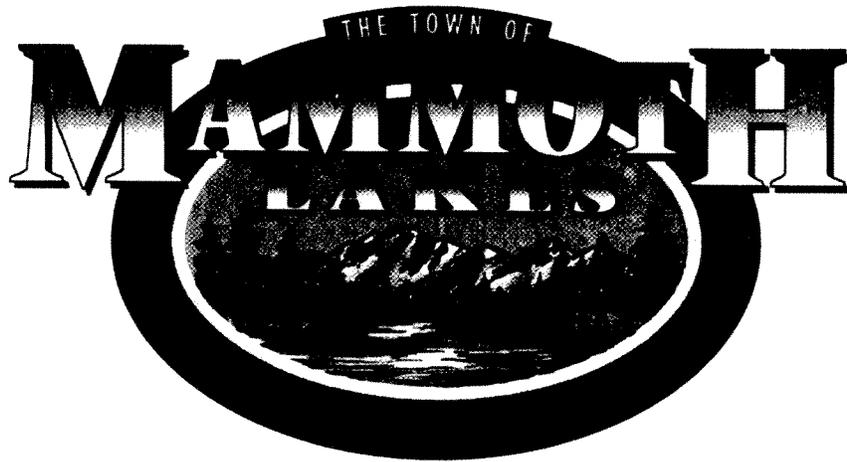


**TOWN OF MAMMOTH LAKES
PROPOSED BUDGET
VOLUME I
FISCAL YEAR 2009-2010**



THE TOWN OF MAMMOTH LAKES
Fiscal Year 2009-2010 Proposed Budget

Wendy Sugimura, Mayor
Neil McCarroll, Mayor Pro Tem
Jo Bacon, Councilmember
John Eastman, Councilmember
Skip Harvey, Councilmember

Robert F. Clark, Town Manager
Karen Johnston, Assistant Town Manager

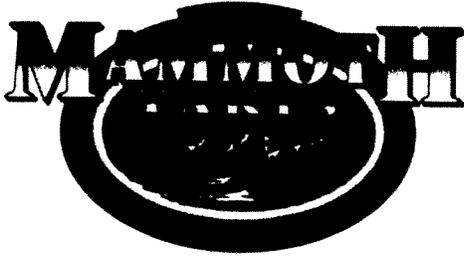
Michael Grossblatt,
Human Resources and Risk Management Director
Anita Hatter, Town Clerk
Raymond Jarvis, Public Works Director
Brad Koehn, Finance Director
Bill Manning, Airport and Transportation Director
Randy Schienle, Chief of Police
Danna Stroud, Tourism and Recreation Director
Peter Tracy, Town Attorney
Mark Wardlaw, Community Development Director

2009-10 BUDGET VOLUME 1

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OFFICE OF TOWN MANAGER

Robert F. Clark, Town Manager

P.O. Box 1609, Mammoth Lakes, CA 93546

MEMORANDUM

To: Town Council
From: Robert Clark, Town Manager
Subject: Transmittal of the Proposed Budget for FY 2009-10
Date: May 1, 2009

It is my pleasure to transmit the proposed budget for FY 2009-10. This year's budget is issued as we enter the eighteenth month of a world wide recession. The following paragraphs describe how we have addressed this unprecedented downturn and our recommendations for the coming year.

We are in the midst of the worst cyclical downturn since the Great Depression. Although it seems obvious now, the onset, duration and depth of the recession was not predicted by our national leaders and policy makers, major private sector economic forecasters, or the public and private sector locally. For example, MMSA approved a budget that assumed that company revenues would increase from \$114 million in FY 07-08 to \$146 million in FY 08-09. The Town budget projected that revenues in FY 08-09 would be the same as FY 07-08. Both the Town and MMSA made major mid-course corrections when it became apparent that the downturn was deeper than expected.

The Town has made the appropriate adjustments. As the impacts of the downturn became apparent, the Town acted promptly to minimize the impacts in three important ways. First, we recalibrated revenue estimates, starting with development related revenues, and more recently, transient occupancy tax shortfalls have been acknowledged as well. Second, staffing levels have been reduced to a sustainable level, even if the recovery is long and drawn-out. Third, the Town has drawn down reserves which were built up specifically to be used to mitigate the damage caused by cyclical downturns. The first two strategies are also reflected in the proposed budget.

The Center on Budget and Policy Priorities, the Institute on Taxation and Economic Policy, and other economic experts recommend that public entities build up "rainy day" funds during good times, and that they use them during a recession. They criticize entities that have restrictive rules for use of reserves, or onerous requirements for replenishment. Using reserves during a recessionary cycle blunts the immediate impacts and allows an agency to adjust smoothly. If reserves are not used during the worst recession in eighty years, then when should they be used?

In spite of the recession the Town has accomplished a lot.

A lot has been accomplished in spite of the difficult economic times. A list of accomplishments is attached. After many years of effort we were successful in re-establishing commercial air service. The expected passenger load factors were exceeded by a substantial margin even in bad economic times. The Town also undertook \$36 million in capital projects, 80% of which have been funded by grants. The Airport Terminal and Runway and the Lake Mary Bike Path were among those projects. Several major planning policies were addressed, hearings have been set to consider a newly negotiated trash franchise, and a Transition Board for a new Destination Marketing Organization has been formed. The Town also responded jointly with MMSA and other agencies to a bridge collapse on Lake Mary Road.

Economists expect to start seeing some improvements in FY 2009-10.

A survey of economists by the Wall Street Journal found that the majority expect the recession to end late in 2009. Gross domestic product, personal income, and disposable income are expected to go from negative this fiscal year to positive next fiscal year. Housing starts are expected to increase, but unemployment will grow worse in the near term. Hotel revenues are expected to decline slightly.

The proposed budget projects a very slow recovery, and assumes that revenues will be about the same in FY 2009-10 as the accrual receipts in FY 2008-09. This is \$1.7 million less than actual tax receipts in FY 2007-08. An overly conservative revenue forecast would mean that the community would not receive the full level of services that could be funded with a reasonable forecast. An overly optimistic forecast could result in further use of reserves. Other key elements of the proposed budget are:

- Revenues and expenditures are balanced
- Reserves are partially replenished through one-time revenue (economists do not recommend replenishing reserves with operational revenue until the economy reaches its full potential)
- Paving maintenance/management funding is restored to normal levels
- Expected legal expenses are covered
- Capital projects will continue
- A hiring freeze is proposed to create an additional cushion

The new budget format is based on the strategic framework established by the Town Council in November.

The Town Council established a framework which centers around four strategic initiatives:

- A great place to live and work
- A community with high quality design and development
- A premier year-round resort
- A leader in environmental sustainability

The entire budget is organized into a list of core services under these initiatives. Key budget policy decisions are highlighted. In most cases the Council and community will have to reduce service levels in one area in order to increase services in another.

