

Town of Apple Valley

FISCAL YEAR 2020-2021 PROPOSED BUDGET



Budget Workshop
May 26, 2020

Budget Workshop Agenda

- ▶ Overview of Proposed 20-21 Budget
 - ▶ Proposed Adopted Budget - Over All Funds
 - ▶ General Fund
 - ▶ Revenue Highlights
 - ▶ Capital Improvement Projects
 - ▶ Summary Overall
 - ▶ Possible Revenue Increases and Expenditure Reductions
- ▶ Timeline for 20-21 Budget Adoption
- ▶ Questions/Comments

Fiscal Year 2020-2021 Proposed Budget

OVER ALL FUNDS HIGHLIGHTS



Fiscal Year 2020-2021 Budget Summary All Funds

Estimated Revenues	\$ 92,436,390
Appropriation from Fund Balance	8,153,278
Total Resources	<u>\$ 100,589,668</u>
Proposed Appropriations	\$ 102,800,897
Non-Cash Transactions	(2,211,229)
Total Spending	<u>\$ 100,589,668</u>

Fiscal Year 2020-2021 Overview of Proposed Appropriations

Appropriations <u>All Funds</u>	Proposed <u>FY 20-21</u>	Amended <u>FY 19-20</u>	<u>Increase (Decrease)</u>		<u>% FY 20-21 Total</u>
			<u>Amount</u>	<u>Percent</u>	
Operating Budget	\$ 82,118,668	\$ 80,125,299	\$ 1,993,369	2.49%	79.88%
Transfers Out	4,138,872	6,382,975	(2,244,103)	(35.16%)	4.03%
Capital Projects Budget	16,543,357	14,938,622	1,604,735	10.74%	16.09%
Total	<u>\$ 102,800,897</u>	<u>\$ 101,446,896</u>	<u>\$ 1,354,001</u>	<u>1.33%</u>	<u>100%</u>

Fiscal Year 2020-2021

Overview of Proposed Budget

Operating Budget by Expenditure Category - All Funds

Expenditure Category	Proposed FY 20-21	Amended FY 19-20	Increase (Decrease)		% of FY 20-21 Total
			Amount	Percent	
Salaries & Benefits	\$ 10,632,821	\$ 10,210,634	\$ 422,187	4.13%	10.34%
General Operating	4,411,912	3,861,409	550,503	14.26%	4.29%
Community Dev	4,765,607	4,021,052	744,555	18.52%	4.64%
Building Maintenance	239,450	314,275	(74,825)	(23.81%)	0.23%
Grounds Maintenance	409,350	392,678	16,672	4.25%	0.39%
PIO Events	53,000	49,500	3,500	7.07%	0.05%
Public Works	4,430,900	3,792,700	638,200	16.83%	4.31%
Culture & Recreation	189,806	196,396	(6,590)	(3.36%)	0.18%
Contract & Prof	48,470,633	48,124,289	346,344	0.72%	47.16%
Vehicle & Equip	1,081,325	910,735	170,590	18.73%	1.05%
Depreciation	2,143,668	1,960,244	183,424	9.36%	2.09%
Debt Service	4,643,696	5,434,447	(790,751)	(14.55%)	4.52%
Capital Outlay	646,500	856,940	(210,440)	(24.56%)	0.63%
Capital Projects	16,543,357	14,938,622	1,604,735	10.74%	16.09%
Transfers Out	4,138,872	6,382,975	(2,244,103)	(35.16%)	4.03%
Total	<u>\$ 102,800,897</u>	<u>\$ 101,446,896</u>	<u>\$ 1,354,001</u>	<u>1.33%</u>	<u>100.00%</u>

Fiscal Year 2020-2021

Overview of Proposed Budget

Operating Budget by Fund Type - All Funds

Fund Type	Proposed FY 20-21	Amended FY 19-20	Increase (Decrease)		% of FY 20-21 Grand Total
			Amount	Percent	
General Fund	\$ 35,557,083	\$ 34,113,907	\$ 1,443,176	4.23%	34.59%
Special Revenue Funds	7,454,173	6,389,300	1,064,873	16.67%	7.25%
Debt Service Funds	0	1,396,803	(1,396,803)	(100.00%)	0.00%
Capital Projects Funds (operating)	1,065,000	357,619	707,381	297.8%	1.04%
Proprietary Funds	34,015,589	33,512,686	502,903	1.50%	33.08%
Trust Funds	3,339,117	3,674,984	(335,867)	(9.14%)	3.25%
Agency Funds	687,706	680,000	7,706	1.13%	0.67%
Total Operating Budget all funds	\$ 82,118,668	\$ 80,125,299	\$ 1,993,369	2.49%	79.88%
Capital Projects	16,543,357	14,938,622	1,604,735	10.74%	16.09%
Transfers Out	4,138,872	6,382,975	(2,244,103)	(35.16%)	4.03%
Grand Total all funds	\$ 102,800,897	\$ 101,446,896	\$ 1,354,001	1.33%	100.00%

