

Section 1: Welcome and Introduction
Mayor Nassif

Same Storm, Different Boat

Hello Apple Valley. I'm Mayor Scott Nassif.

Well, here we are. Sort of. I wish we were together, in person, today. I know we all do.

These are incredible times, aren't they? We've all endured these last few months in our own ways.

During that time, I've heard many sentiments such as, "We will get through this together" and "this will pass" and "we are all in the same boat."

One description of 2020 that particularly caught my eye goes something like,



"I heard that we are all in the same boat...but it's not like that. We are in the same storm, but not in the same boat. One person might shipwrecked, another taking on water, another sailing safely at a distance on calm seas.

We are all on different ships during this storm experiencing a very different journey."

Today, the Town Council and I would like to share with you how the Town Apple Valley is navigating the turbulent waters of 2020 that began with a global pandemic. Sailing the seas together is our theme today.

A Message from the Bridge

During a voyage, sailors receive updates from the bridge of the ship on course of travel, a vessel's speed, impending weather and more. Communication is especially important when faced with matters of health and safety.

In March, when it became clear that the state's response to the growing coronavirus threat was going to have a significant impact on our community, the Town Council knew it was important to provide our residents and businesses with regular updates on what was happening.

We closely monitored the crisis and communicated by hour with county, state and federal agencies.

We produced weekly mayor video updates to share information with the community via Apple Valley TV, YouTube, Facebook, Instagram, and on our website. We kept the community informed about the

number of local cases, what Town facilities and amenities were open or closed, where COVID testing was available and more.



We partnered with County Public Health to host three drive-through testing events at Civic Center Park and a nearly two-month testing site at James Woody Center. In total, more than 3,800 people were tested.

We placed a moratorium on eviction and curbed hoarding of essential grocery items. We opened opportunities for outdoor operations for restaurants, gyms and salons, and we created an emergency rental assistance program for residents in our community who were impacted by loss of job or income due to COVID. And we launched a COVID Compliance Business Support campaign, to help our businesses avoid state penalties and fines.

We broadened our announcements to include the progress of the Xpress West high speed rail project; the opening of Corky’s Kitchen and Bakery and Starbucks and the groundbreaking of Dutch Bros Coffee, and the renewal of the Sheriff’s Public Safety Contract; and the resolution we adopted in June denouncing racial injustice and inequality.

Some of our Council and staff were present at the protest that took place near Jess Ranch Marketplace. This peaceful display of unity said loud and clear that racism and injustice have no place in Apple Valley.

All of these actions and more tell the story that the Apple Valley Town Council will do all that we can to ensure all of our residents live by our community motto of “A Better Way of Life”. Together we can accomplish this by:

Steering through the stormy weather,
Adjusting our course,
Using our **I**nstrumentation,
And by sailing toward the **L**ighthouse

Joining me today to present our 2020 State of the Town are:

- Mayor Pro Tem Curt Emick
- Councilmember Larry Cusack
- Councilmember Kari Leon
- Councilmember Art Bishop

{End of Section 1}

Section 2: Steering Through Stormy Weather Curt Emick

Full Speed Ahead

Hi I'm Mayor Pro Tem Curt Emick. And I'm proud to serve as your Town Councilmember.

Patrick Lencioni wrote, "If you could get all the people in an organization rowing in the same direction, you could dominate any industry, in any market, against any competition, at any time."

For the Town of Apple Valley, success means that we are serving our residents well by continuing to provide them an armada of resources, even when the tide gets rough.

The Stay at Home Order could have been an anchor that weighed us down.

Instead, the Town pushed the throttle forward. Our essential staff continued to:

- Pave streets and fill potholes
- Make our streets safer for school children
- Go to bid for important Capital Improvement Projects
- Attract new businesses
- Fight to acquire the water system
- Take on reassignment as Code Rangers
- And much more.



Water Acquisition

We understand...it feels like the whole world has idled, drifting rudderless in an angry sea. But I can assure you that we were, and continue to be, full speed ahead on essential actions, such as the acquisition of the Liberty Utilities water system.