Budget Preparation

The creation of the new budget format and process has been a very intense undertaking. I would like to thank the Council Budget Committee members Mayor Wendy Sugimura, Councilmember Jo Bacon, Finance Director Brad Koehn, and Assistant Town Manager Karen Johnston, and all of the Town department heads for the time, effort, and thought that has gone into this process.

Accomplishments FY 2008-09

Council Goals

1. Used the inCentergy process to develop a strategic framework for Town performance
2. Adjusted staffing and compensation levels to meet budget limitations
3. Clarified roles and relationships with Mammoth Lakes Housing
4. Adopted a policy regarding PAOT
5. Proposed a policy regarding community benefits and incentive zoning
6. Established a transition Board for a new Destination Marketing Organization
7. Developed a process for implementation of Measure "R"
8. Commenced air service in December 2008
9. Developed and implemented an airport business plan
10. Implemented a wildlife management program with interagency partners
11. Contracted with the wildlife management specialist
12. Agreed to terms of a new agreement with Mammoth Disposal
13. Completed the Destination Resort Steering Committee's Economic Development Strategy
14. Kept the Lake Mary Bike Path project on time, in scope and in budget
15. Made progress on other Council goals including: defining committee roles, developing housing policies; drafting the housing element; developing a condo-hotel policy; and appealing the Hot Creek litigation

Other Accomplishments

1. Built a commercial air service terminal
2. Repaved the runways and taxiways
3. Purchased new snow removal equipment for the airport
4. Replaced the automated weather observation station
5. Met all the requirements for and obtained a 139 certificate for commercial operations
6. Obtained federal government funding for TSA services
7. Implemented an airport marketing plan
8. Facilitated coordination of ESTA, MMSA and Reds Meadow transit services
9. Expanded Trolley and Lift ridership to 300,000 riders
10. Updated community development fees
11. Completed the Snowcreek NDS
12. Completed the North Old Mammoth NDS
13. Completed the North Village NDS
14. Completed the Clearwater EIR
15. Completed the Snowcreek VIII EIR
16. Completed the Mammoth Crossings EIR
17. Completed the Clearwater Specific Plan
18. Established a new program budget format
19. Developed a balanced proposed budget
20. Created a financial plan for ESTA and arranged a line of credit from the member agencies
21. Funded fire prevention programs

22. Updated the personnel rules
23. Processed the propane system transfer
24. Funded a community van pooling program
25. Reduced speeding through enforcement, signage and other measures
26. Undertook major drug enforcement activities
27. Made cosmetic improvements to the police station.
28. Participated in the Lake Mary Road Bridge emergency repairs
29. Completed the John Muir Road slope repair
30. Completed a draft parks, recreation, and open space plan
31. Completed a draft trails master plan
32. Completed a proposed signage and wayfinding plan for the trails system
33. Created the Mammoth Insider resort guide for winter 2009
34. Added the "Exact Target" e-mail marketing tool and Destination Travel Network advertising tool to the Visitor Bureau web-site
35. Partnered with the Forest Service on the Sherwin Area Trails Special Study and Lakes Basin Recreation and Transit Study
36. Participated in the Wilderness Bill development
37. Facilitated international media stories in Sydney, London and Germany
38. Opened the ice rink on time for winter operations
39. Significant progress has been made on other goals including: resolving Intrawest issues, reviewing Development Impact Fee rates, incentivizing single family construction and remodels, and Mammoth Crossing specific plan amendments

BUDGET POLICY GUIDE

The Town Council and Town Administration are committed to delivering the highest quality services under the most difficult budget circumstances. To do this, we must have a strong management system, know our values and priorities, and be disciplined about how we make decisions in order to respond quickly and effectively. Therefore, aligning our desired services and expectations for high quality with increasingly limited revenues is a high priority for the Town Council and staff.

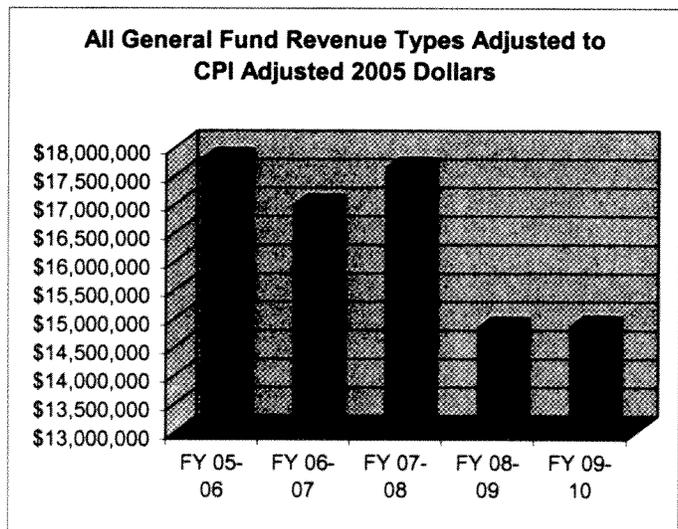
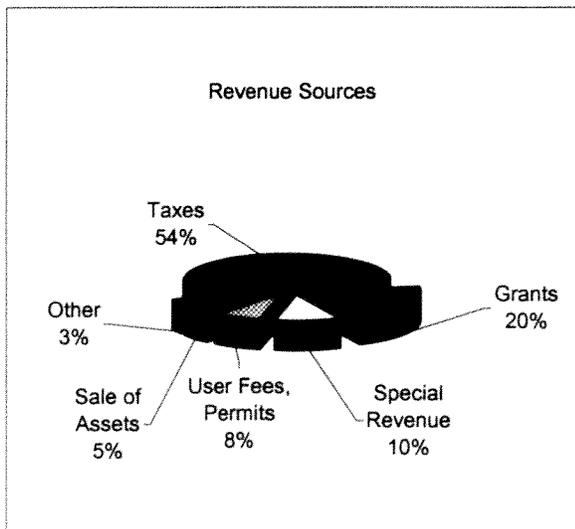
This Policy Guide is an overview of the formulation of the budget. It highlights a new approach to decision-making and how the Town Council is responding to changing conditions. It focuses on accountability and transparency. There will be difficult choices to be made and there will be no simple solutions. The Town will not be able to afford everything we have typically provided to the community. But, we will use a deliberate process to determine which programs we fund, which ones we fund less and which ones we must cut. Our responsibility is to be leaders and stewards of the public's resources, requiring us to address the challenges before us with determination and sound judgment.

