

**TOWN OF APPLE VALLEY
TOWN COUNCIL AGENCY**

**SPECIAL MEETING
MINUTES – April 27, 2010**

OPENING CEREMONIES

CALL TO ORDER:

Mayor Allan called to order the meeting of the Apple Valley Town Council at 4:00 p.m.

Roll call was taken with the following members present:

Roll Call

Present: Councilwoman Coleman; Councilman Nassif; Councilman Roelle; Mayor Pro Tem Sagona; Mayor Allan. Absent: None.

BUSINESS OF THE COUNCIL

1. FY 2010/2011 Budget Workshop

Kevin Smith, Interim Finance Director, presented the staff report as filed with the Town Clerk. He commented on the general fund revenues. He stated that they he has negotiated the sale of a Cell Tower for \$290,000.

Mr. Smith commented on the sales tax for the area as well as nationally. He stated that currently, sale tax revenue is increasing. He stated that his estimates for sales tax revenue is low.

Mr. Smith reviewed increases to the general fund such a liability and worker's Comp insurance, memberships and special projects directed by the Town Council. Also included in this budget is \$35,000 budgeted for elections.

Mr. Smith reviewed the budgets for Public Facilities, Public Safety, Emergency Preparedness, Animal Services, Code Enforcement and Planning, Building & Safety.

Mr. Smith continued review of the budget stating that the budget expenditures provided by the departments are in the Finance Departments estimation as low as possible while still providing the same level of service. He commended staff for their diligence in reducing their budgets.

Mr. Smith begin reviewing the budgets for Street Maintenance, Capital Improvement Program, Wastewater. While reviewing the budget for Parks and Recreation, he noted that there will be a required contribution from the General Fund for Fiscal Year 2010-11 in an amount of approximately \$811,000. He stated that that approximately 50% of the funding for Parks and Recreation comes from Property Tax. He explained that the anticipated decreasing in revenue from Property Tax accounts for this required contribution. He also spoke on the Apple Valley Golf Course. He stated that staff has met with the bank and are hoping to obtain a substantial savings through renegotiation of existing loans. Meetings are also scheduled with the equity members to establish a more equitable rate.

Lastly, Mr. Smith reviewed the budget for the Redevelopment Agency. He stated that bond funds are budgeted for the Public Works Facility and Yucca Loma Bridge construction and that the Animal Control Facility was totally funded by Redevelopment Agency Bond funds. He also stated that the Redevelopment Agency continues to manage CDBG Home Programs and all revenues and expenditures for Project Area #1 and Project Area #2.

Kenneth J. Henderson, Assistant town Manager, Economic and Community Development, answered questions of the Town Council regarding funding that may need to be changed in the event that the State takes a portion of the RDA Funding. He stated that implementation of the completion of the Public Works building would be delayed should the Town lose funding to the state. He explained the process that would take place should the State seize Town RDA funding.

Mayor Pro Tem Sagona asked questions regarding the General Fund reserves.

Mr. Smith stated that at the end of this fiscal year, our general reserve will be approximately \$10.8 million. At the end of fiscal year 2011, our general reserve will be approximately \$8.835 million. He stated that if the economy continues status quo and the Town generates no additional revenue, the general fund reserve will be depleted with four years; however, if the Town generates funding, including retail, reserves will increase.

Mr. Smith stated that there is a \$2 million deficit this year at the golf course which includes the cost for the legal costs and the irrigation well. He said without those costs, the increase would be approximately \$700,000.

Mr. Smith stated that he hopes to have the finished product ready for adoption by the first meeting in June.

This was a receive and file item only. There was no action taken.

ADJOURNMENT

Motion by Mayor Pro Tem Sagona, seconded by Councilman Roelle and unanimously carried, to adjourn the Special meeting at 5:10 p.m.

Town Clerk

Mayor