Fiscal Year 2020-2021 Proposed Budget

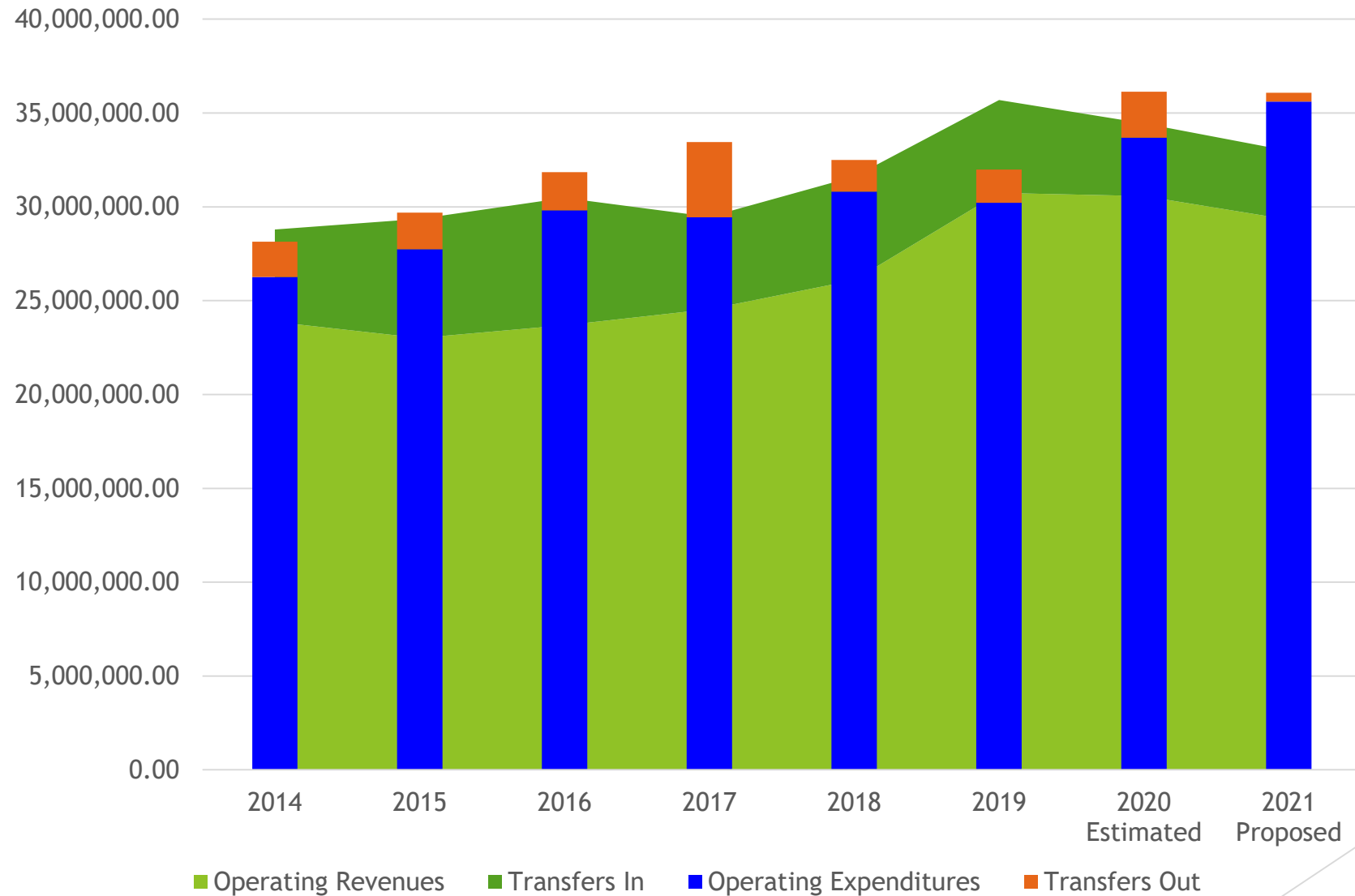
GENERAL FUND HIGHLIGHTS



Fiscal Year 2020-2021 General Fund Summary

Estimated Revenues		\$ 29,315,647
Transfers In:		
Administrative Overhead	2,617,922	
Franchise Fees	1,050,950	3,668,872
Total Resources		\$ 32,984,519
Operating Expenditures		\$ 35,607,083
Transfers Out to:		
Golf Course Fund	470,000	470,000
Total Proposed Appropriations		\$ 36,077,083
Estimated Expenditures Exceed Proposed Revenues		\$ 3,092,564

