

## **Budget Policy Decision #16**

**Issue:** Public/Cultural Art Program Funded by General Fund

**Included in Draft Budget:** YES

**Strategic Initiative:** A Community with High Quality Design and Development

### **Description of Policy**

The Municipal Code states that the Public Art Fee is for the purpose of funding the acquisition, installation, improvement, maintenance and insurance of art work to be displayed in the town and administration of the public art program. Community Development staff have been assigned to service the Public Arts Commission and complete a Public/Cultural Art Plan for the Commission's approval. In the 2009-10 Budget, staff costs had been allocated to the Public Art Fund, but the Council later directed that staff costs be charged to the Community Development Department and the General Fund. The proposed budget continues the most recent Council direction to charge costs to the General Fund.

### **Budget Implication if Included/Not Included**

The General Fund is supporting the preparation of the Public/Cultural Arts program. If Public Art fees are directed to fund the cost of administration as the Code allows, the General Fund would realize savings of \$30,000.

### **Level of Service/Productivity/Fiscal Stability Gained or Lost**

Whether funded by the General Fund or the Public Art Fees, the Community Development Work Program still includes the preparation of a Public/Cultural Arts Program.

### **Alternative(s) Analysis**

The Public Art Fund can be used to fund administrative costs of servicing the Commission and completing the Public Art Plan. Use of the Public Art Fund to support public art work would allow the General Fund to fund other service priorities or to increase the Reserve for Economic Uncertainty.

### **Lifecycle Cost Implications**

Ongoing General Fund funding of staff costs for servicing the Public Arts Commission would decrease General Fund support for other priorities,

but would preserve more Public Art funds for the acquisition of public art.

**Staffing Requirements**

Staffing is provided by the Community Development Department.

**Manager's Recommendation**

Continue to fund the Public Arts Program with General Fund revenue.

# **Budget Policy Decision #17**

**Issue:** Strategic Partnership Funding

**Included in Draft Budget:** Part of Mammoth Lakes Tourism Contract

**Strategic Initiative:** A Premier Destination Resort

## **Description of Policy**

During FY 2009-10 the Town Council allocated \$175,000 to the organizations listed on the attachment for occupancy driving activities. Some of this money had been budgeted for strategic partnerships, and the balance came from other sources. Overall \$147,000 came from Measure "A" tourism funds, and \$28,000 came from the General Fund. In the proposed budget all Measure "A" tourism funds are allocated to Mammoth Lakes Tourism and no General Fund money is designated for this purpose.

Mammoth Lakes Tourism has expressed the willingness to take over the three contracts and the strategic partnership program. Special event funding came up late in the year and was not discussed as part of the budget. Mammoth Lakes Tourism would like to take a different approach to the strategic partnerships. Rather than distribute small amounts to individual organizations, they would like to use the money on a campaign to support attendance at all the events.

## **Budget Implication if Included/Not Included**

The budget implications are the same if the money goes to Mammoth Lakes Tourism, or stays under Town Council control. However, no General Fund money has been allocated for this purpose.

## **Level of Service/Productivity/Fiscal Stability Gained or Lost**

The effectiveness of the marketing of these activities will be higher with a unified campaign under Mammoth Lakes Tourism. Tourism funds should be used by Mammoth Lakes Tourism for the purposes that most effectively increase occupancy.

## **Alternative(s) Analysis**

1. Allocate the strategic marketing funds to Mammoth Lakes Tourism.
2. Retain the funds and continue the current process through the Town.

3. Allocate General Fund money to supplement the Measure “A” tourism funding allocated to Mammoth Lakes Tourism.

**Lifecycle Cost Implications**

All Measure “A” funds are allocated to Mammoth Lakes Tourism by contract, and decisions about its use may be governed by the terms of the contract or left open.

**Staffing Requirements**

None. (Allocation through the Town takes considerable time to manage the application process, develop agreements, and issue checks.)

**Manager’s Recommendation**

Allocate the strategic marketing funds to Mammoth Lakes Tourism (along with all other Measure “A” tourism funds) and decide as part of the contract negotiation whether or not to designate how the strategic marketing program will be operated.

Attachment to BPD # 17

Mammoth Track Club Contract		\$50,000
Fireworks Contract		\$25,000
Chamber Contract		\$25,000
Strategic Partnerships:		\$47,000
Chamber Music Unbound	\$8,000	
Disabled Sports Eastern Sierra	\$7,300	
Eastern Sierra Avalanche Center	\$3,500	
Friends of the Inyo	\$3,000	
High Sierra Striders	\$3,200	
High Sierra Triathlon Club	\$7,500	
Mammoth Lakes Jazz Jubilee	\$2,500	
Mono Council Arts-Trail of Trout	\$2,000	
Rotary Club of Mammoth	\$4,000	
Sierra Summer Festival	\$3,500	
Villagefest	\$2,500	
Special Events		\$28,000
Mammoth Rocks	\$15,000	
Jazz Jubilee	\$5,000	
Bluesapalooza	\$3,000	
Blue Sky Festival	\$5,000	
Total		\$175,000

INTENTIONALLY LEFT BLANK

# Budget Policy Decision #18

**Issue:** Dedicated School Resource Officer (SRO)

**Included in Draft Budget:** YES

**Strategic Initiative:** A Great Place to Live and Work

## **Description of Policy**

The Budget does not increase police staffing or replace the officer that was dedicated to the SRO assignment. It does, however, provide that an existing officer will work that assignment when available and that \$55,000 of the cost will be charged to County Social Services grants.