After taking a COVID pause, the water trial resumed at the beginning of summer with additional witnesses taking the stand in both sides of the argument. After nearly 10 months, the testimony phase of the trial concluded in mid-July.

We are confident we have clearly presented our case to the court that the Apple Valley water system will be better managed locally, by the Town, and not by a foreign corporation focused on shareholder returns more than Apple Valley, to the great cost of our residents and businesses.

We're optimistic that lower rates and local ownership are just around the corner.

Both parties are submitting additional paperwork through November 13 and we expect closing arguments to be scheduled sometime thereafter.

As a bench trial, the case has been heard by a judge, and not by a jury. The Honorable Judge Donald Alvarez will ultimately decide whether the Town has the right to acquire the water system by eminent domain.

Following the conclusion of the right-to-take phase, if the judge finds in favor of the Town, there will be a valuation phase where a jury will be selected to determine the value of the water system.

The trial date for the valuation phase will be set at a later time.

Engineering and Infrastructure Continues

Momentum also continued on many engineering and infrastructure projects, which were considered essential services, allowing these projects to proceed during the stay at home period.

Among the most visible projects are the construction of the new Potomac Road around the Nico Plaza development, drainage improvements in The Vineyards housing tract, and the Highway 18 shoulder median improvements in the village business district.

NICO PLAZA



Nico Plaza opened in July across from St. Mary Medical Center and features a Starbucks Coffee Drive-thru and space for at least one additional quick service restaurant.

Developer Ash Pathi, Principal of Indra & Co, was raised in Apple Valley and returned to his hometown to launch this venture.

The construction at Nico Plaza eliminated Outer Highway 18 between Tuscola and Kasota Road and rerouted traffic just south of the project.

HIGHWAY 18 MEDIAN

The Town partnered with the Village Property and Business Improvement District or PBID to reconstruct curbs and gutters, add stamped concrete, rockscape, and repair portions of the sidewalk and parkway drainage within the Highway 18 median in the Village.

SAFE ROUTES TO SCHOOL

Construction on Safe Routes to School projects began earlier than expected as Apple Valley students were distance learning. Among the improvements are new sidewalks, curbs, gutters, handicap ramps, and high visibility crosswalks near Sandia and Mariana Elementary schools and Apple Valley High School.

In addition to safety improvements, Safe Routes promote healthy activity by encouraging children to walk and bike to school, thereby reducing the number of children who are driven to school daily in individual cars and reducing vehicle carbon emissions.

STREET MAINTENANCE

We resurfaced 35 miles of roads around Town and Public Works staff continued to fill potholes, sweep public roads, maintain the sewer system, clean bus stops, replace street signs and more.

APPLE VALLEY ROAD/HIGHWAY 18

And, to showcase the Town's largest road project since the Yucca Loma Bridge please enjoy this video of the realignment project at Apple Valley Road at Highway 18: >>>>Video<<<<<

{End of Section 2}
Section 3: Adjusting Your Course
Larry Cusack

Adjusted Workforce

If you've ever watched Deadliest Catch you've seen fishing crews fight 40-foot waves, 700-pound crab pots and freezing temperatures to catch King Crab. Even with their mighty fishing ships, the captain sometimes must adjust course for a successful season.

Likewise, we've found ourselves in a season like that, adjusting course in order to achieve the desired results.

If you've been to any of the Town buildings lately you may have noticed a change in our procedures designed to keep residents, customers and our staff safe as we continue to serve our community.



TELECOMMUTING/STAGGERED SHIFTS/MODIFIED HOURS

Our dedicated staff does business through plexiglass windows, wearing masks. When possible, they stagger work shifts and some telecommute.

We've provided more online services, like electronic plan check submissions, a virtual recreation program hub, and launched an "Open for Business" map to guide residents and visitors to find stores and restaurants that are open during the stay at home order.

Animal Services reopened with modified hours, in response to the overwhelming need for their services. In 2019 more than 40,000 people visited the animal shelter and staff helped place animals with 174 animal rescue organization to assist in finding permanent, loving homes for our shelter animals and reduce euthanasia rates.