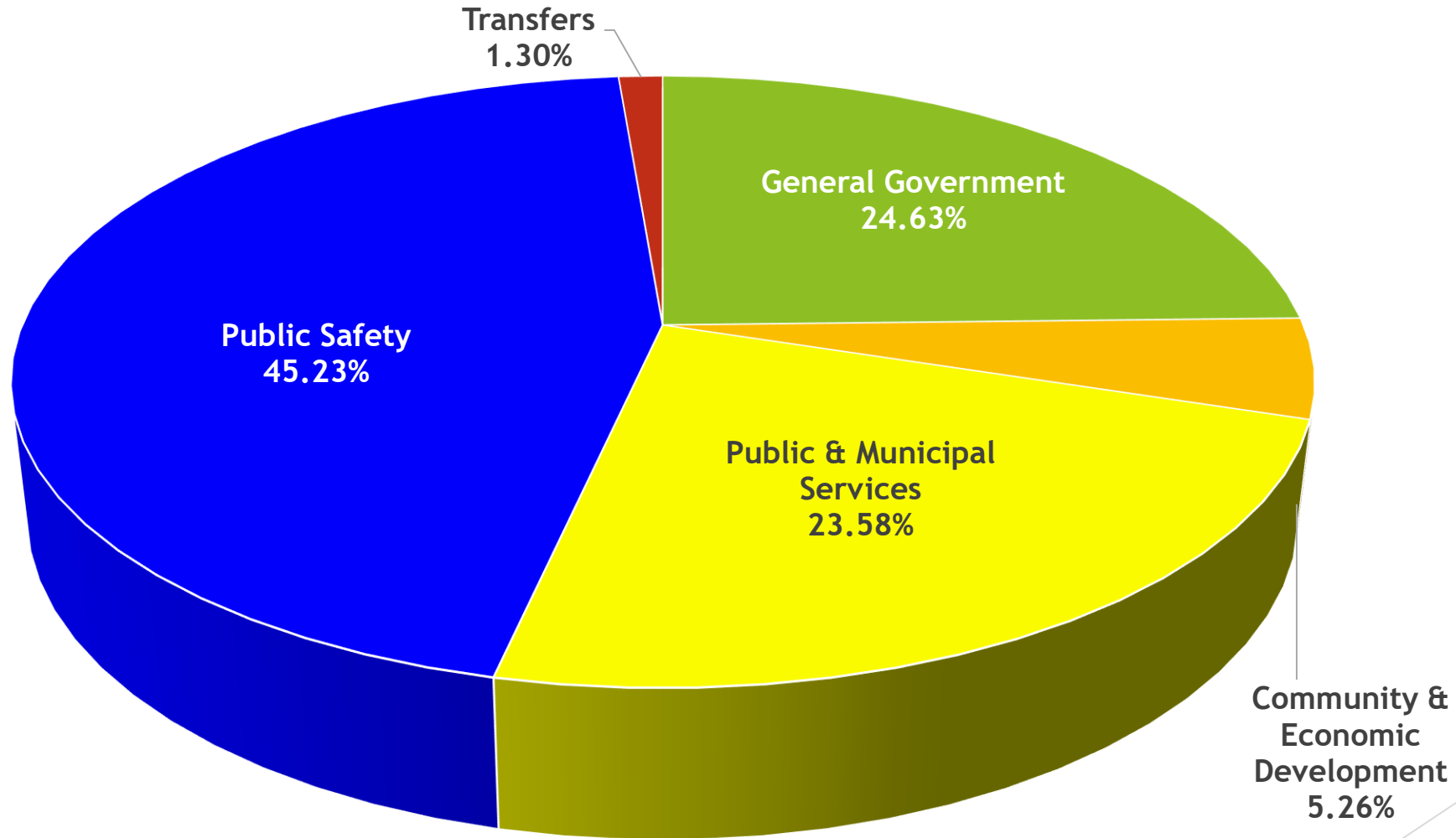
Service Level: General Fund



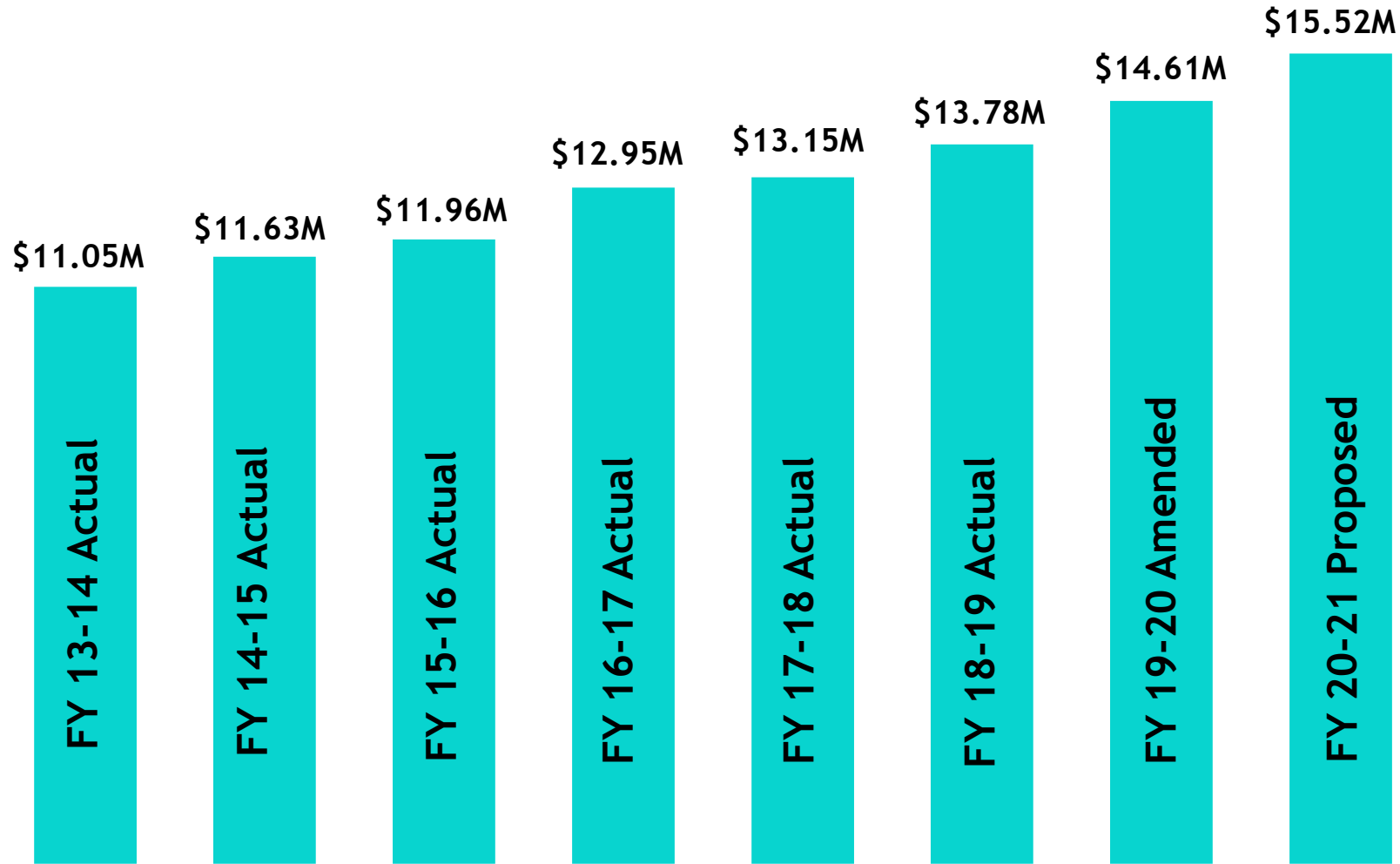
General Fund Expenditures \$ 36,077,083 By Category/Department