THE FORECAST

Revenue and Expenditures

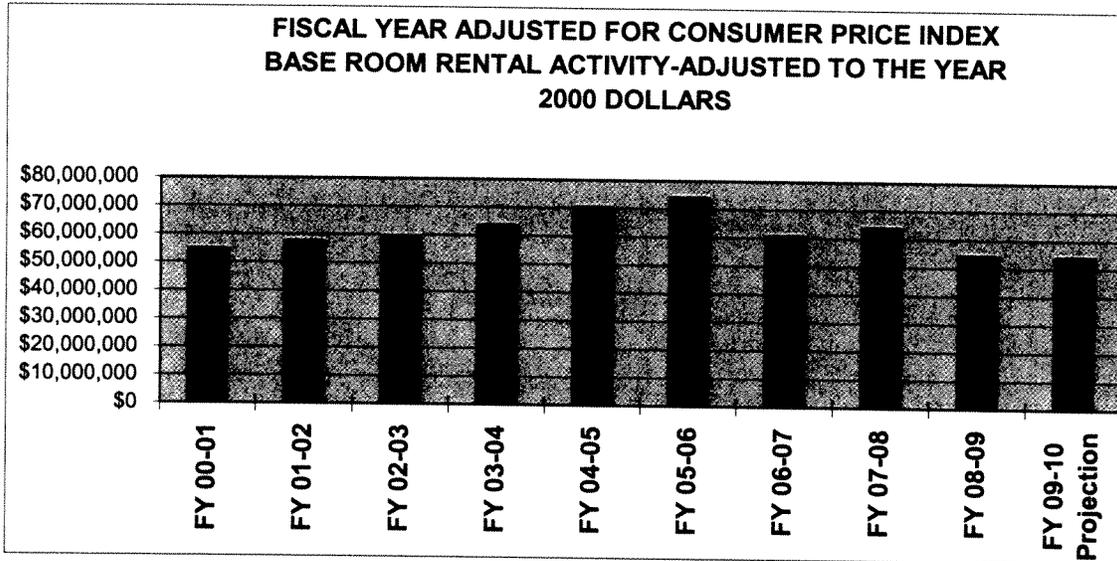
Revenue comes from many sources. Transient Occupancy Tax has been the most volatile revenue source. Prior to 08-09, the Town used a ten-year trend line to forecast Transient Occupancy Tax (TOT) revenue. Starting last year, the Town set revenue based on the actual receipts of the prior year to guard against overestimating as the recession began to materialize.

Due to the global economy's impacts on discretionary travel and visitation, the 2009-10 total revenue assumes a 9% decrease over last year's budgeted amount, which equals expected receipts in 08-09.



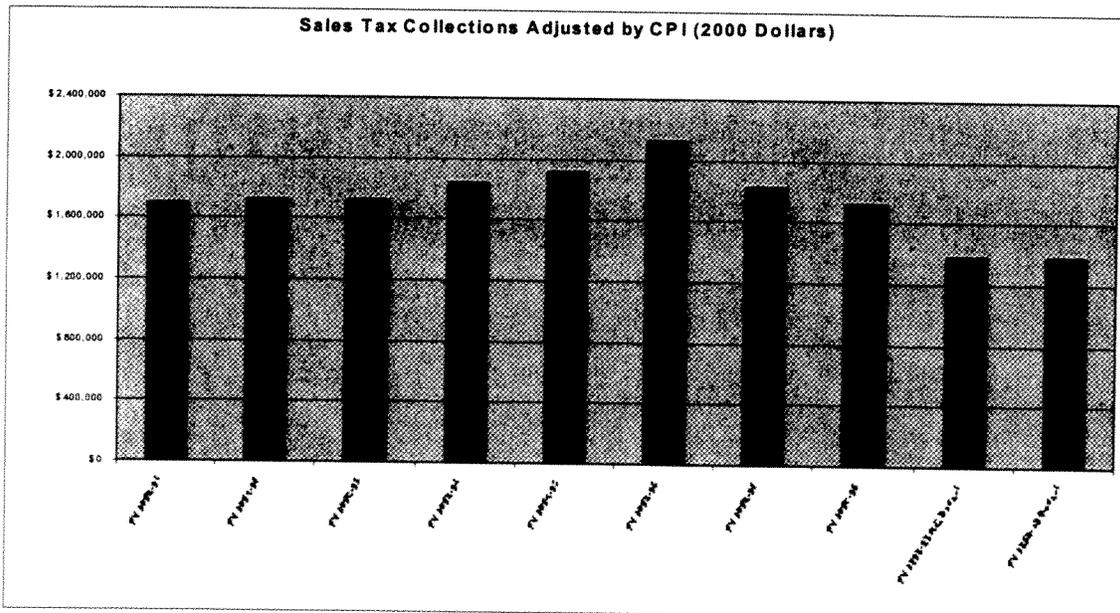
Transient Occupancy Tax (TOT)

Transient Occupancy Tax represents 54% of the estimated revenue. It reflects the same amount of TOT as was collected in 08-09, a 31.28% annual occupancy projection for next year and would be at 81% of the trend line, had we continued to use that model. The adjusted CPI TOT is at the lowest level in over ten years, in spite of increases in room rates and the tax rate change charged as a percentage of the room rate (10% to 13%).



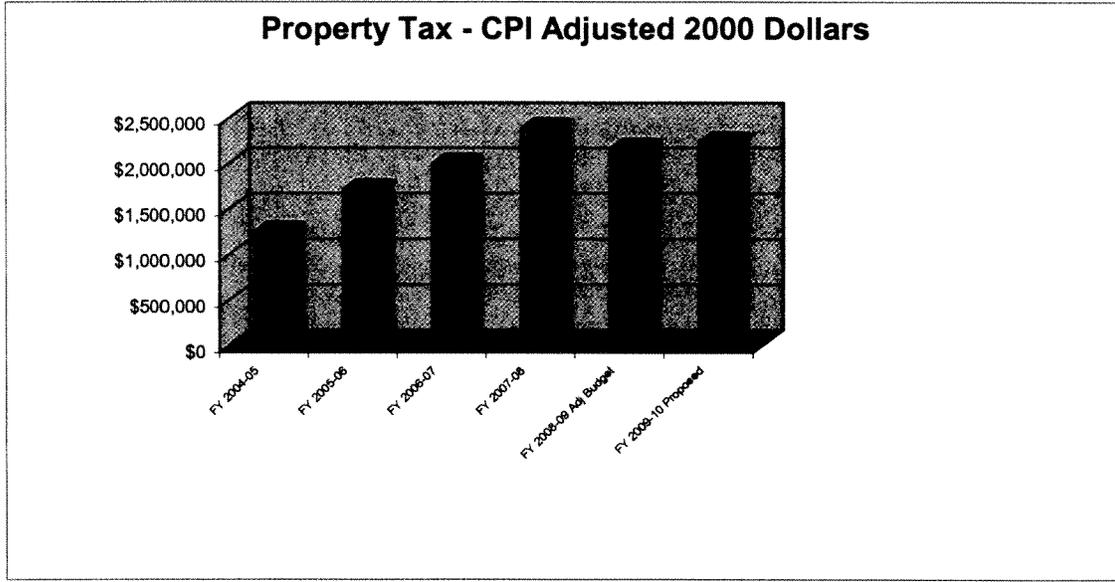
Sales Tax

Sales tax is also forecasted to be less than last year's forecasts. An 8% reduction in sales tax receipts is programmed in the 09-10 budget. The projection of 5.1% below the Statewide estimates for taxable sales.



