

# Town of Apple Valley

Mid-Year Budget Status Report  
Fiscal Year 2018-19

March 26, 2019





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# FY 2018-19 Mid-Year Budget Status Report Agenda

- Review of FY 2017-18 year-end
  - Fund balance overview
- FY2018-19 Revenue year-to-date
- FY2018-19 Expenditures year-to-date
- End of year projections FY2018-19
- Factors affecting FY2019-20 Budget development
- Questions/comments from Town Council

# FY 2018-19 Mid-Year Budget Status Report

- ▶ Staff recommends that Town Council receive and file the Fiscal Year 2018-19 Mid-Year Budget Status Report;
  - ▶ Mid-Year Budget Status Staff Report
  - ▶ Budget Adjustment Number 19-27 including budget adjustments - all funds
  - ▶ Exhibit A - Mid Year Budget Adjustment Summary
  - ▶ Exhibit B - Budget Comparison by Fund/Department/Division
  - ▶ General Fund Revenue Projections
  - ▶ Projected Fund Balances – June 30, 2019
  - ▶ FY 2017-18 Project Carry-forwards

# FY 2017-18 Fiscal Year-End

➤ General Fund only –	
➤ Total Revenues	\$ 28,675,153
➤ Total Expenditures (inc. net transfers)	<u>\$ 29,665,917</u>
Net change	<u>\$ ( 990,764)</u>
Fund Balance BOY	\$ 12,846,989
Prior Period Adjustment	<u>\$ 6,599,564</u>
Fund Balance EOY	<u><u>\$ 5,316,793</u></u>

# FY 2017-18 Fiscal Year-End

FY 2017-18 Ending Fund Balance \$ 5,316,793

➤ Non-spendable	\$ 3,545,866
➤ Restricted	\$ - 0 -
➤ Committed	\$ - 0 -
➤ Assigned	\$ - 0 -
➤ Unassigned	\$ 1,770,927*

\* 1) 6.24% of the FY 17-18 General Fund Adopted Budget

2) Golf Course Funds accumulated fund deficit – (\$3,476,703)

# Fund Balance - Definitions

## General Fund Fund Balance (GASB 54 FY2010-11)

- ▶ **Nonspendable Fund Balance** – That portion of fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid items, inventories of supplies, or loans receivable; or (b) legally or contractually required to be maintained intact, such as the principal portion of an endowment.
- ▶ **Restricted Fund Balance** – That portion of fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either (a) externally exposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

# Fund Balance - Definitions

## General Fund Fund Balance (GASB 54 FY2010-11)

- ▶ **Committed Fund Balance** – That portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, and remain binding unless removed in the same manner.
- ▶ **Assigned Fund Balance** – That portion of fund balance that includes amounts that are constrained by the governments' intent to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established at either the highest level of decision-making, or by an official designated for that purpose.

# Fund Balance - Definitions

## General Fund Fund Balance (GASB 54 FY2010-11)

- ▶ **Unassigned Fund Balance** – That portion of fund balance that includes amounts that do not fall into one of the above four categories. The General Fund is the only fund that should report this category of fund balance.



# FY 2018-19 Adopted Budget

General Fund Summary	
Estimated Revenues	\$ 28,271,491
Transfers In	\$ 3,255,400
Approp. From Fund Balance	- 0 -
Total Resources	\$ 31,526,891
Adopted Budget	\$ 31,526,891
Balance	-0-