Category/Department	Proposed Budget	Category/Department	Proposed Budget
General Government		Public & Municipal Services	
Town Council	\$ 254,917	Public Facilities	\$ 1,674,564
Town Attorney	\$ 400,000	Animal Services	\$ 708,033
Town Manager	\$ 644,387	Animal Shelter	\$ 1,473,123
Finance	\$ 1,195,097	Code Enforcement	\$ 581,702
Town Clerk	\$ 603,753	Building & Safety	\$ 676,214
Public Information	\$ 482,476	Parks & Rec Grounds	\$ 1,679,073
Human Resources	\$ 173,074	Parks & Rec Aquatic Center	\$ 493,287
Information Systems	\$ 970,191	Parks & Rec Programs	\$ 1,084,232
General Government	\$ 4,161,758	Parks & Rec Administration	\$ 135,592
Total General Government	\$ 8,885,653	Total Public & Municipal Services	\$ 8,505,820
Community & Economic Development		Public Safety	
Economic Development	\$ 262,073	Police Services	\$ 16,311,988
Engineering	\$ 737,600	Emergency Preparedness	\$ 6,100
Planning-Community Development	\$ 897,849	Total Public Safety	\$ 16,318,088
Total Community & Economic Development	\$ 1,897,522	Total Operating Expenditures	\$ 35,607,083
		Transfer to Golf Course Fund	\$ 470,000
		Total General Fund Appropriations	\$ 36,077,083

General Fund Expenditures \$ 36,077,083, percentage by Category



Sheriff Contract General Fund Appropriation



New Positions/Reclassifications

Position Title

New Position – Maintenance Worker I - Wastewater

Restructuring – Remove Assistant Director of Community Development and add a Planning Manager

Reclassification – Office Assistant to Human Resources Assistant

*Fiscal Year 2020-2021
Park & Rec Summary*

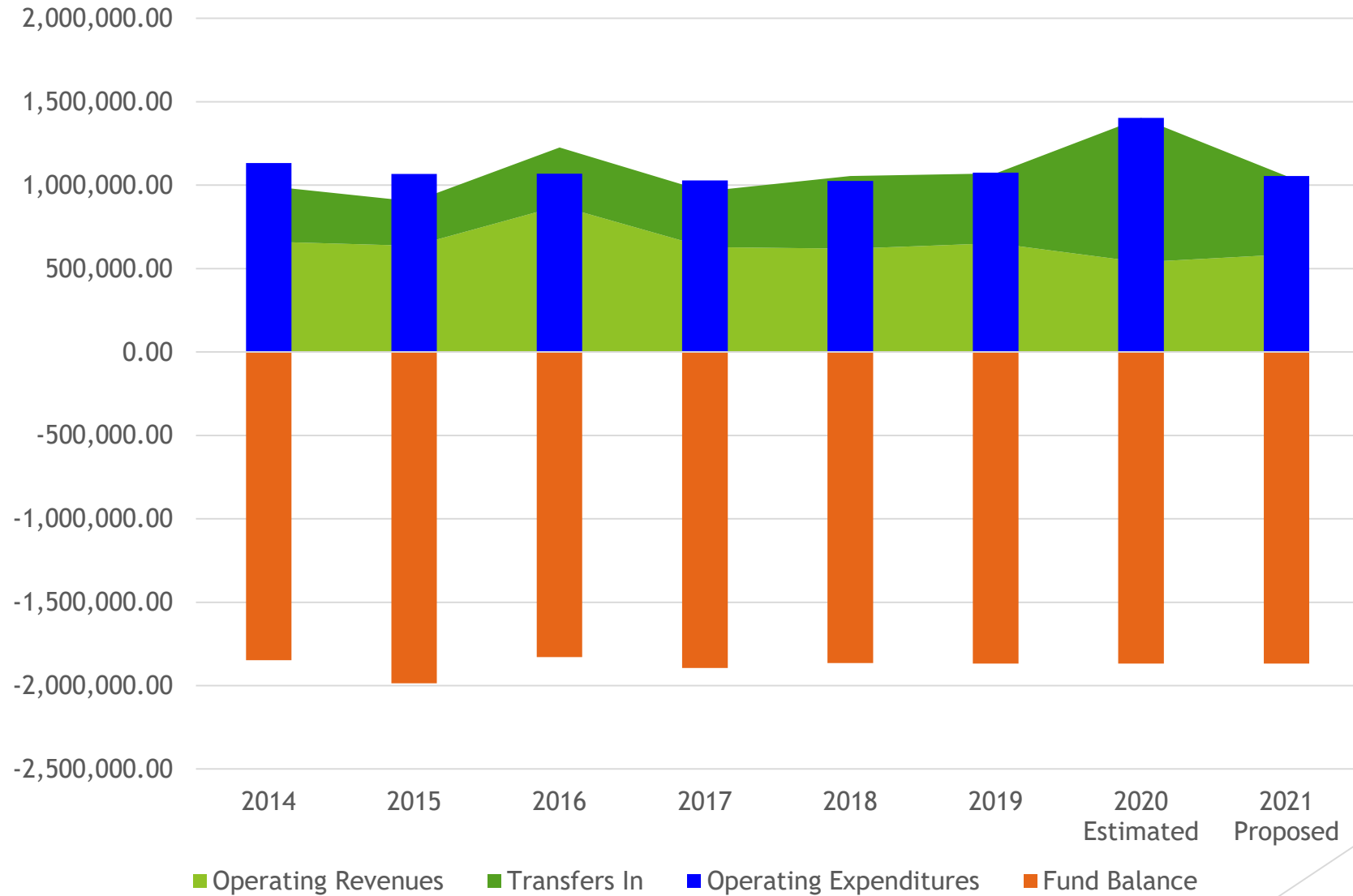
Estimated Revenues	\$	2,992,725
Appropriation from General Fund		399,459
Total Resources	\$	<u>3,392,184</u>
Proposed Expenses	\$	<u>3,392,184</u>