Because many Parks and Recreation activities were suspended, Rec staff were reassigned to help Code Enforcement staff cleanup illegal dump sites, help our Parks crews clean restrooms and pick up trash, and help our Streets Division fill potholes and clean signs.

Our Planning and Parks and Recreation Commissions also continued their meetings virtually.

I want to take a moment to thank all of our commissioners for their service even during these times:

- Bruce Kallen, Chair
- Joel Harrison, Vice-Chair
- Mike Arias, Jr., Commissioner
- Bob Tinsley, Commissioner
- And our newest Commissioner Jared Lanyon, who replaces his father, Tom Lanyon who passed away in July. Our prayers and condolences to his family and we are thankful for his service to our community.

Parks and Recreation Commission

- Valerie Smith, Chair
- Patrick Doran, Vice-Chair
- Donald Tatera, Commissioner
- Bobby Tarango, Commissioner
- Colin Wilson, Commissioner

FIREWORKS

And although we had to cancel our award-winning Sunset Concert Series and popular Freedom Festival, we knew the one thing we couldn't get through the summer without was our Fourth of July fireworks show.

Staged at Brewster Park, local residents were encouraged to view from their own yards while listening to patriotic music on 106.5 The Fox. For the rest of the community, we livestreamed the show on Facebook preceded by an introduction by Mayor Pro-Tem Curt Emick and a wonderful performance of the National Anthem by AAE student Dante Marengo (Mar-anko).

In spite of the obstacles we faced during COVID, many of our sponsors stayed close and continued to support our events. We are grateful that our donors value the benefits they receive from being one of our Community Partners.

Even without our headline events, our SAVE campaign continued to provide positive exposure to our sponsors via our social media channels, print and radio advertising, recognition in our print and electronic newsletters, and, of course, on our beautiful recognition board that can be seen between Town Hall and the Development Services Building all year long.

You can find links to these loyal businesses on our web page along with information on how you too can support Apple Valley Events with a tax deductible contribution to our non-profit foundation.



Innovation and Technology

Our Innovation and Technology Department is much like a keel on the bottom of a boat that is never seen but is responsible for keeping our ship upright.

This year, when we needed them most, they equipped our staff with the tools and equipment to work remotely and ensured that Council and Commission meetings could continue virtually.

They completed major upgrades that had a great impact across the whole organization and improved customer service, including revamping the Town's Phone System, providing residents and callers with easier access to frequently contacted Departments.

They upgraded our cashiering system, improving automation and efficiency, streamlined coding and billing tasks, and helped reduced credit card transaction fees by 60%.

They implemented a GIS-based software that provides a digital map of the Town's sewer infrastructure allowing Public Works field crews to work more efficiently and remotely.

{End of Section 3}

Section 4: Instrumentation Kari Leon

Using our compass



When a ship sets sail, the captain and crew does not do so blindly. They use a number of instruments to ensure a safe journey, on the correct course, and that they get to their destination safely.

Likewise, the Town uses its mission, vision and values, as well as its annual budget document, as a compass to guide us in providing A Better Way of Life to our residents and businesses.

This year, our General Fund Operating Budget is \$36.1 million. Our total all funds budget is \$95.9 million, which is a \$4.6 million dollar decrease from the prior year. Unfortunately, the Town estimates that due to COVID, we will see an estimated revenue shortfall of \$1.27 million in last budget year and \$3.53 million this Budget Year.

We will discuss this in more detail later in our presentation.

Importantly, the budget, which also includes import data on the Town's service levels, is the map showing us where we need to set our course.

Building and Safety

In the 2019-2020 annual year Building and Safety issued:

- 114 Certificates of Occupancy
- 58 Commercial Tenant Improvement Permits
- 578 Residential Solar Electricity Permits
- 2,457 additional permits

Code Enforcement

Equally as impressive is the work our Code Enforcement performed last year.