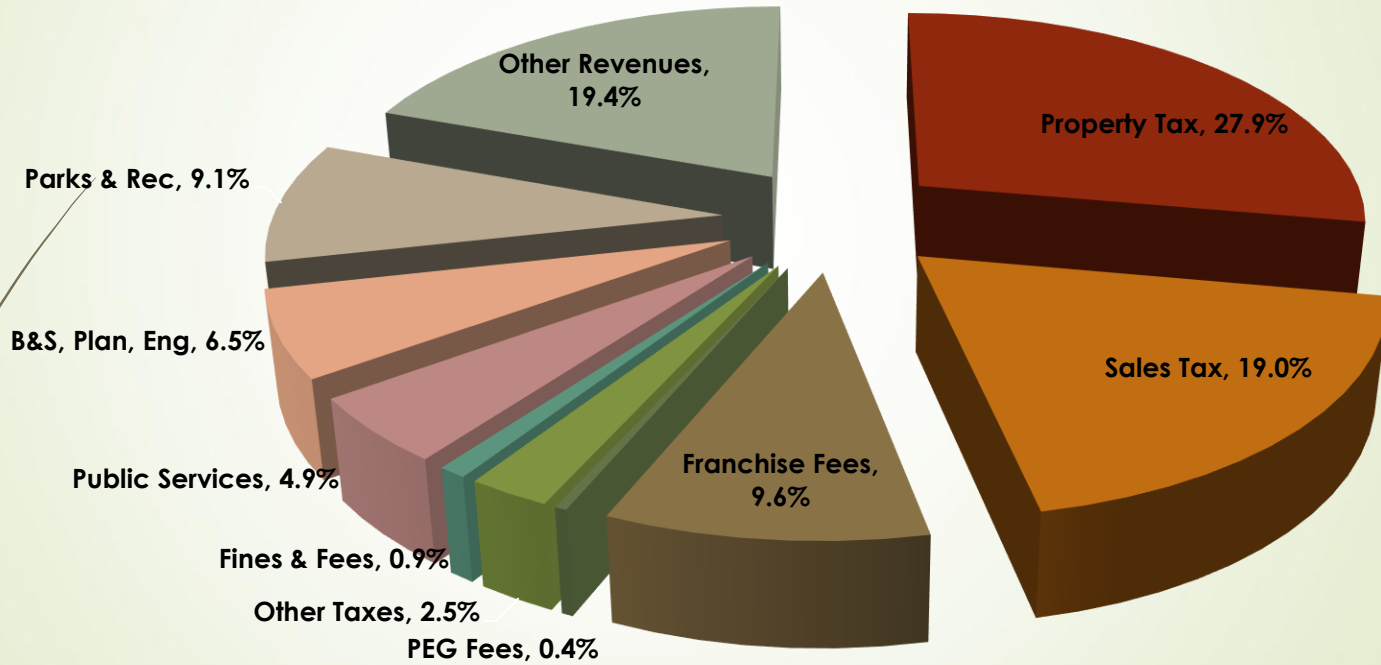
# FY 2018-19 General Fund Estimated Revenues

	<u>Adopted</u>	<u>Revised</u>
➤ Property Tax	\$ 2,951,000	\$ 2,951,000
➤ Property Tax – VLF Backfill	6,252,500	6,252,500
➤ Sales & Use Tax	6,284,500	6,284,500
➤ Franchise Tax	4,170,100	3,163,900
➤ PEG Fees	122,000	122,000
➤ Other Local Tax	829,120	796,120
➤ Public Safety Fines and Fees	255,700	255,700
➤ Public Services	1,569,480	1,616,630
➤ Building and Safety	1,385,310	1,385,310
➤ Planning Fees	298,400	289,340
➤ Engineering	98,300	453,020
➤ Parks & Recreation	3,010,481	3,010,481
➤ Other Revenues	<u>4,300,000</u>	<u>6,416,417</u>
Total General Fund Revenues	\$ 31,526,891	\$ 32,996,918

# FY2018-19 Mid-Year Budget Status

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## Report: General Fund Estimated Revenues