Fiscal Year 2020-2021 Golf Course Fund Summary

Estimated Revenues	\$	585,000
Transfer in from General Fund		470,000
Total Resources	\$	<u>1,055,000</u>

Proposed Expenses		1,166,233
Less Depreciation		(115,000)
Adjusted Proposed Expenses	\$	<u>1,051,233</u>

Service Level: Golf Course



Fiscal Year 2020-2021 Proposed Budget

REVENUE

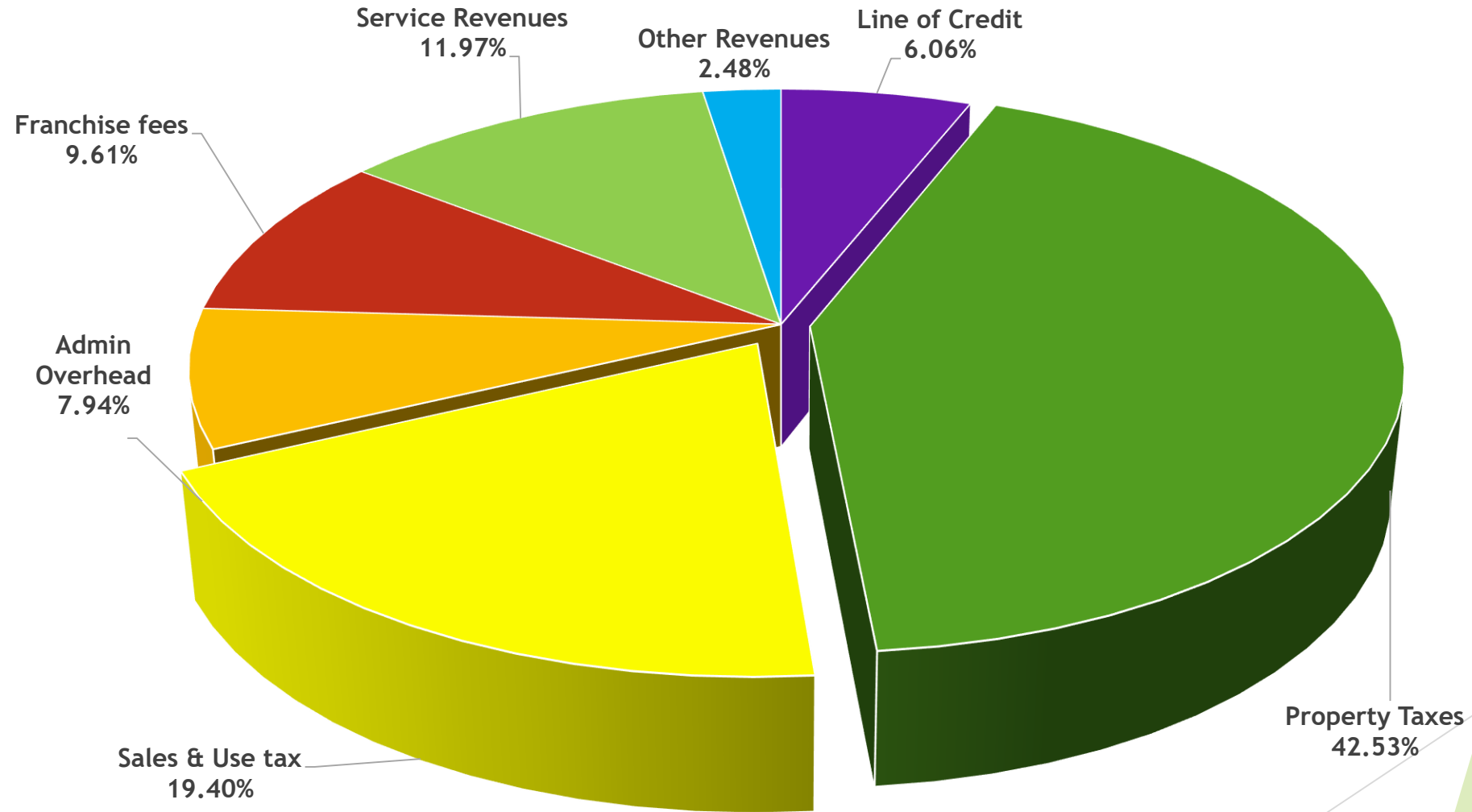
HIGHLIGHTS



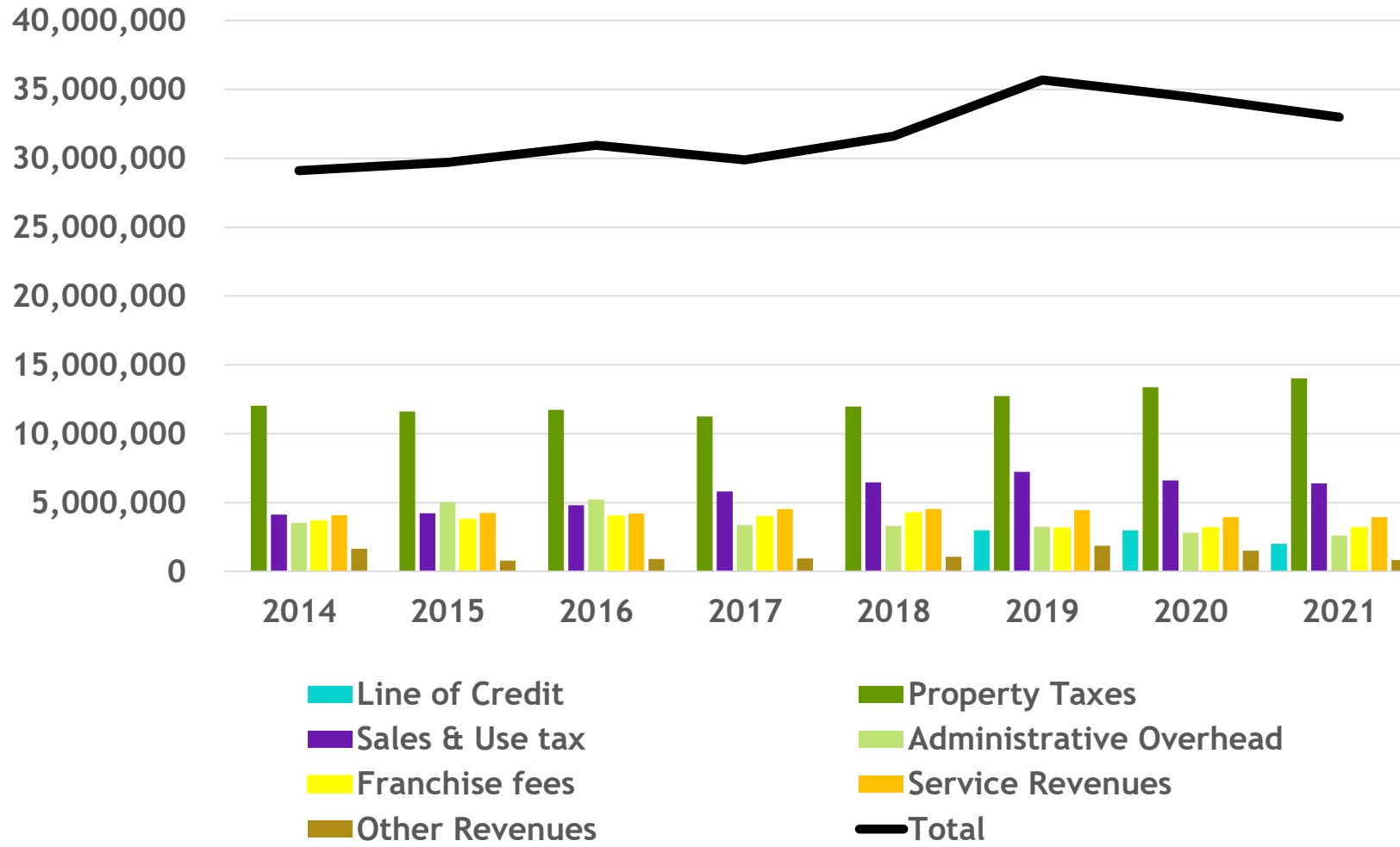
General Fund Resources

Administrative Overhead	\$	2,617,922
Franchise Fees		3,169,950
Line of Credit		2,000,000
Other Revenues		818,893
Service Revenues		3,949,754
Property Tax		14,028,000
Sales & Use Tax		6,400,000
Grand Total	\$	32,984,519

General Fund Resources



Revenues Comparison General Fund Resources



COVID-19 Projected Revenue Impact

Revenue Category	FY 19/20	FY 20/21	2 Year Total
Sales and Use Tax	-\$617,000	-\$841,000	-\$1,458,000
Business License Fees	-19,000	-24,000	-43,000
Passport Fees	-16,000	-16,000	-32,000
Property Transfer Tax	-21,000	-46,000	-67,000
Police Fines & Forfeitures	-19,000	-18,000	-37,000