## **Budget Implication if Included/Not Included**

Replacing the officer who was dedicated to the SRO would add \$150,000 to the budget. Failure to obtain Social Service Grant money would result in a \$55,000 funding gap in the budget. These expenses, if approved, would have to be offset by reductions in other areas.

## **Level of Service/Productivity/Fiscal Stability Gained or Lost**

Assigning an officer to the schools provides improved law enforcement and prevents crimes. Students become more familiar with and comfortable approaching law enforcement personnel which results in detection of crimes at an early stage and/or detection of crimes that may not have been detected. Educational activities reduce the incidence of crimes.

## **Alternative(s) Analysis**

1. Increase staffing so that an officer can be dedicated to the assignment.
2. Do not cover the SRO assignment and do not use \$55,000 grant from the County.

## **Lifecycle Cost Implications**

With the grant funds available and dedication of half of an existing officer's time to this assignment, there is a net cost of \$30,000 per year for providing the School Resource Officer function.

## **Staffing Requirements**

The budget proposes to use existing staff, when available.

**Manager's Recommendation**

Use an existing officer to cover the SRO assignment, when available, and assume that Social Service Grant funds will be available.

## **Budget Policy Decision #19**

**Issue:** Fund Housing Ordinance and Policy Development

**Included in Draft Budget: YES**

**Strategic Initiative:** A Great Place to Live and Work

### **Description of Policy**

The Housing Fund, which receives revenue from the housing share of Transient Occupancy Tax and In Lieu Affordable Housing Fees, includes \$100,000 to cover the cost of consulting services to develop a new housing ordinance and housing policies. This work will be a combined effort of Mammoth Lakes Housing and a consultant. It implements the Housing Element of the General Plan and the recommendations of the Community Facilities Funding Committee. The exact scope of the project is still under discussion.

### **Budget Implication if Included/Not Included**

The \$100,000 is a place-holder until a scope is established. If the money is not used for the development of a housing ordinance and policies it could be used for other workforce housing related purposes, or as matching funds for workforce housing grants.

### **Level of Service/Productivity/Fiscal Stability Gained or Lost**

Updating the housing ordinance and policies will provide certainty to developers and financiers who are considering projects in Mammoth Lakes because they will have a better understanding of the workforce housing mitigation requirements.

No specific alternate use for the funding has been identified.

### **Alternative(s) Analysis**

1. The Town Council could choose not to use a consultant and direct the Town's staff and Mammoth Lakes Housing's staff to do all or a greater portion of the work internally. This approach would take more time, divert staff from other high priority projects, and fail to take advantage of expertise from the consultant that is not available on staff.
2. This work could be delayed to a future funding cycle. However, such a delay could have a deleterious impact on development if there is a perception that the housing requirements are in flux and present a material risk.

**Lifecycle Cost Implications**

The housing ordinance and policies should be revisited periodically, particularly in conjunction with the mandated updates of the Housing Element of the General Plan. Once the policies are in place, the updates can be accomplished by Mammoth Lakes Housing staff. Therefore, this is considered to be a one-time expense.

**Staffing Requirements**

The primary staffing impact is on Mammoth Lakes Housing. Town staff will be required to review the product and present it to Planning Commission and Town Council. This time is built into the Town's work-plan.

**Manager's Recommendation**

Appropriate \$100,000 in the Housing Fund for consulting services to help update the housing ordinance and housing policies.

## **Budget Policy Decision #20**

**Issue:** Road Rehabilitation Funding Level

**Included in Draft Budget:** YES

**Strategic Initiative:** A Great Place to Live and Work

**Description of Policy:**

To maintain or improve the overall road network and reduce deferred maintenance costs. The road network in Mammoth Lakes has a current Pavement Condition Index (PCI) rating of 73. A rating of 73 is within the 70 to 100 PCI range and is considered to be in “good” condition. In 2007, the PCI rating was 76. Road rehabilitation funding in FY07-08, 08-09, and 09-10 was \$629,511; \$280,000; and \$691,205 respectively.

**Budget Implication if Included/Not Included:**

The funding level proposed for FY10-11 is \$750,000 from the Gas Tax/General Fund, which will support a normal level of road rehabilitation. With a consistent investment over the next 5 years of \$800,000 to \$1,000,000 in the road network it is estimated that the network PCI rating will remain in the “good” condition category; however, deferred maintenance cost will continue to increase.

**Level of Service/Productivity/Fiscal Stability Gained or Lost:**

The PCI is a measurement of pavement grade or condition and ranges from 0 to 100. To maintain a rating in the 70 to 100 range represents a significant investment in the community and in a community asset valued at over \$50 million. Maintaining the Town’s roads in a safe and drivable condition represents a gain in level of service and fiscal stability. On the other hand, a significant reduction in the level of service or the absence of any road rehabilitation would certainly have an adverse impact on the local economy.