Property Taxes

Property taxes are expected to grow by 1%. This includes the Mammoth Mountain Ski Area reassessment, 2% assessed valuation increase required by state law for most properties and other Mammoth Lakes' property tax adjustments.



Grant Funding

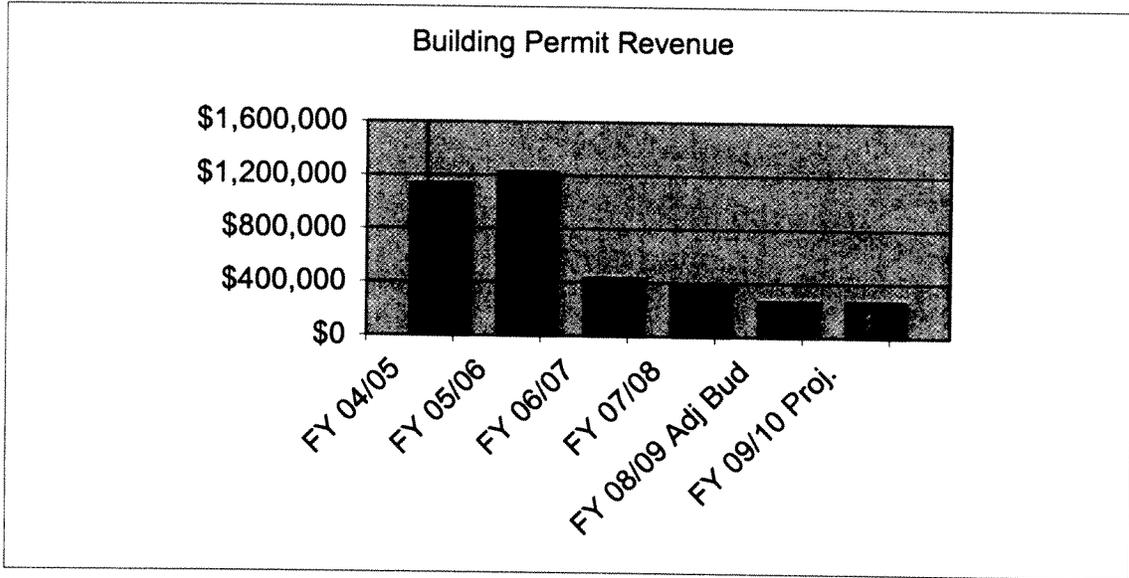
One way to maintain expected programs and services is to pursue grants that can contribute to the funding requirements. The following grants are expected to assist in funding targeted programs.

Operating Expenditure Grants	
Police Grants	\$292,958
Environmental Planning Grants	\$120,000
Airport Grant (Debt Service)	\$150,000
<u>Transit Facility Repayment Grant</u>	<u>\$112,860</u>
Total Grant Funding	\$675,818

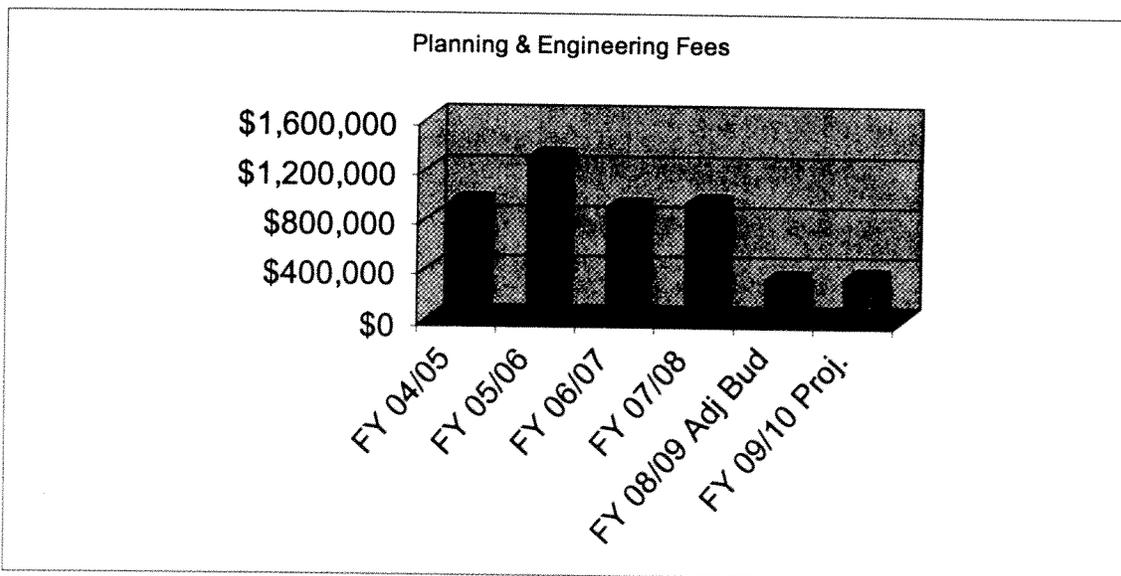
Capital Expenditure Grants	
<u>Capital Project Grants</u>	<u>\$5,385,417</u>

Projected Development

Development is not expected to rebound during the next fiscal year. The following graph demonstrates conservative assumptions for building permit revenue next year.



Commensurate with projected building activity, Development Revenue (Planning & Engineering) is expected to decrease by 74% over last year's projections and be equal to the poor activity that was experienced in the 08-09 fiscal year. Development Impact Fees are projected to be \$0 in fiscal year 09-10.



Staffing Reductions

The operating budget primarily funds employee costs. The total number of full-time employees was reduced during the 08-09 fiscal year to the lowest level since 2003. Another 17 positions are eliminated in the 09-10 Budget. The number of part-time employees fluctuates based upon season and need.