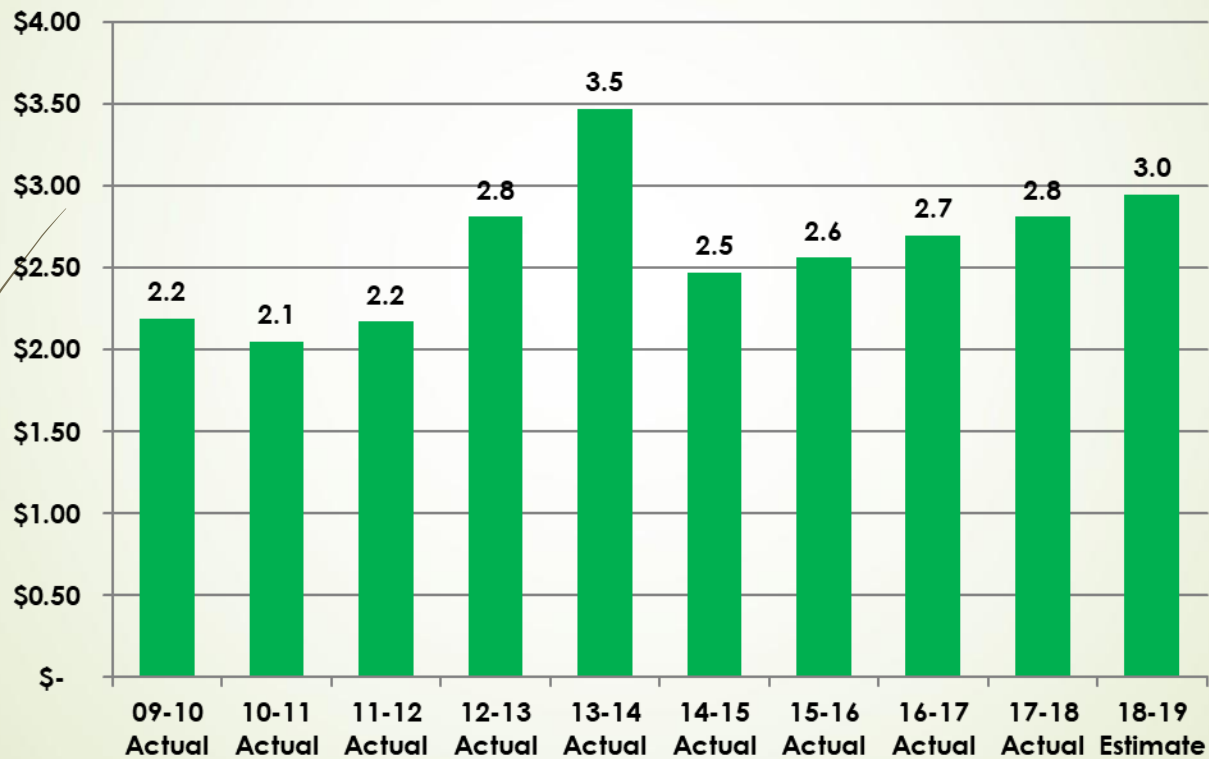


# PROPERTY TAX HISTORY

## General Fund

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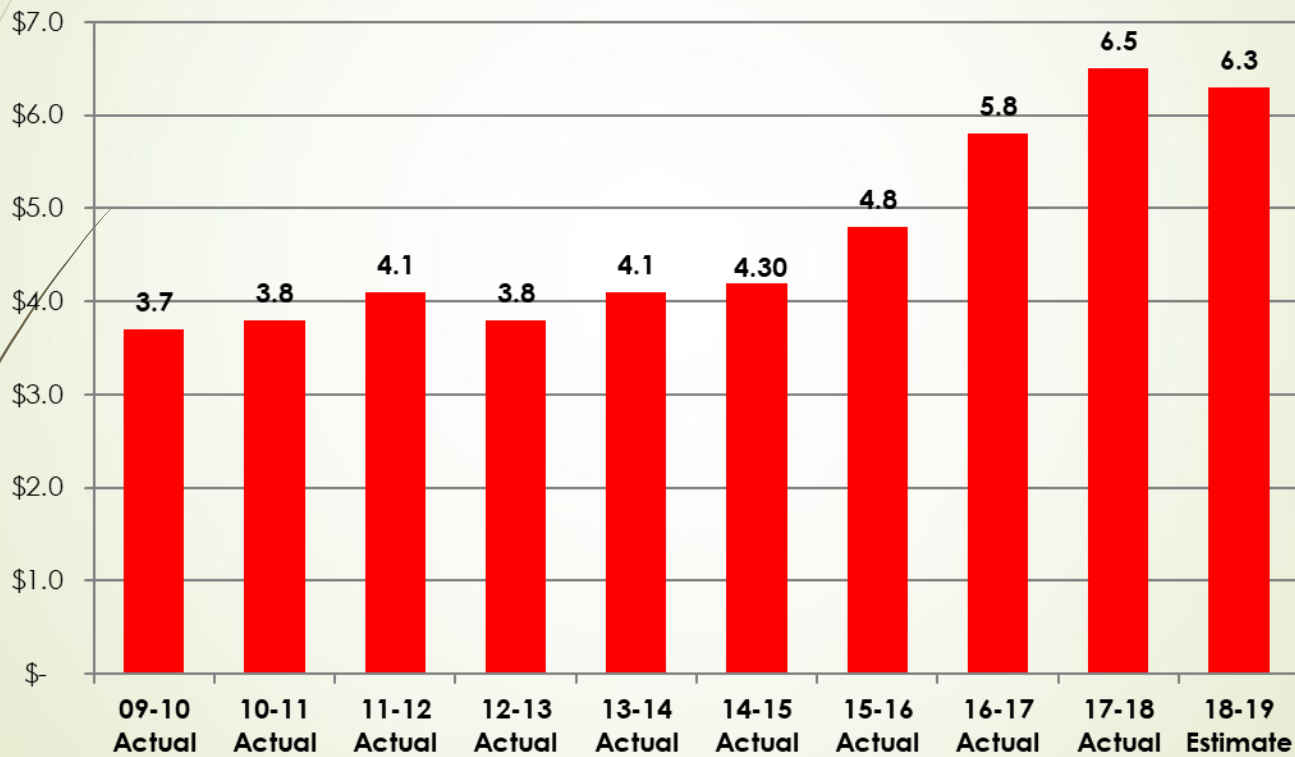
in millions