Code Enforcement Fines/Inspections	-14,000	-45,000	-59,000
Building & Planning	-132,000	-186,000	-318,000
Parks & Recreation	-337,000	-132,000	-469,000
Golf Course Fees	-97,000	-52,000	-149,000
Total Revenues *	-\$1,272,000	-\$1,360,000	-\$2,632,000

* Included in Projected Revenues

COVID-19 Revenue Impact by %

Revenue Category	10%	20%	30%
Sales and Use Tax	-\$724,000	-\$1,448,000	-\$2,172,000
Business License Fees	-18,900	-37,800	-56,700
Passport Fees	-4,100	-8,200	-12,300
Property Transfer Tax	-27,000	-54,000	-81,000
Police Fines & Forfeitures	-5,800	-11,600	-17,400
Code Enforcement Fines/Inspections	-41,500	-83,000	-124,500
Building & Planning	-143,000	-286,000	-429,000
Parks & Recreation	-114,000	-228,000	-342,000
Golf Course Fees	-62,000	-124,000	-186,000
Total Revenues	-\$1,140,300	-\$2,280,600	-\$3,420,900

Fiscal Year 2020-2021 Proposed Budget

CAPITAL IMPROVEMENT PROGRAM HIGHLIGHTS



Fiscal Year 2020-2021

Capital Improvement Budget –All Funds

Proposed Budget FY 20-21	\$	16,543,357
Amended Budget FY 19-20		14,938,622
Increase	\$	<u>1,604,735</u>
Percent Increase		10.74%

