budgeted Item:**  Yes  No  N/A

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### RECOMMENDED ACTION:

That the Town Council Approve the Fiscal Year 2018-19 Budget of the Apple Valley Village Property and Business Improvement District Association (Association).

### SUMMARY:

The PBID Association Board unanimously adopted its FY2018-19 Budget (Attachment 1) on June 20, 2018, 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, and administrative activities.

The Association estimates FY2017-18 year-end operational expenses of \$215,050 plus \$60,000 in Town-administered programs for a total of \$275,050 in expenses.

The Association's approved budget for the new FY2018-19 is \$792,450 for both operational and capital expenses and an additional \$230,000 for contract services administered directly by the Tow which includes enhanced police services in the Village area and ongoing Highway 18 Median landscape maintenance costs.

The Town will remit to the Association a portion of their collected annual assessment dollars for day-to-day activities, approximately \$241,800 (\$792,450 minus Association's cash on hand of \$600,000). 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, 2018, 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. In 2017, the Association led a successful grassroots campaign to renew the PBID for an additional five-year period, FY2017-18—FY2021-22.

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.

**FISCAL IMPACT:**

The PBID Association’s annual budget utilizes PBID Assessment Revenues only and has no direct impact on Town funds.

**ATTACHMENT:**

Apple Valley Village PBID Association FY 2018-19 Budget

**Apple Valley Village Property and Business Improvement District Association  
Fiscal Year 2018-19 Budget**

<b>REVENUES</b>			
			<b>Proposed Budget 2018-19</b>
<b>Total Beginning Balance</b> (includes Town-held assessment revenues)			527,500
PBID Association Cash on Hand			600,000
Assessment and Interest Revenues			211,000
<b>Total Available Balance</b>			<b>1,338,500</b>
<b>EXPENSES</b>			
	<b>Adopted Budget 2017-18</b>	<b>Est Expenses 2017-18</b>	<b>Proposed Budget 2018-19</b>
<b>Association General and Admin Expenses</b>			
Secretary Services: minutes/agendas/administration	18,000	18,000	19,200
Phone	750	750	700
Consultant Services (Engineering)	24,000	10,000	30,000
Insurance	2,500	2,500	2,500
Postage	750	750	700
Aesthetics Rehabilitation Grant Program (ARGP)	7,500	3,500	7,500
Legal and Accounting (Audit)	7,500	1,500	7,500
Marketing Services and Advertisements	99,550	99,550	50,500
Events, Street Fairs and Parade			56,500
Training/educational conferences, workshops and seminars	2,000	0	2,000
Small Office Supplies	300	300	300
Meeting Refreshments	250	250	200
Office Equipment: Copy machine, recorder	500	500	500
Taxes/Filing Fees	150	150	150
Kiosk signage, banners	10,000	6,000	10,000
Miscellaneous	200	300	200
Capital Enhancement Projects, Drainage Improvements	600,000	70,000	600,000
Median Utilities	4,000	1,000	4,000
<b>Total Association General and Admin Expenses</b>	<b>777,950</b>	<b>215,050</b>	<b>\$792,450</b>
<b>Town-Coordinated Projects/Activities Expenses (Fund 8110)</b>			
Enhanced Security Services w/Sheriff's Dept	30,000	30,000	60,000
Hwy 18 Median Landscape Annual Maintenance	170,000	30,000	30,000
Hwy 18 Median Landscape Maintenance Reserves	0	0	140,000
<b>Total Town-Coordinated Expenses</b>	<b>200,000</b>	<b>60,000</b>	<b>\$230,000</b>
<b>Total Association and Town Expenses</b>	<b>977,950</b>	<b>275,050</b>	<b>\$1,022,450</b>
<b>SUMMARY</b>			
Total Available Balance			1,338,500
Total Association and Town Expenses			1,022,450
<b>Ending Fund Balance</b>			<b>\$316,050</b>

Check Request (Town remits to PBID for FY2018-19 General and Admin Expenses Minus Cash on Hand) \$192,450