# SALES & USE TAX HISTORY – General Fund

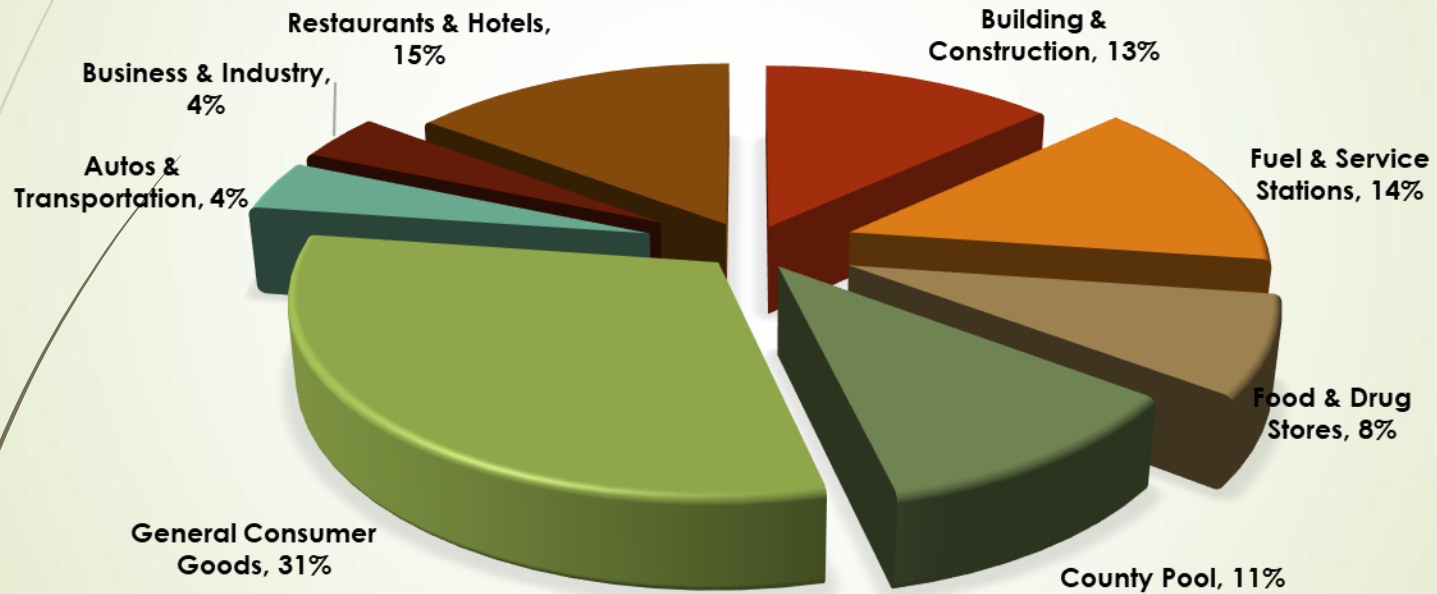
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in millions



# SALES TAX COLLECTIONS

By Business Categories – CY 2018 3Qtrs.



