

AGENDA

**TOWN OF APPLE VALLEY
CITIZEN'S BUDGET ADVISORY COMMITTEE
(CBAC)**

April 20, 2021

REGULAR SESSION BEGINS AT 6:30 P.M.

THIS MEETING IS BEING CONDUCTED CONSISTENT WITH STATE OF CALIFORNIA EXECUTIVE ORDER N-29-20 DATED MARCH 17, 2020 REGARDING THE COVID-19 PANDEMIC. THE MEETING IS BROADCAST ON APPLEVALLEY.TV AND VIEWABLE ON FRONTIER CHANNEL 29 OR CHARTER SPECTRUM CHANNEL 186 AND LIVE STREAMED ONLINE AT APPLEVALLEY.ORG. IN AN EFFORT TO PROTECT PUBLIC HEALTH AND IN ACCORDANCE WITH EXECUTIVE ORDER N-29-20, THE PUBLIC MAY ONLY VIEW THE MEETING ON TELEVISION, VIA ZOOM AND/OR ONLINE.

TO JOIN ZOOM VIA COMPUTER, LAPTOP OR SMART DEVICE

DIRECT LINK: <https://applevalley.zoom.us/j/89998994532>
MEETING ID: 899 9899 4532

TO JOIN ZOOM VIA AUDIO ONLY

DIAL: (669) 900-9128
MEETING ID: 899 9899 4532

FOR INDIVIDUALS WISHING TO MAKE PUBLIC COMMENTS, YOU MAY COMMENT IN ONE OF TWO WAYS:

- 1) COMMENTS AND CONTACT INFORMATION CAN BE EMAILED TO PUBLICCOMMENT@APPLEVALLEY.ORG BY 12 P.M. TUESDAY, MARCH 16, 2021, TO BE INCLUDED IN THE RECORD.
- 2) INDIVIDUALS PARTICIPATING VIA ZOOM MAY SPEAK DURING THE PUBLIC COMMENT PORTION OF THE MEETING. WHEN THE MAYOR ANNOUNCES PUBLIC COMMENTS, CLICK THE "RAISE HAND" FEATURE IN ZOOM. WHEN IT IS YOUR TURN TO SPEAK, YOU WILL BE REMOVED FROM MUTE AND ALLOWED TO MAKE PUBLIC COMMENTS.

IF YOU ARE ACCESSING THE ZOOM MEETING BY PHONE, DIAL *9 TO "RAISE HAND" TO REQUEST TO SPEAK. SPEAKERS WILL BE CALLED ON BY THE LAST TWO DIGITS OF THEIR PHONE NUMBER. WHEN YOUR NUMBER IS CALLED ON TO PROVIDE PUBLIC COMMENT, PLEASE PRESS *6 TO UNMUTE YOURSELF.

WHEN CALLED TO SPEAK, PLEASE LIMIT YOUR COMMENTS TO THREE MINUTES

PLEASE SILENCE CELL PHONES UPON ENTERING MEETING LOCATION

The meeting will occur in the Conference Center, South Meeting Room, located at 14975 Dale Evans Parkway in Apple Valley, California.

This is an agenda for the scheduled meeting.

This agenda contains a brief description of each item of business to be considered at today's meeting. In accordance with the Brown Act, this meeting agenda is posted at least 72 hours prior to a regularly scheduled meeting and 24 hours prior to a special meeting. The agenda, its supporting documents and all writings received by the Committee related to these items are public records and available for review during regular business hours in the Town Clerk's. The agenda and its supporting documents, along with live and archived video of the meeting, can be viewed online at <http://www.applevalley.org>. However, the online agenda may not include all available supporting documents or the most current version of documents.

Materials related to an item on this agenda submitted to the Clerk after distribution of the agenda packet are available for public inspection in the Town Clerk's Office at 14955 Dale Evans Parkway, Apple Valley, CA during normal business hours. Such documents are also available on the Town of Apple Valley website at www.applevalley.org subject to staff's ability to post the documents before the meeting.