Capital Improvement Projects for 20-21

Preliminary Design	Totals
Rancharias Plaza Frontage Road Conversion	100,000
High Desert Corridor	2,500
Full Design	
Bear Valley Bridge (Mojave River Bridge)	500,000
Bear Valley Intersection Improvements	10,000
Dale Evans Parkway @ Waalew Road (Realignment)	25,000
Rio Vista Safe Routes to School	5,000
Stoddard Wells Road Widening	75,000
Tao Road South of Highway 18 Extension	100,000
Town Wide School Zone Analysis/LRSP	125,000
Construction	
Bear Valley Intersection Improvements	765,000
Flood Hazard Mitigation Program	300,000
Hwy 18 West End Widening (Phase 1, AVR Realignment)	4,980,000
Navajo Road Drainage Improvements	300,000
Paving Priorities (50% Categorical/50% Non-Categorical)	1,887,503
Rio Vista Safe Routes to School	581,495
Stoddard Wells Road Widening	1,250,000
Town Wide School Zone Analysis/LRSP	100,000
Thunderbird Bus Turnout	150,000
Yucca Loma Bridge	200,000
Yucca Loma Corridor Improvements	3,986,859
Street Maintenance Total \$ 15,443,357	

Capital Improvement Projects for 20-21

Grounds Maintenance	
James Woody Parking Lot Paving	50,000
Grounds Maintenance Total	\$ 50,000
Wastewater	
Jess Ranch Lift Station and Sewer Modifications	150,000
Kissil Lift Station Modification	100,000
Nanticoke Pressure Main Conversion	100,000
Replace Cleanouts with Manholes, Jess Ranch Community	150,000
Sewer Main Extension/Housing Element	250,000
Sewer Main/Manhole Replacement, Various Locations	100,000
Sewer Manhole Cover Replacement, Assess. Dist. 2A (Year 3 of 7)	100,000
Sewer Manhole Rehabilitation, Various Locations	100,000
Wastewater Total	\$ 1,050,000
Capital Projects Total	\$ 16,543,357

Fiscal Year 2020-2021 Proposed Budget

Summary of All Funds



Proposed Budget Summary Comparison

	FY 19/20		FY 20/21	Increase
	Original	Amended	Proposed	(Decrease)
General Fund	\$ 33,598,702	\$ 36,144,032	\$ 36,077,083	0%
Other Funds	62,839,533	65,302,864	66,723,814	2%
Grand Total	\$ 96,438,235	\$ 101,446,896	\$ 102,800,897	1%

General Fund Budget Comparison

Department	FY 19/20		FY 20/21	Increase
	Original	Amended	Proposed	(Decrease)
Town Council	\$ 230,940	\$ 246,240	\$ 254,917	4%
Town Attorney	620,000	320,000	400,000	25%
Town Manager	565,325	617,406	644,387	4%
Finance	1,005,403	1,314,257	1,195,097	-9%
Town Clerk	436,027	495,312	603,753	22%
Public Information	337,031	346,031	482,476	39%
Human Resources	170,198	164,514	173,074	5%
Information Systems	776,265	801,611	970,191	21%
General Government	5,692,020	6,467,694	4,631,758	-28%
Public Facilities	744,825	1,913,657	1,674,564	-12%
Public Safety Police	15,222,921	15,357,631	16,311,988	6%
Emergency Preparedness	3,575	3,575	6,100	71%
Animal Control Services	2,015,530	2,015,530	2,181,156	8%
Code Enforcement	549,016	593,707	581,702	-2%
Building & Safety	671,799	671,799	676,214	1%
Engineering Services	535,600	627,900	737,600	17%
Planning Services	757,826	726,196	897,849	24%
Economic Development	192,158	376,191	262,073	-30%
Parks & Recreation	3,072,243	3,084,781	3,392,184	10%
Total	\$ 33,598,702	\$ 36,144,032	\$36,077,083	0%

Other Funds Budget Comparison

Department	FY 19/20		FY 20/21	Increase
	Original	Amended	Proposed	(Decrease)
Street Maint Fund (Gas Tax)	\$ 2,311,763	\$ 2,387,763	1,837,415	-23%
Road Maint Rehab	1,307,998	1,307,998	1,387,503	6%
Article 3	-	-	335,392	N/A
Article 8	-	-	456,103	N/A
Measure I	2,511,500	5,834,591	8,502,250	46%
CDBG	1,439,625	1,439,625	1,453,605	1%
NSP 3	281,000	281,000	281,000	0%
Apple Valley Home	1,404,434	1,404,434	1,648,504	17%
Victorville Home	1,043,989	1,043,989	1,483,989	42%
Cal Home	80,000	80,000	80,000	0%
PEG Channel Fund	-	156,000	448,500	188%
Police Grants	54,089	54,089	20,782	-62%
Assessment District LL	360,000	360,000	333,400	-7%
PBID	435,000	450,000	455,000	1%
Capital Improvement TIF Fund	3,947,000	1,231,631	4,987,109	305%
Law Enforcement Facilities	-	33,000	-	-100%
NAVISP	965,274	965,274	-	-100%
Storm Drains	1,170,000	1,617,599	840,000	-48%
Project Manager Grants	789,398	789,398	-	-100%
Wastewater Fund	8,894,229	9,875,479	8,274,363	-16%
Waste Management Fund	14,449,993	14,287,753	13,693,897	-4%
Apple Valley Golf Course	1,091,186	1,400,186	1,166,233	-17%
Apple Valley Choice Energy	15,001,268	15,001,268	15,466,946	3%
Debt Service Funds	1,626,803	1,626,803	232,706	-86%
Successor Agency RDA	3,674,984	3,674,984	3,339,117	-9%
Total	\$ 62,839,533	\$ 65,302,864	\$66,723,814	2%