# FY 2018-19 General Fund: Mid-Year Expenditure Adjustments

Appropriation adjustments (Expenditures);

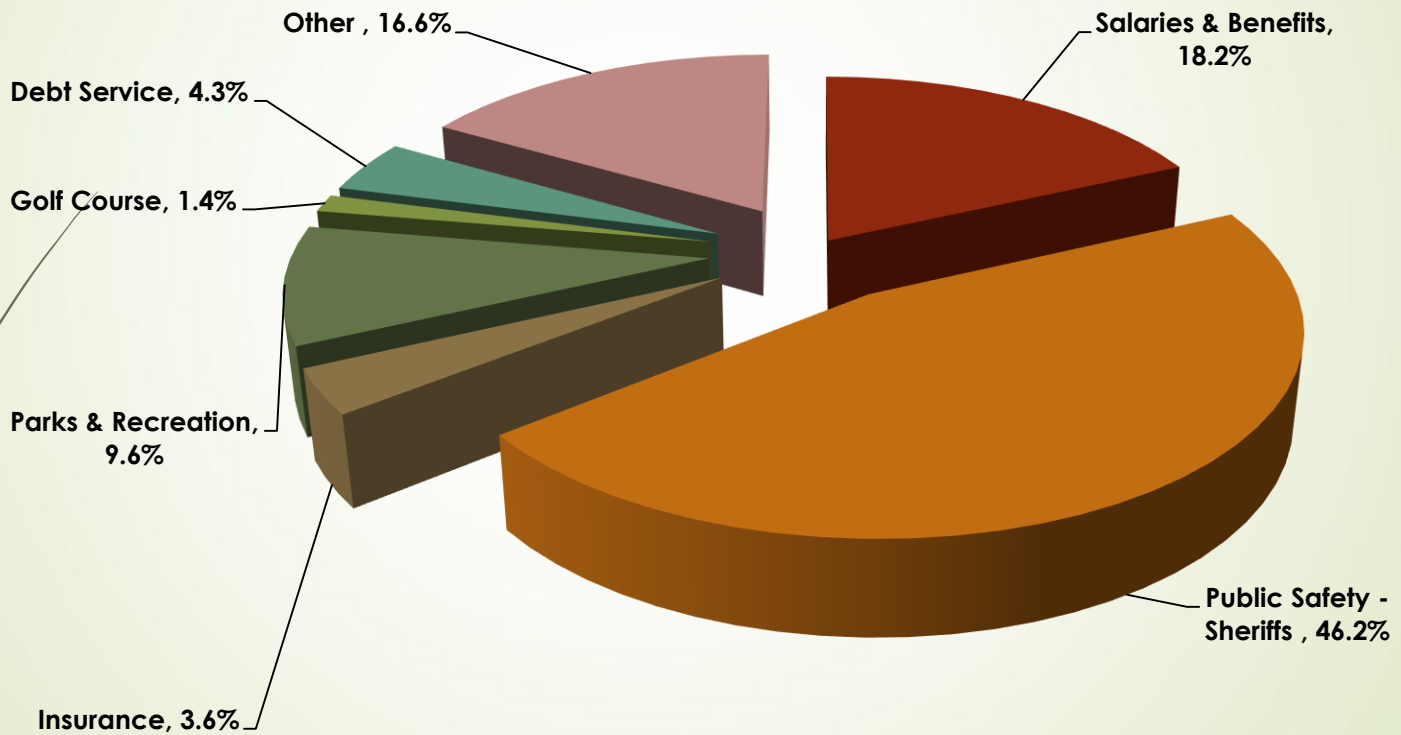
▶ LOC Exp & Interest	\$ 270k
▶ Grounds Maintenance (P&R)	\$ 24k
▶ Personnel	\$ 23k

Sub-total Expenditure Adjustments \$ 317k\*

\*Additional budgetary adjustments (if any) will be presented to the Council prior to year end.

# FY 2018-19 General Fund: Expenditure by Major Categories

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# FY 2018-19 General Fund: Amended Budget

<b>General Fund Summary</b>	
Estimated Revenues	\$28,291,758
Rev. Adjustments	2,469,510
Transfers In	2,249,200
Approp. From Fund Balance	(1,166,577)
<b>Total Resources</b>	<b>\$31,843,891</b>
Adopted Budget	\$31,562,891
Proposed Approp. Adj.	317,000
<b>Total Adj. Appropriations</b>	<b>\$31,843,891</b>
Balance	-0-

# FY 2018-19 General Fund Projected Fund Balance

▶ Total Revenues	\$ 30,761,268
▶ Total Expenditures (inc. net transfers)	<u>\$ 28,817,114</u>
Net change	<u>\$ 1,944,154</u>
Fund Balance BOY	\$ 5,316,793
Less: Nonspen. & Rest.	<u>\$ (3,545,866)</u>
Fund Balance EOY	<u><u>\$ 3,715,081</u></u>