Individuals, who demonstrate disruptive conduct during meetings that prevent the Committee from conducting its meeting in an orderly manner, are guilty of a misdemeanor as stated in PC403, disrupting a public meeting and are subject to removal from the chamber or arrest.

The Town of Apple Valley recognizes its obligation to provide equal access to those individuals with disabilities. Please contact the Town Clerk's Office at (760) 240-7000 two working days prior to the scheduled meeting for any requests for reasonable accommodations.

CALL TO ORDER THE CITIZEN'S BUDGET ADVISORY COMMITTEE – 6:30 P.M.

ROLL CALL

COMMITTEE MEMBERS:

Betty Betterley Collaso Drake Green	Hernandez Itnyre Lamb Orr Weatherspoon-Bell	Bishop Cusack Nassif Mayor Pro Tem Leon Mayor Emick
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OPENING CEREMONIES

PLEDGE OF ALLEGIANCE:

PUBLIC COMMENTS

ITEMS FOR DISCUSSION

1. Approval of Minutes – March 16, 2021

Recommendation:

- A. That the Citizen’s Budget Advisory Committee approve the minutes for the meeting of March 16, 2021.

2. Town of Apple Valley Budget Update

Recommendation:

This is a presentation only. No action required.

3. Discussion of Measures and Priorities

- A Planning Fees
- B Park and Recreation Programming and Fees
- C Sheriff’s Department Contract

Recommendation:

Provide Direction to Staff

4. Proposed Sales Tax Measure

Recommendation:

Provide Direction to Staff

ADJOURNMENT

MOTION

Time: _____

MINUTES

APPLE VALLEY CITIZENS BUDGET ADVISORY COMMITTEE (CBAC) MARCH 16, 2021

6:30 P.M.

Call to Order:

Mayor Emick called to order the Apple Valley Citizen's Budget Advisory Committee at 6:35 p.m.

Roll call was taken with the following members present:

Roll Call

Present: Committee Members Betty, Betterley, Collaso, Drake, Green, Itnyre, Lamb, Orr, Weatherspoon-Bell, Bishop, Cusack, Nassif, Mayor Pro Tem Leon, Mayor Emick.

Absent: Committee Member Hernandez (joined late).

OPENING CEREMONIES

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Mayor Pro Tem Leon

PUBLIC COMMENTS

None.

ITEMS FOR DISCUSSION

1. **Approval of Minutes – March 16, 2021**

Mayor Emick noted that the meeting minutes should be corrected to change the time of arrival for Committee Member Hernandez from 7:30 a.m. to 7:30 p.m.

MOTION:

Motion by Committee Member Weatherspoon-Bell, seconded by Committee Member Collaso, and unanimously carried to approve the minutes for the meeting of March 16, 2021 as amended.

2. **Fiscal Year 2020-2021 Mid-Year Budget Presentation**

Doug Robertson, Town Manager, presented the Mid-Year Budget Overview report as filed with the Town Clerk. He reviewed the option chart included in the handouts and opened the meeting for discussion.

This was a receive and file item only. No action was taken.

COMMITTEE MEMBER HERNANDEZ JOINED THE MEETING AT 7:01 P.M.

3. Discussion of Additional Measures and Priorities

Committee Member Orr spoke of the discussions made at the Golf Course Ad Hoc Meeting including the cost to close the course versus keeping it open and alternatives.

Doug Robertson, Town Manager, commented on the driving range and poles that need to be replaced. It was noted that a resident had agreed to replace the poles at no charge to the Town with donated equipment in their possession.

Questions were asked by the committee regarding the cost of the law enforcement grant which is approximately \$39,000, the number of patrol officers which is approximately 33 and the cost savings to implement Friday furloughs to Town employees which result in a savings of \$560,000 to the general fund. There was also open discussion on the water rights, new businesses created in the Town, the public safety program and reclaimed water.

Council Member Nassif discussed the Town's development fees charged and the full cost versus the subsidy. He believed it would be helpful to the committee to understand and see these charges.