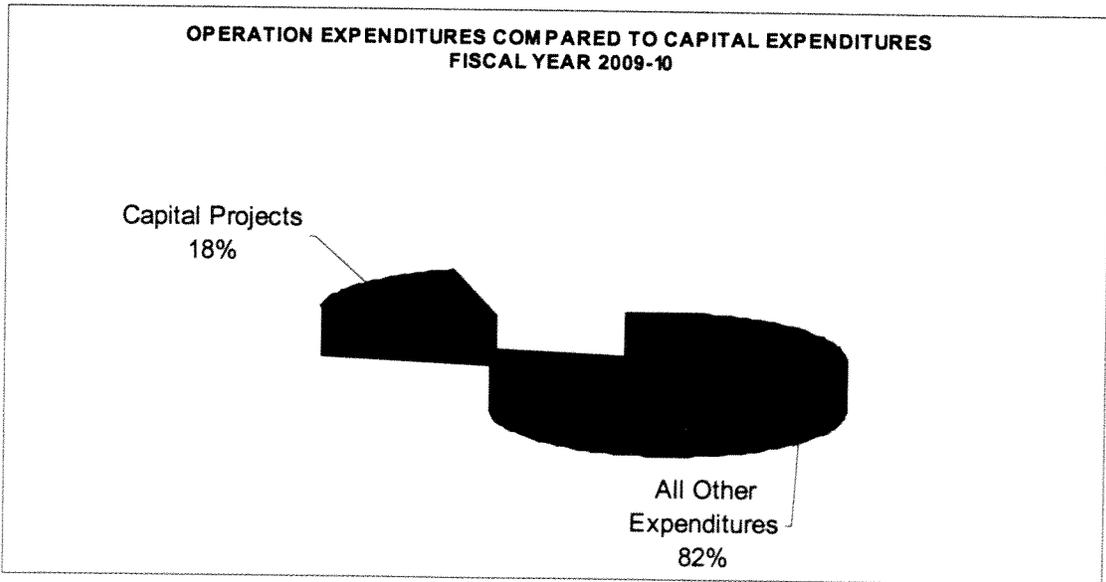
FY 07-08 Full Time Equivalents	126.14
FY 08-09 Full Time Equivalents	117.20
FY 09-10 Full Time Equivalents	100.10

Balanced Budget

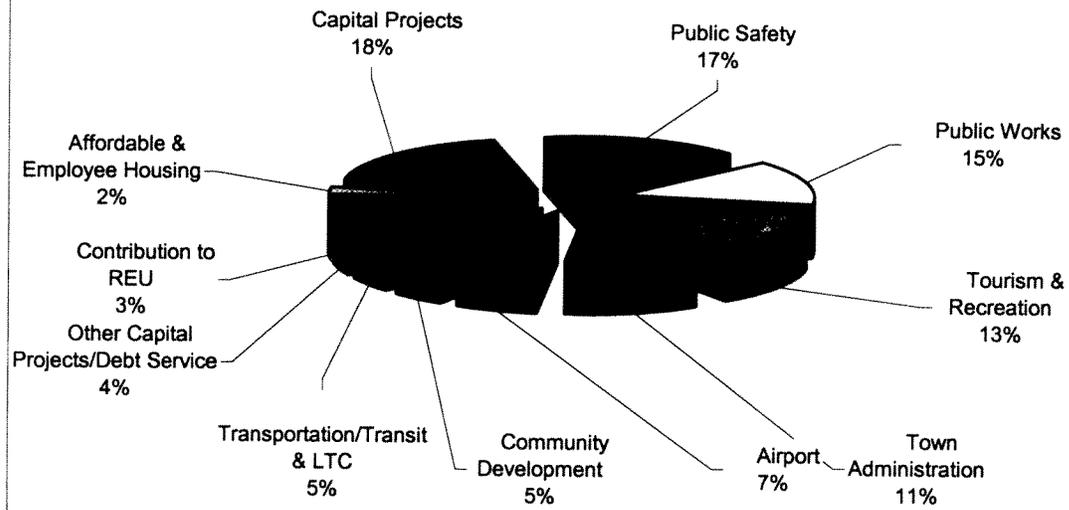
The Proposed 09-10 Budget does not use the Reserve for Economic Uncertainty (REU) to balance expenditures, but rather increases the REU. Expenditures have been adjusted to balance with expected revenue, primarily due to staff and operating expense reductions. In addition, each department has reduced its expenses for non-personnel costs to minimum essential levels. To replenish the Reserve for Economic Uncertainty (REU), the Town is recapturing the money used to assist Mammoth Hospital's purchase of the "civic center" parcel at the entrance to Town.

The revenue source with the least predictability is the receipt of Educational Reimbursement Account Funding (ERAF) from Mono County based upon nuances in state law. Currently, the Town is not expecting a shortfall. However, if funding is not available due to the implementation of State requirements, the Reserve for Economic Uncertainty has been replenished to 22.3% of the General Fund and would be available to meet an unexpected shortfall.

Capital Projects total 18% of all expenditures. Of the \$5.4 million in capital project funding, nearly 96% is funded by grants. The Garage Replacement Fund and Development Impact Fees make up the balance. The capital budget and operating budget stand alone and are balanced by their respective available funding sources.



EXPENDITURES BY DEPARTMENT FISCAL YEAR 2009-10



FISCAL STABILITY - USING ASSUMPTIONS

The revenue projection for fiscal year 09-10 is very conservative. It is not expected that the global economy will stabilize sufficiently to modify building development or visitation behavior.

The following worksheets describe the fiscal stability assumptions that have been made to create a balanced and conservative budget for the next fiscal year. The Town Manager has provided recommendations for consideration by the public, citizen's review committee, and Town Council.

FISCAL STABILITY DECISIONS AND FUNDING ASSUMPTIONS

The Budget is balanced. It includes a 9% reduction in operating revenue over the 2008-09 budget projections and a 69% overall reduction in Community Development and Public Works Engineering permits and fee revenue. It has been adjusted to include no more revenue than that which is anticipated, in aggregate, in 2008-09.

- 1% increase in Property Tax
- 7% reduction in Sales Tax
- 12% reduction in Transient Occupancy Tax
- 20% reduction in Business Tax
- 62% reduction in Land Use Fees
- 79% reduction in Building Permit Fees
- 71% reduction in Engineering Permit Fees

The Measure A funded services (marketing, housing) and Measure T transit services have been funded utilizing the politically approved formula. Because TOT/Measure A tax revenues are expected to be less this year, their allocation is also less than in previous years.