Fiscal Year 2020-2021 Proposed Budget

*Prospects for Achieving
Fiscal Balance*



Possible Revenue Increases and Expenditure Reductions

Description	Estimated Amount
User Utility Tax	+\$4.4 Million Annually
Sales & Use Tax 1% Increase	+\$7.0 Million Annually
Parcel Tax \$100 Per Parcel Fee	+\$3.0 Million Annually
Transient Occupancy Tax 1% Increase	+\$1,700 Annually
Service Fee Increases	Depends on Fees
Furlough Fridays	-\$708,000
Reduction of Police Services	Depends on Factors
Hiring Freeze	Depends on Start Date
Staff Reductions	Depends on Factors
Benefit Reductions	Depends on Factors

Tax Measures

► Parcel Tax

# of Parcels in Apple Valley	Flat Rate Tax	Est. Potential Revenue
30,052	\$ 50.00	\$ 1,502,600.00
30,052	\$ 100.00	\$ 3,005,200.00

► Utility Users Tax

- *Note: Six cities in San Bernardino County charge UUT at an average rate of about 7%. Source: HdL*

5% UUT	Per Capita/ Unit	Est. Potential Revenue
Telecommunications/ Gas/ Electric	\$ 50.00	\$ 3,700,000.00
Cable/Video	\$ 10.00	\$ 740,000.00

Tax Measures

► Sales & Use Tax

► *Source: HdL*

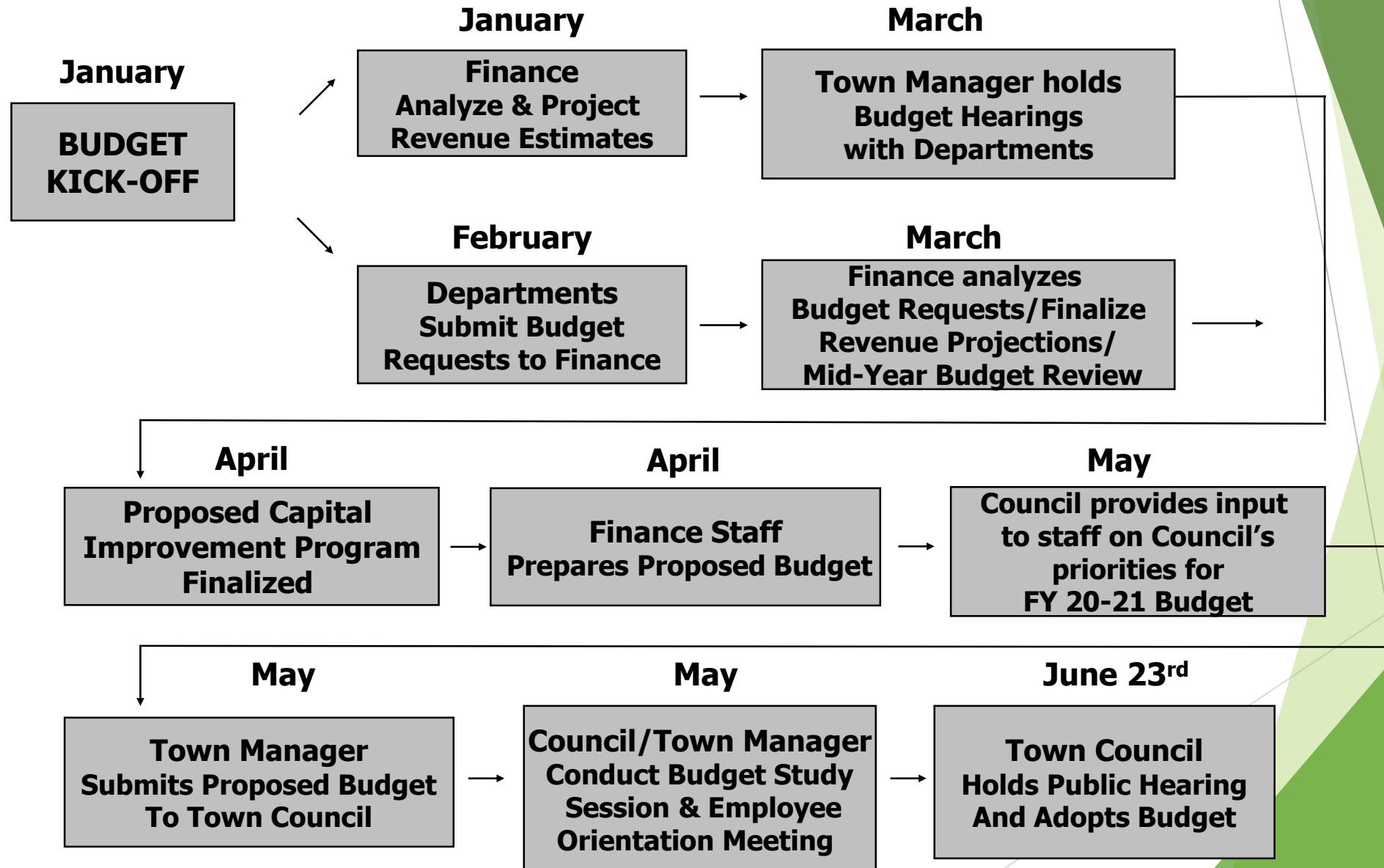
Rate Increase	Total Potential Sales and Use Tax Increase
1.00%	\$ 7,060,000.00

► Transient Occupancy Tax

► *Note: Based on 2019 revenue*

Rate Increase	Increase	Est. Potential Revenue
1%	\$ 1,742.86	\$ 13,942.86

Timeline For FY 20-21 Budget Adoption



Town of Apple Valley

FISCAL YEAR 2020-2021 PROPOSED BUDGET

Budget Study Session
May 26, 2020
Questions?