Mr. Robertson recommended staff be present at the next meeting to present a report on park programs and fees.

Discussion ensued regarding property tax and activities, the implementation of a Joint Powers Agreement for public safety, obtaining a general fund impact list and online sales tax.

Mr. Robertson explained how the Town receives tax from online retail sales noting that the Town does not receive the full amount. He also informed the committee that the latest federal stimulus package includes funding for local governments. He stated that the Town of Apple Valley is slated to received \$14.85 million dollars; however, no guidance has been given at this time on how the funds can be spent.

Committee Member Leon commented on the Town's attempt to pass a sales tax measure to increase revenue. She believed discussions should occur on placing another tax measure on the ballot.

After further discussions by the committee on individual items of concern, Mr. Robertson summarized his comments stating that the Town of Apple Valley has no desire to close parks in order to close the budget gap and that Council approval would be needed in order to do so. He explained that the budget gap at this time is approximately \$2 - \$2.5 million.

A public comment was heard by Bill Inger, Apple Valley. Mr. Inger questioned what the Town would do if it lost the water acquisition case.

Mr. Robertson stated that at the next meeting, updates will be provided on:

- Sales/special tax
- Sheriff's contract

- Park and Recreation Fees and Strategies

Committee Member Drake announced that golf revenue was up 42%.

Committee Member Orr clarified based on public comments from the last meeting that Apple Valley Choice Energy has paid for itself and doing better financially than last year.

Mayor Emick thanked the committee for their participation in the discussions.

ADJOURNMENT

Motion by Committee Member Bishop, seconded by Committee Member Green, to adjourn the meeting at 8:12 p.m.

Curt Emick, Mayor
CBAC Chair

La Vonda M-Pearson, Town Clerk



Parks and Recreation CBAC Notes

Points brought by CBAC

- **Subsidy to Parks and Recreation.** Parks traditionally don't have a revenue source to offset expenses. In the last two years we have developed plans to add amenities that can be monetized. For example, in June we will complete a new large shade structure that can be rented but will be open to the public on a drop-in basis when not reserved. One of the new parks proposed in our Prop. 68 effort is designed so people can rent many special amenities throughout the day in such a way that will still leave drop-in opportunities open and free for residents.
- **Horsemen's Center** – We have planned to spend Quimby funds this year that will increase our ability to rent the facilities for special events. In addition, camping revenue is on the way as we are designing an RV friendly campground with sites developed to make campers feel that they are more isolated than traditional campgrounds.
- **Solar on pool.** A study was 4 years ago but needs to be updated with newer technologies.
- **Subsidizing out of Town club soccer** – We need to attract upper level team FOR our residents, so they don't always have to travel down the hill for better competition. Out of town teams are not renting our fields, they are just playing our teams who use our fields.
- **Non-resident fees.** We are now rolling out Resident fees vs Non-resident fees...carefully. We plan to introduce them slowly, so it doesn't have a negative effect on programs and revenue.
- **Recreation should cover direct costs.** Recreation program revenue covers direct costs currently and is chipping away at some of the admin overhead costs. Two years ago, Recreation was able to add to the general fund a bit when programs were operating at full speed. We are at the mercy of COVID protocols that limit our ability to operate all programs.
- **Cost Recovery Plan.** (Attached) We are currently working to present to Council a plan to adjust our pricing strategy to catch-up. With the current policy Recreation could increase fees up to 3% each year, but many years we did not, and now some program's costs are outpacing revenue ability. We are hoping for a fee structure that includes automatic cost of living adjustments.



Cost Recovery Plan 2021

The Parks and Recreation Department is funded via a combination of programming revenue, property taxes, and the Town of Apple Valley General Fund. The following Cost Recovery Plan seeks to minimize the funding required from the General Fund to the amounts deemed necessary to preserve acceptable levels of service to the community.

Purpose and Goals

The Department desires to evolve a long-term strategy, structure, and system that provides for its fiscal health and sustainability and is responsive to the community.