FISCAL STABILITY DECISION WORKSHEET

Revenue Policy Decisions	FSD #	Town Manager's Recommendation	Citizen's Committee Recommendation	Town Council Consensus
Use Land Sale to Replenish REU	1	\$1M increase to REU = 22.3% of Operating Budget		
Transient Occupancy Tax	2	\$9,200,074		
Property Tax	3	\$3,000,654		
Sales Tax	4	\$1,957,513		
Use GF Revenue to Maintain Artificially Reduced Building Permit Fees	5	\$287,580 from GF \$265,188 from fees		
Maintain Artificially Reduced Development Impact Fees and Housing Fees	6	\$0 Programmed		
ROW Sale and Matching Funds Used for Current Grant Funded Projects	7	Complete: Lower Canyon, Airport Access, N. Main Street frontage, Safe Routes to Schools, Main Street Traffic Signals, Lakeview Road, Lake Mary Road Bike Path, College Connector Path, Sherwin Street Bridge, Loaders/snowblowers		
Create Additional Financial Cushion	8	Freeze positions, shift responsibilities, internally recruit and apply for grants on a case by case basis		
Fund Litigation Expenses	9	\$750,000		
Assume ERAF Allocation is Made	10	\$10,000 to hire lobbyist to support legislation to maintain ERAF distribution to cities		
Employee Leave Liability Reserve	11	50% of value with \$158,521 programmed this year		
Annual Debt Service	12	\$1,992,742 payments due, including airport terminal refinancing		
Measure R Administration	13	Use up to \$72,422 to administer the process		

FISCAL STABILITY DECISION #1

ISSUE: Use \$1 million from land sale to partially replenish the Reserve for Economic Uncertainty (REU)

PURPOSE: Ensure fiscal stability for proper organizational management

DESIRED OUTCOME:

1. Increase REU from 16% to 22.3% (Council policy is 25%).
2. Protect the Town from unexpected financial downturns.

ASSUMPTIONS:

1. Difficulty predicting visitation in light of economy.
2. Collection of ERAF is not guaranteed.
3. Uncertainty about snowfall or other natural disaster.
4. Significant new development seems unlikely to occur in the near term.

ALTERNATIVES:

1. Sell the property and use the funds for capital projects rather than replenishing the REU.
2. Do not sell the land and keep the REU at 16%.
3. Sell the land and utilize the funds for some other desired program(s).

REVENUE: \$1 million

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Use \$1 million from land sale to partially replenish the REU.

FISCAL STABILITY DECISION #2

ISSUE: Transient Occupancy Tax Revenue Projection

PURPOSE: Ensure fiscal stability for proper organizational management

DESIRED OUTCOME:

1. Budget revenues conservatively and accurately, so as to avoid mid-year reduction in projections.
2. Protect the Town from unexpected fiscal downturns.
3. Maintain ability to provide vital community services and programs.
4. Meet political commitment to fund Tourism, Housing, and Transit.

ASSUMPTIONS:

1. Extreme local and global financial instability will continue through the fiscal year.
2. Occupancy rates will be much lower than average.
3. Uncertainty about snowfall or other natural disaster.

ALTERNATIVES:

1. Project TOT revenues more aggressively; this may result in the need to reduce revenue projections and expenditures/services during the course of the fiscal year.
2. Project TOT revenues more conservatively; this will result in a lower level of service to the public than could be provided with the current projection.

REVENUES: \$9,200,074

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Accept Transient Occupancy Tax revenue projection.

FISCAL STABILITY DECISION #3

ISSUE: Property Tax Projection

PURPOSE: Ensure fiscal stability for proper organizational management

DESIRED OUTCOME:

1. Budget revenues conservatively and accurately, so as to avoid mid-year reduction in projections.
2. Protect the Town from unexpected fiscal downturns.
3. Maintain ability to provide vital community services and programs.

ASSUMPTIONS:

1. Budgeted growth of 1% over prior year.
2. Proposition 13 growth limit of 2% for most properties.
3. MMSA Reassessment (increase) expected in FY 09-10.
4. County reviewing property sales for the last four years for potential reassessments/decreases.

ALTERNATIVES:

1. Project property tax revenues more aggressively; this may result in the need to reduce revenue projections and expenditures/services during the course of the fiscal year.
2. Project property tax revenues more conservatively; this will result in a lower level of service to the public than could be provided with the current projection.

REVENUES: \$3,000,654

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Accept property tax projection.

FISCAL STABILITY DECISION #4

ISSUE: Sales Tax Projection

PURPOSE: Ensure fiscal stability for proper organizational management

**DESIRED
OUTCOME:**

1. Budget revenues conservatively and accurately, so as to avoid mid-year reduction in projections.
2. Protect the Town from unexpected fiscal downturns.
3. Maintain ability to provide vital community services and programs.

ASSUMPTIONS:

1. Because of continued global economic instability, no increase compared to current adjusted FY 08-09 (8% decrease from original FY 08-09 budget).
2. Discount of additional 5.1% over State's projections.

ALTERNATIVES:

1. Project sales tax revenues more aggressively; this may result in the need to reduce revenue projections and expenditures/services during the course of the fiscal year.
2. Project sales tax revenues more conservatively; this will result in a lower level of service to the public than could be provided with the current projection.

REVENUES: \$1,857,513

**INCLUDED IN
DRAFT BUDGET:** **YES** **NO**

**MANAGER'S
RECOMMENDED
ACTION:** Accept sales tax projection.

FISCAL STABILITY DECISION #5

ISSUE: Use General Fund Revenue to Maintain Artificially-reduced Building Permit Fees through August 2010.

PURPOSE: Ensure fiscal stability for proper organizational management

DESIRED OUTCOME:

1. Stimulate work by local contractors and sub-trades.
2. Receive some fees rather than no fees.

ASSUMPTIONS:

1. Construction activity greatly reduced, partly because of fee level.
2. Lower fees may encourage project builders to commence construction.

ALTERNATIVES:

1. Restore fees to former level; this may depress construction activity and result in no, rather than reduced, fees to the Town.

REVENUES/COSTS: Fee income of \$265,188; General Fund Subsidy cost of \$237,550.

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Use General Fund Revenue to Maintain Artificially-reduced Building Permit Fees through August 2010.

FISCAL STABILITY DECISION #6

ISSUE: Maintain Artificially-reduced Development Impact Fees and Housing Mitigation Fees through August 2010.

PURPOSE: Ensure fiscal stability for proper organizational management

DESIRED OUTCOME:

1. Stimulate work by local contractors and sub-trades.
2. Receive some fees rather than no fees.

ASSUMPTIONS:

1. Construction activity greatly reduced, partly because of fee level.
2. Lower fees may encourage project builders to commence construction.

ALTERNATIVES:

1. Restore fees to former level; this may depress construction activity and result in no, rather than reduced, fees to the Town.

REVENUES/COSTS: No Development Impact Fees or Housing Mitigation Fees are programmed in the proposed budget.

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Maintain Artificially-reduced Development Impact Fees and Housing Mitigation Fees through August 2010.

FISCAL STABILITY DECISION #7

ISSUE: Use \$3.2 million right of way sale funds, and pursue grants, to support capital projects

PURPOSE: Ensure fiscal stability for proper organizational management.

