



Town of Apple Valley

## Town Council Agenda Report

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Date: July 9, 2019 Item No: 8

To: Honorable Mayor and Town Council

Subject: FY 2019-20 BUDGET OF THE APPLE VALLEY VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (PBID) ASSOCIATION

From: Douglas Robertson, Town Manager

Submitted by: Orlando Acevedo, Assistant Director  
Economic Development

Budgeted Item:  Yes  No  N/A

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### RECOMMENDED ACTION:

That the Town Council approve the Fiscal Year 2019-20 Budget of the Apple Valley Village Property and Business Improvement District Association.

### SUMMARY:

The PBID Association Board unanimously adopted its FY2019-20 Budget (Attachment 1) on June 11, 2019, 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 FY2018-19 year-end operational expenses of \$223,700 plus \$60,000 in Town-administered programs for a total of \$283,700 in expenses.

The Association's approved budget for the new FY2019-20 is \$828,250 for both operational and capital expenses and an additional \$215,000 for contract services administered directly by the Town 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 \$378,250 (\$828,250 minus Association's cash on hand of \$450,000). 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, 2019, 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 only utilizes PBID Assessment Revenues and has no direct impact on Town funds.

**ATTACHMENT:**

Apple Valley Village PBID Association FY 2019-20 Budget

## Attachment 1

### Apple Valley Village Property and Business Improvement District Association Fiscal Year 2019-20 Budget

| REVENUES  |                  |                |                  |
|---|------------------|----------------|------------------|
|   |                  |                | Proposed Budget  |
|   |                  |                | 2019-20          |
| <b>Total Beginning Balance</b> (includes Town-held assessment revenues)                         |                  |                | 505,000          |
| PBID Association Cash on Hand   |                  |                | 450,000          |
| Assessment and Interest Revenues  |                  |                | 224,000          |
| <b>Total Available Balance</b>  |                  |                | <b>1,179,000</b> |
| EXPENSES  |                  |                |                  |
|   | Adopted Budget   | Est Expenses   | Proposed Budget  |
|   | 2018-19          | 2018-19        | 2019-20          |
| <b>Association General and Admin Expenses</b>   |                  |                |                  |
| Administrative Services: minutes/agendas/administration   | 19,200           | 19,200         | 30,000           |
| Phone   | 700              | 750            | 700              |
| Consultant Services (Engineering)   | 30,000           | 10,000         | 30,000           |
| Insurance   | 2,500            | 2,500          | 2,500            |
| Postage   | 700              | 750            | 600              |
| Aesthetics Rehabilitation Grant Program (ARGP)  | 7,500            | 3,500          | 7,500            |
| Legal and Accounting (Audit)  | 7,500            | 1,500          | 5,000            |
| Marketing Services and Advertisements   | 50,500           | 50,500         | 30,000           |
| Events, Street Fairs and Parade   | 56,500           | 56,500         | 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            | 300              |
| Capital Enhancement Projects, Drainage Improvements   | 600,000          | 70,000         | 600,000          |
| Median Utilities  | 4,000            | 1,000          | 2,000            |
| Specific Plan Study   |                  |                | 50,000           |
| <b>Total Association General and Admin Expenses</b>   | <b>792,450</b>   | <b>223,700</b> | <b>828,250</b>   |
| <b>Town-Coordinated Projects/Activities Expenses (Fund 8110)</b>                                |                  |                |                  |
| Enhanced Security Services w/Sheriff's Dept   | 60,000           | 30,000         | 45,000           |
| Hwy 18 Landscape Maintenance and Utilities  | 30,000           | 30,000         | 30,000           |
| Hwy 18 Landscape Maintenance Reserves   | 140,000          | 0              | 140,000          |
| <b>Total Town-Coordinated Expenses</b>  | <b>230,000</b>   | <b>60,000</b>  | <b>215,000</b>   |
| <b>Total Association and Town Expenses</b>  | <b>1,022,450</b> | <b>283,700</b> | <b>1,043,250</b> |
| SUMMARY   |                  |                |                  |
| Total Revenues  |                  |                | 1,179,000        |
| Total Expenses  |                  |                | 1,043,250        |
| <b>Ending Fund Balance</b>  |                  |                | <b>135,750</b>   |
| Check Request (Town remits to PBID for FY2018-19 General and Admin Expenses Minus Cash on Hand) |                  |                | 378,250          |