- A total of 3,158 cases were opened in 2019 with an average of 26 days to completion.
- 3,400 used tires were diverted from landfills or the desert during our Tire Drop-off events
- Nearly 675,000 pounds of trash were collected during Neighborhood and Community Cleanup Days
- And, the Community Enhancement Crew removed 220,000 pounds of illegally dumped trash

Public Works

Our Public Works Division:

- Replaced 100 street name signs and 175 roadway signs
- Cleaned 32 miles of sewer
- Maintained 25 manholes

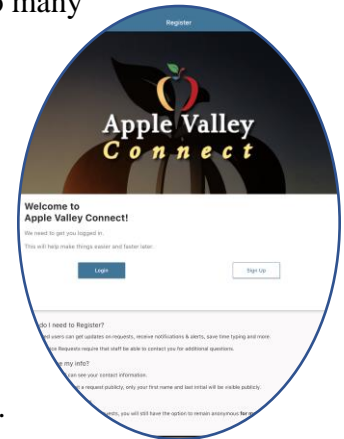
- Swept 900 miles of curbing
- Filled 20,000 potholes

That’s a lot of potholes and permits; signs and sewers; trash and tires! With so many points of service, we welcome resident guidance for items that need attention.

The best way to do this is by visiting av.town/letusknow; or click on the “Let Us Know” link at the top of any page at applevalley.org and it will navigate you to a list of categories that you can click on to tell us about anything from a pothole that needs to be fixed, to a broken sprinkler in the park.

Or download the Town’s revamped mobile app by searching “Apple Valley Connect” on both the Apple App Store and Google Play Store Residents.

This budget year, staff facilitated more than 1,600 requests via our online tool.



Economic Development

We made some big waves in Economic Development as well!

Big Lots opened their 1.35 million-square-foot distribution center in North Apple Valley. The largest building in the high desert, the center will employ 4-500 full time employees and help tell the story that Apple Valley is ripe for industrial growth.

We continued our Shop Local, Think Apple Valley campaign, highlighting the gritty entrepreneurial spirit that is so strong in our small business community.

Now more than ever they still need our support and we encourage you to shop local and click out of Amazon when you can and check in to a local and small business.

New additions to our local economy included the opening of the high desert’s first Corky’s Kitchen and Bakery, a new Starbucks, Chase Bank’s opening, finally, and the groundbreaking of the High Desert’s first Dutch Bros Coffee along with several fuel stations in key areas of Town, and the reuse of the former Lowe’s building to an RV and boat storage.

After hosting several joint planning Commission and Town council workshops, and listening to the concerns of our development community, we’ve made our development process more flexible, while maintaining Apple Valley’s high-quality standards.

We have more work to do on this in the coming year, but we are pleased with our progress.

And news of the XpressWest high-speed rail line, station and maintenance facility, project made national headlines.

{End of Section 4}

Section 5: Lighthouse Art Bishop



Brightline's XpressWest is expected to break ground in 2020 and could begin moving passengers in late 2023.

Construction of the rail line will add more than 10,000 jobs and more than 500 permanent jobs to our regional economy.

Similar to their southern Florida rail stations, the Apple Valley station is expected to attract transit-oriented commercial and residential development in the surrounding area. The project will create more than 1,200 housing units and will inject \$2.13 billion into California's economy including \$275 million in federal, state and local tax revenue.

The high-speed electric train will move passengers from Apple Valley to Las Vegas in about 90 minutes at speeds greater than 150 miles per hour removing as many as 4.5 million cars from traveling 811 million miles on I-15 annually.

To learn more about this project visit our special webpage av.town/train

Sometimes, no matter how sea-worthy your vessel is, you are going to need a light to help guide you in the storm.

Assistance Grants

During COVID, we heard from our residents who couldn't pay their rent due to a loss of a job or income due to the state's Stay at Home order. The Council approved a Rental Assistance Program and administered federal funds to cover the cost of rent or utilities for eligible residents.