Goals are to:

- Develop a sustainable and justifiable philosophy, supporting policy, and cost model for calculating fees.
- Define a cost recovery philosophy to be adopted by the Parks and Recreation Commission and Town Council.

Determining the Cost of a Program or Activity:

“Direct” costs include easily tracked expenses such as the cost of an instructor, including benefits, supplies needed, equipment rented, etc.

“Indirect” costs within the Department are shared among several programs or covered by a pre-existing assessment, including Department overhead including the cost of department leadership, administration and other shared costs.

Does “cost recovery” mean that we need to cover all the costs of a program or activity through fees? No – in most cases where fees are appropriate, the cost recovery target will be set to recover all the “direct” cost.

In some cases, where the individual benefit is very high, the cost recovery target will be set to cover more than 100% of the direct cost.

Cost recovery can also be accomplished through other forms of revenue such as grants, donations, sponsorships, etc.

Fee Based Programs – Mostly individual benefit

Fee-based Programs, Events, Classes, and Rentals shall have sufficient fees to ensure the total collected revenue exceeds the total projected direct costs of the program. Additionally, to help offset the indirect costs of department programming, as well as Free Programs and Special Events, combined revenue from all programs shall exceed the direct costs by at least 20%. Some examples include: sports leagues, art classes, and swimming lessons.



Programing and fees shall be evaluated on a yearly basis to determine necessary adjustments.

Free or lost cost Programs - Considerable community benefit

In providing a service to the residents of the Town of Apple Valley, the Recreation Department frequently offers events and programs for free. In these cases, direct costs will be covered through revenue generated via Fee-Based programs, sponsorships, or a combination of the two. Some examples include: Pop-up Rec Play programs, Holiday family events.

Special Events - Considerable community benefit

Large-Scale Special Events, those with direct costs exceeding \$5,000, shall recover at least 60% these costs via Fee-Based programs, sponsorships, or a combination of the two; however, when this is not possible, exceptions may be granted by the Town Manager when such events are desired by the community. Examples include: Sunset Concert Series, Freedom Festival.

New Initiatives proposed:

Non-Resident Fees

In cases of programs expected to meet their registrant capacities, additional “Non-Resident” fees up to \$5 shall be charged to all registrants and participants living outside the Town of Apple of Valley.

RecAssist:

Because it is not a sustainable practice to keep fees artificially low in order to ensure that all can afford to pay, the Town of Apple Valley will make provisions to help those who cannot afford to pay full fees through a fee reduction scholarship policy and program.

RecAssist is provided by the Town of Apple Valley Recreation Department to make financial assistance available to Town residents who receive public assistance. RecAssist subsidizes certain Recreation activity fees so that eligible residents can pay reduced fees.

- RecAssist funds can only be applied to activities costing \$30.00 or more.
- A minimum 75% co-payment per activity, per participant, is required at the time of registration.
- Must show proof of: Community Eligibility Provision (CEP), CalFresh or CalWorks benefits.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD
1001 Total GF Expenditures	22,777,943.14	22,209,738.64	25,661,870.61	27,340,359.89	29,538,672.75	31,086,887.66	29,665,916.65	28,209,261.06	31,030,297.61	23,564,636.46
1001-2010 Public Safety Exp (Total)	10,961,407.59	11,052,589.26	11,613,712.44	12,131,828.18	12,444,941.89	13,434,955.60	13,753,916.55	14,527,351.01	15,080,686.60	11,947,972.74
1001-2010-8948-0000 County Sheriff (Sch A)	10,373,449.36	10,584,171.45	11,052,949.79	11,626,836.56	11,957,812.05	12,947,829.95	13,154,255.08	13,780,423.65	14,481,095.05	11,638,727.00
Sheriff Contract % of Exp Actual	45.54%	47.66%	43.07%	42.53%	40.48%	41.65%	44.34%	48.85%	46.67%	49.39%
									Average	45.02%