# FY 2018-19 All Funds: Mid-Year Adjustments

➤ Revenues:	
➤ General Fund	\$ 1,463,310
➤ Project Manager Grant	87,938
➤ Measure I	210,600
➤ Sanitary Sewer Facilities	911,800
➤ Appropriation (Expenditures):	
➤ General Fund	\$ 317,000
➤ Article 8	1,535,524
➤ Solid Waste	(43,156)
Total Adjustments	<u>\$ 864,280</u>

# FY 2018-19 Other Mid-Year Adjustments

- Increases to GF Revenues due to
  - Line of Credit Withdrawn Amount
  - Permits and Sewer from Big Lots Development
- Decrease to GF Revenues for Franchise Fee Calculations
- Increase to Expenditures for Article 8 Project
- FY 2017-18 Carry-forwards - \$2,013,912

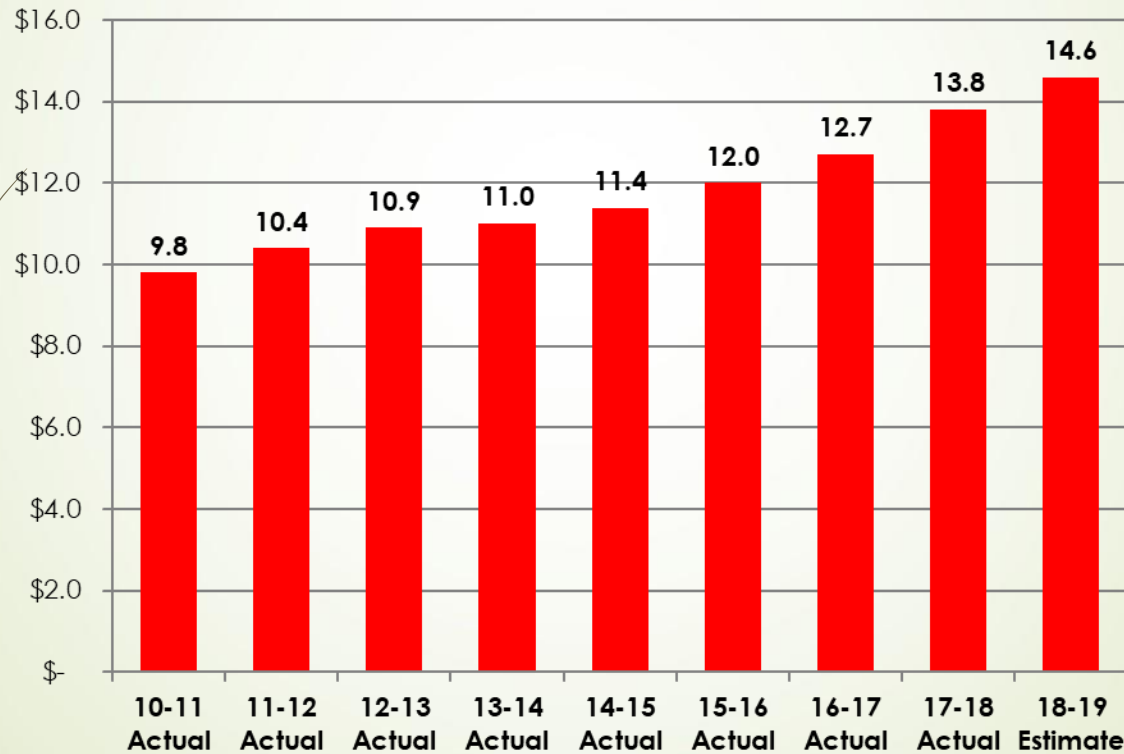
# Factors Affecting Development of the Ensuing FY 2019-20 Budget

## General Operating Fund:

- Sales tax collections projected to **decrease** by approx. 1.0%
- Property tax projected growth – 2.5%
  - Assessor's growth projections not yet available
- Water Acquisition