DESIRED OUTCOME:

1. Complete important capital improvements: Lakeview Road, Lake Mary Road Bike Path, College Connector Trail, North Main Street Frontage Road, Safe Routes to School, Main Street Traffic Lights.
2. Preserve grant funds.
3. Avoid impacts on the General Fund.
4. Avoid returning grant funding to state or federal sources.
5. Stimulate employment through construction of capital projects.

ASSUMPTIONS:

1. Shortage of development related fee revenue.
2. Time limitations on grant funded projects.
3. Local match requirements for grant related funds.

ALTERNATIVE:

1. Do not expend ROW sale proceeds, and return grant funds for completed work to state and federal grantors. This would result in major service level reductions.

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Use \$3.2 million right of way sale proceeds, and pursue grants, to support capital projects.

FISCAL STABILITY DECISION #8

ISSUE: Impose a hiring freeze, shift staff responsibilities, recruit internally to fill critical vacancies, seek grants to fund existing staff, and find other non-personnel related savings.

PURPOSE: Ensure fiscal stability for proper organizational management

**DESIRED
OUTCOME:**

1. Preserve priority services and programs.
2. Create an additional financial "cushion".
3. Avoid unnecessary layoffs.
4. Spend less for the same services.
5. Preserve any grant funding available for staff work.

ASSUMPTIONS:

1. Traditional services cannot be provided if layoffs are overemphasized as a cost-cutting measure.
2. Without additional outside resources, there is insufficient funding to support needed staff.
3. Unpredictable economy.
4. REU is not fully funded.

ALTERNATIVE:

1. Potential lower service levels.
2. Potential need to transfer and retain staff.
3. May need to selectively fill vacant positions.

REVENUE: Unknown

**INCLUDED IN
DRAFT BUDGET:** **YES** **NO**

**MANAGER'S
RECOMMENDED
ACTION:**

Impose a hiring freeze, shift staff responsibilities, recruit internally to fill critical vacancies, seek grants to fund existing staff, and find other non-personnel related savings.

BUDGET POLICY AND PROGRAM DECISION #9

ISSUE: Budget \$750,000 for litigation expense

PURPOSE: Ensure fiscal stability for proper organizational management

DESIRED OUTCOME:

1. Set aside adequate funds for "Hot Creek" appeal.
2. Avoid negative impact to the general fund.

WHY IT IS NECESSARY:

1. To cover estimated litigation costs associated with appeal of \$30 million judgment against Town.

ALTERNATIVES:

1. Pay \$30 million judgment through bankruptcy.
2. Retain less experienced, less costly legal team.

COST: \$750,000

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Budget \$750,000 for litigation expense.

FISCAL STABILITY DECISION #10

ISSUE: Retain consultant to support ERAF legislation; assume ERAF allocation will be made.

PURPOSE: Ensure fiscal stability for proper organizational management

DESIRED OUTCOME: 1. Obtain State legislation that guarantees sales tax and motor vehicle tax back-fill.

WHY IT IS NECESSARY: 1. Protects \$1 million in revenues.

ALTERNATIVE: 1. Do not retain consultant; this may result in lower likelihood that the Town will obtain favorable legislation and the loss of \$1 million.

COST/REVENUE: \$10,000 for Town share; County to participate, others possible; revenue of \$1 million.

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Retain consultant to support ERAF legislation; assume ERAF allocation will be made

FISCAL STABILITY DECISION #11

ISSUE: Fund Employee Leave Liability Reserve at 50%.

PURPOSE: Ensure fiscal stability for proper organizational management

DESIRED OUTCOME:

1. Adequately fund employee leave to mitigate short term and long term use of leave.
2. Protect the Town from unexpected financial shortfalls.

ASSUMPTIONS:

1. This represents a conservative approach, as many governments absorb use of employee leave in the annual operation budget or only fund a portion (generally, 30%) of the leave value.
2. Provides financial overall strength to the organization.

ALTERNATIVES:

1. Increase the leave value coverage to as much as 100% by reducing service levels.
2. Decrease the leave value coverage to less than 50% in order to provide dollars for other spending priorities.

COST: Estimated 50% leave coverage is \$950,000; \$158,521 is programmed to achieve that level in the 2009-2010 FY.

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Fund Employee Leave Liability Reserve at 50%.

FISCAL STABILITY DECISION #12

ISSUE: Annual Debt Service

PURPOSE: Ensure fiscal stability for proper organizational management.

DESIRED OUTCOME:

1. Budget annual payments for Town issued debt.
2. Preserve the Town's credit rating.
3. Maintain viability of future financing opportunities.

ASSUMPTIONS:

1. The Town made a commitment to payment of its debt obligations at the time the debt proceeds were originally received.
2. Adverse legal actions against the Town are possible.
3. Debt proceeds have been used for various Town capital improvements (including airport terminal) and are an important tool in funding construction of future capital projects.
4. Debt proceeds are used to acquire needed fleet expansion for snow removal equipment.

ALTERNATIVE:

1. REU drawdown if 'rollover' airport terminal financing is not achieved.

COST: \$1,992,742 in annual debt service, including \$260,000 for airport terminal financing.

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Continue to pay the annual debt service and direct staff to pursue 'rollover' financing for the airport terminal.

FISCAL STABILITY DECISION #13

ISSUE: Administration of Measure R

PURPOSE: Premier Year-Round Resort
-Provide Recreation Facilities and Programs

PRIORITY CATEGORY: Quality of Life responsibilities that others do not perform

DESIRED OUTCOME: 1. Provide an account to charge staff time and materials to administer Measure R (no more than 8% of expected revenue), similar to Housing and Transit

WHY IT IS NECESSARY: 1. The Measure R guidelines provide for use of Measure R funds to administer the Measure R process.
2. If the General Fund is used, some other lower priority program will need to be reduced because of lack of sufficient funds.

ALTERNATIVES: 1. Do not use Measure R funds to administer the grant program and cut one position from Tourism and Recreation.
2. Do not use measure R funds to administer the grant program and cut some other General Fund program.

COST: \$70,422

INCLUDED IN DRAFT BUDGET: YES NO

MANAGER'S RECOMMENDED ACTION: Use up to \$70,422 of Measure R funds to administer the Measure R process as provided by the Measure R guidelines.

FOCUS ON PERFORMANCE

To address the priorities of the community, the Town of Mammoth Lakes' Budget is evolving from a traditional line-item budget to a user-friendly, performance-based budget. The new framework will describe the desired services, programs and activities that the Town may provide and then allocates funding to match priorities. Public leaders will set the cost of government by using revenues to purchase results that our community values most. As such, there is a direct link between the funding for labor, materials, resources and other costs and the results and priorities that are desired.

In late 2008, the Town Council, public, and staff engaged in "Moving Mammoth Forward", a strategic planning and performance management exercise to:

- 1) reconnect the organization to our core purpose and ensure we are delivering results that matter to our community, and
- 2) drive performance-oriented behavior and quality service delivery.