Using more federal dollars, the Town funded Feed My Sheep, a non-profit food bank, to purchase food and provide home delivery services to vulnerable people in Apple Valley such as seniors, disabled, and homeless. We also supported other local non-profits providing youth services and activities, senior services, clothing for students, fair housing assistance, homeless sheltering and food bank provisions.

The Town's Community Development Citizen's Advisory Committee reviews and recommends nonprofits for the Council's consideration and funding.

We are grateful for the work of the members of this committee:

- Kevin Simon
- Ronald Barbieri
- Gabe Lovato
- Mariam Munoz
- Rick Whittingham

Public Safety

We applaud our local law enforcement officers. This is not a season of smooth seas for them either. This Town Council thanks you for your dedication and service to our community...and for staying the course. Led by Captain Jason Cunningham and Lieutenant Randy German, they do remarkable work for our community.

The Sheriff's 2019 Annual Report showed a nine percent decrease in both Part 1 and 2 crimes reported in Apple Valley from 2018 to 2019 and a decrease of 37 percent from 2015 to 2019. The decrease in type of crimes reported includes rape, robbery, aggravated assault and burglary. This is the seventh consecutive year to show a decrease in Part 2 crimes reported and the fifth straight year of reduced overall crimes reported.

Now, some of this is due to changing laws, make no mistake.

We can get a better picture of their hard work when we look at total calls for police services, which continues to climb, this year up 4% to 70,392.

And, in the last year, bookings have gone up 19%.



Sales Tax Measure "O"

And these critical police services come at a high price. This year our police services contract with the County Sheriff climbed by \$1.5 million to \$15.5 million-dollars, without adding deputies—it simply covered the increasing cost of salaries, pensions and benefits. And it is expected to rise to \$20 million by 2025.

Combine those figures with the \$1.27 million shortfall we experienced in the 2019-2020 budget year due to the COVID-19 pandemic, and the estimated \$3.43 million revenue shortfall expected in 2020-21 budget year and it's clear...we simply cannot sustain the rising costs of public services.

To discuss one proposal for overcoming this challenge, I'll turn it back over to Mayor Nassif.

{End of Section 5}

Section 6: Conclusion Mayor Nassif

Measure O, continued

In response to State takeaways of local funds, the rising costs of providing local services, and the recent financial impacts of the COVID-19 virus, the Town needed to consider an additional revenue source.

Over the last several years, the Council has already made significant cuts in staffing, salaries, benefits and services.

In July, the Apple Valley Town Council voted unanimously to place a 1% sales tax measure on the November 3, 2020 general election ballot for voters to consider.

If approved, the measure would generate an estimated \$6-7 million per year to the general fund, which is used to pay for general public services such as law enforcement officers, road construction, parks and ballfields, community events, concerts and recreation programs, and reserves to pay for potential emergencies or revenue impacts.

This will be the first time Apple Valley voters have considered a sales tax measure in the Town's 32 years of incorporation.

If the measure does not pass, the Town will not receive the 1% sales tax revenue. The Town Council will then have to consider cuts to Town services in order to balance the budget. This may require laying off law enforcement personnel, delaying or suspending road improvements and/or reducing aquatics and other recreational programs.

I encourage you to register to vote by October 19 to have a voice in this critical election.

Conclusion

Before this year's State of the Town address sails away, I'd like to point out that a ship is only as good as its crew. And I'm proud to say that our crew is one of the best, providing exciting and enriching programs and services. They are one of the reasons we continue to earn the title of "Best Place to Live" year after year!

On behalf of the entire Town Council, I'd like to thank all of our employees for their hard work and keeping our ship upright, especially when the waves of 2020 could have knocked us overboard.



Thank you to our Town Manager Doug Robertson, who continues to steer us in the right direction.

And thank you to my fellow Town Councilmembers for your service and devotion to Apple Valley. It is a pleasure working with you all on this journey to provide A Better Way of Life in Apple Valley.



Finally, I would also like to thank the Apple Valley Chamber of Commerce, President Janice Moore, and the entire Apple Valley Chamber for today's virtual opportunity to share with you all that is happening in the Town of Apple Valley.

<End of Presentation>