# HISTORY – County Sheriff Contract: General Fund

in millions

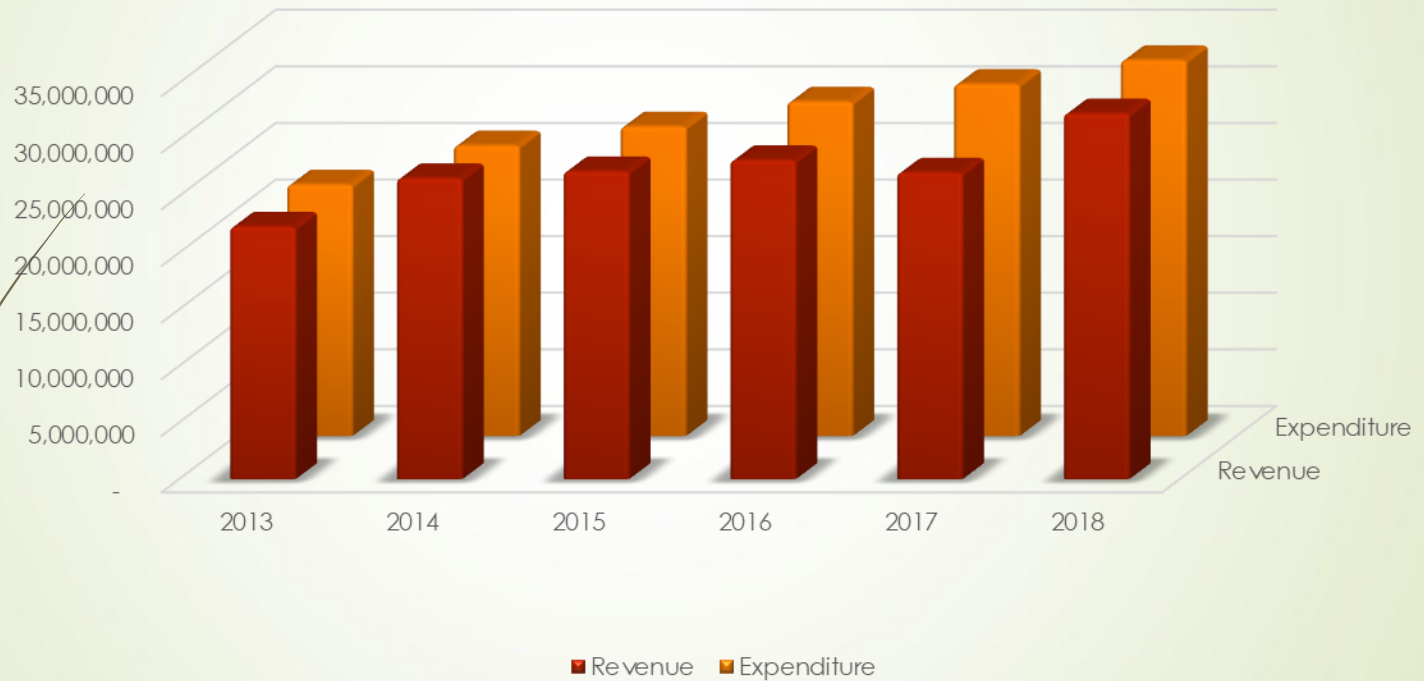


# FY 2018-19 Budget Development Considerations:

## General Operating Fund:

- Baseline service levels have increased dramatically over the last 10 years.
- Revenues have not increased at same pace as growth in service levels.
- Review service delivery methods as part of budget development process.

# Service Level: General Fund





# Service Level: Golf Course Fund

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# CalPERS Assumption Changes

Employer Plan	FY 2018-19	UAL 2018-19	FY 2017-18	UAL 2017-18	FY 2016-17	UAL 2016-17
Miscellaneous	12.212%	\$867,661	11.675%	\$737,214	11.634%	\$647,275
Miscellaneous Second Tier	8.892%	\$2,748	8.418%	\$115	8.377%	\$0
PEPRA Miscellaneous	6.842%	\$2,554	6.533%	\$219	6.555%	\$0

# CalPERS Assumption Changes

## Public Agency - Employer Contribution Increases –Misc. Plan

FY Impact	Normal Cost	UAL Payments
2018-19	0.25% - 0.75%	2% - 3%
2022-23	1.0% - 3.0%	20% - 25%

# FY 2019-20 Budget Development Considerations:

*Must either;*

- Increase revenue sources, or
- Decrease level of service delivery, or
- Some combination of both strategies.

# Town of Apple Valley

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Questions?