**Alternative(s) Analysis:**

The investment made in the Town’s road system has varied over the years and is reflected in the PCI. If there is no investment in road rehabilitation over the next four years the projected average PCI in 2014 would be 64. This would represent a significantly higher percentage of “poor” and “very poor” roads within the network and a much higher deferred maintenance cost. Alternatively, an annual investment of \$2.75M would raise the network PCI to 78 by 2011 and keep it at that level through 2014. This investment would also slow the rate of increase in deferred maintenance cost. The optimum level of investment is

probably in the \$1.0 to \$1.5 million range. This would represent a network PCI of about 75 and a fairly level deferred maintenance rate.

**Lifecycle Cost Implications:**

Without sufficient investment in the road network the average PCI will continue to decrease and the deferred maintenance backlog will increase. The higher backlog will result in increased future costs as more capital intensive treatments (such as reconstruction) will be necessary as streets are deferred where less expensive overlays or surface treatments would otherwise be feasible.

**Staffing Requirements:**

12 FTE's for 1-1/2 months

**Manager's Recommendation:**

Allocate \$750,000 from the GasTax/General Fund to fund the proposed road rehabilitation program for FY10-11.

## **Budget Policy Decision #21**

**Issue:** "Urban Greening Plan" Project

**Included in Draft Budget:** YES

**Strategic Initiative:** A Community with High Quality Design and Development and A Leader in Environmental Sustainability

### **Description of Policy**

The Town has applied for a grant, in the amount of \$275,000, under the State Strategic Growth Council's Urban Greening Planning Grant program, of which approximately \$75,000 would be allocated to fund staff time on the project. Grant recipients will be notified in September 2010.

### **Budget Implication if Included/Not Included**

The grant has been assumed in the Budget and would provide \$75,000 in FY2010-2011 for staff work to develop the Urban Greening Plan. If not included, staff time could be allocated to other projects that could potentially be completed within a shorter time-frame than otherwise expected; however, alternate funding sources would need to be found (including other potential grants) to pay for staff work, or Community Development staffing levels would need to be reduced to stay within the available funding. It is better to reassess the department's objectives and needs once grant funding notification has been received.

### **Level of Service/Productivity/Fiscal Stability Gained or Lost**

The grant funds would fund staff and consultant work to prepare a Mammoth Lakes Urban Greening Plan that would implement District Planning and policies of the General Plan related to environmental sustainability. Developing a comprehensive urban greening plan will allow for more effective and targeted project and program implementation in future budget cycles, and will improve the Town's competitiveness for future grants.

### **Alternative(s) Analysis**

If it is assumed that the grant funds will not be received, budget adjustments would have to be made now to address service level and staffing needs in the Community Development Department. If the grant is ultimately received in the Fall, it would be extremely difficult to reprogram the work plan and replace/redirect staff to follow through on the grant requirements.

**Lifecycle Cost Implications**

A total of \$75,000 has been included in the grant to cover staff labor costs on the Urban Greening Plan in FY 2010-2011. Another \$25,000 in grant funds has been allocated for FY 2011-2012.

**Staffing Requirements**

Staffing for the Urban Greening Plan is planned within the work program for FY 10-11.

**Manager's Recommendation**

Assume for this current budget decision that the grant funds will be received, and that \$75,000 will be available to pay for staff time; re-assess, as necessary, once grant funding notification has been received.

## **Budget Policy Decision #22**

**Issue:** Fuel Reduction Funding

**Included in Draft Budget: YES**

**Strategic Initiative:** A Leader in Environmental Sustainability

### **Description of Policy**

The Mammoth Lakes Fire Protection District (MLFPD) has spearheaded a program to reduce fire hazards in and around Town by reducing potential forest fire 'fuel'. Multiple jurisdictions (including the Town) and grant funding have funded these efforts for the last several years. Because of delays caused by the USFS process, the FY 09-10 funding allocation of \$15,000 was not used and the funding has been carried over and added to another \$5,000 from the General Fund to total \$20,000 for FY 2010-11.

### **Budget Implication if Included/Not Included**

Both the carry-over and the additional \$5,000 are allocated from the General Fund. If not funded, the revenue could be allocated to a higher priority use but fuel reduction has been a high priority for the community for a number of years and the small investment could be a significant cost-savings in the future.

### **Level of Service/Productivity/Fiscal Stability Gained or Lost**

Forest fire fuel reduction program would be funded for the upcoming season decreasing the risk of a forest fire.

### **Alternative(s) Analysis**

Eliminating the Town's funding participation in the fuel reduction program would save the Town \$20,000 in the General Fund and would require MLFPD to either reduce the fuel reduction program or increase funding participation from other non-Town agencies.

### **Lifecycle Cost Implications**

The funding of the fuel reduction program for FY 10-11 does not obligate or require the Town to fund the program in the future.

### **Staffing Requirements**

MLFPD manages and administers the fuel reduction program. No Town staff is required.

**Manager's Recommendation**

Contribute \$20,000, from the General Fund, of which \$15,000 is carried over from FY 2009-10.