This effort linked the General Plan and supporting policy documents to short-term actions and long-term strategies that achieve our vision and the "triple bottom line" – equal attention to social, economic and environmental success. Using Strategic Initiatives, we will be able to incorporate the concepts of the General Plan Policies, Vision Statement, Triple Bottom Line, and Supporting Documents, such as the Mobility Plan and the Destination Resort Community Economic Development Strategy. It will likely take several years to modify our behavior and will require creating a dynamic work environment that is focused, efficient, and productive.

MISSION STATEMENT

To create a focus on performance, the Town Council and administrative staff developed a Mission Statement, or purpose, for the Town of Mammoth Lakes organization. Fashioned after the General Plan Vision Statement, our mission statement describes what the Town organization does:

*Surrounded by uniquely spectacular scenery and diverse, four-season recreational opportunities, **the Town of Mammoth Lakes is committed to providing quality public services that ensure the highest quality of life for our residents and our businesses, and an exceptional experience for our visitors.***

STRATEGIC INITIATIVES

The Council established four over-arching Strategic Initiatives that describe what the Town exemplifies. These are:

- A Great Place to Live and Work
- A Community with High Quality Design and Development
- A Premier Year-Round Resort
- A Leader in Environmental Sustainability

The Council, Commissions, and staff have made a commitment to make decisions that will achieve these Strategic Initiatives and to prioritize funding to meet the desired expectations.

BUDGET ALIGNMENT

Given the revenue trends and the desired Strategic Initiatives, it is important to prioritize and evaluate the services, programs and activities in order to meet community expectations.

The goal of the "Moving Mammoth Forward" process is to align the budget with the services, programs and activities that the Town provides to achieve the Strategic Initiatives. In so doing, the Town must commit to providing the resources that are necessary to achieve those services.

SERVICE AREAS

Within each Strategic Initiative, the Town provides key services that achieve the desired outcome. For example, "maintaining public safety" achieves the outcome of being "a great place to live and work." All programs that the Town provides fall under one of the Strategic Initiatives and one of the key services.

A Great Place to Live and Work

- Maintain Public Safety
- Manage Mobility & Transportation
- Promote Housing Opportunities
- Provide Quality Municipal Facilities, Infrastructure and Maintenance

A Community with High Quality Design and Development

- Establish Codes and Standards
- Provide Plan Review and Permitting
- Ensure Compliance with Codes and Standards
- Coordinate with Other Agencies and Partners
- Increase Community Participation and Outreach

A Premier Destination Resort

- Improve Visitor Access to Mammoth
- Promote Economic Development
- Provide Recreational Facilities and Programs
- Provide a Quality, Seamless Experience

A Leader in Environmental Sustainability

- Enforce Environmental Laws & Regulations
- Promote Resource Conservation
- Promote Green Technology Use
- Sustain Healthy, Natural Habitats & Wildlife

General Government

- Administrative Support
- Human Resources
- Finance and Accounting

PROGRAM BUDGET SUMMARY

On the following pages, the Program Budget Summary shows the financial commitment required to achieve the key services. The total budget for fiscal year 09-10 is \$34,050,141 and corresponds to the projected revenue and revenue assumptions described previously.

BUDGET ACTIONS TO ACHIEVE STRATEGIC INITIATIVES

The Budget has been developed in a way that matches programs and priorities to funding sources. The Budget is balanced based upon the Fiscal Stability Assumptions stated earlier and the proposed program priorities. The programs are identified within the Strategic Initiatives adopted by the Town Council.

Because the Budget is very conservative and lean, there is not a lot of discretion in the services and programs that the Town is expected to, or can financially, deliver. The Town Council will have to make difficult choices to fund some services and not others with the limited revenue and staffing available.

The following Budget Policy and Program Decision worksheets allocate funding to recommended programs and list those programs that are not currently funded. The Council may choose to fund other programs but must do so by reassigning staff and/or reallocating funding from a funded program.

The overarching objectives include:

(To be added after the Town Council addresses priorities.)

MAMMOTH LAKES FISCAL YEAR 2009-10 BUDGET SUMMARY

TOTAL ESTIMATED REVENUE	TOTAL ESTIMATED EXPENDITURES BY SERVICE
User Fees % Police Services Animal Licenses Facility Rental Tourism & Marketing Rec. Programs and Concessions Pool Fees Ice Rink Fees Public Art Fee CDD Fees Building Permit Fees Engineering Fees Development Impact Fees Airport Fees Passenger Fee Charge Long Valley Pit Fees Transit Fees Inter-Governmental Franchise Fees Other Charges and Fines Taxes Property Tax Property Tax In-lieu Fee Transient Occupancy Tax Sales Tax Utility User Tax Business Tax Measure R Mello Roos State Gas Tax Grants/Inter-Governmental Police Grants SNC Grants Regional Water Quality Grant Capital Grants FTA Grant FAA Grant ESTA Contract Other Interest on Investments Misc. Revenue McFlex Parcel Sale Hospital Option Installment Sale Savings from Frozen Positions Self Insurance Fund Contribution Assessment Revenue Assessment Reserve Drawdown Trust Drawdown Reserves Drawdown TOTAL ESTIMATED REVENUE	A GREAT PLACE TO LIVE AND WORK Maintain Public Safety Provide Quality Municipal Facilities, Infrastructure and Maintenance Manage Mobility and Transportation Promote Housing Opportunities Subtotal A COMMUNITY WITH HIGH QUALITY DESIGN & DEVELOPMENT Establish Codes and Standards Ensure Compliance with Codes and Standards Increase Community Participation and Outreach Provide Plan Review and Permitting Coordinate with Other Agencies and Partners Subtotal A PREMIER YEAR-ROUND RESORT Promote Economic Development Provide a Quality Seamless Experience Provide Recreation Facilities and Programs Improve Visitor Access to Mammoth Lakes Subtotal A LEADER IN ENVIRONMENTAL SUSTAINABILITY Promote Resource Conservation Sustain Healthy Natural Habitats and Wildlife Promote Green Technology Use Enforce Environmental Laws and Regulations Subtotal GENERAL GOVERNMENT Support, Administration, Human Resources, Finance Subtotal TOTAL OPERATING BUDGET CAPITAL BUDGET Capital Projects (non staff costs) OTHER EXPENDITURES Debt Fuel Reduction Fishing Enhancement Community Contributions Airport Litigation Assessment Expenditures Assessment Reserve Increase Reserve for Economic Uncertainty Increase Reserve Increase TOTAL ESTIMATED EXPENDITURES *
Mammoth Lakes Revenue	2009-10 Mammoth Lakes Expenditures
* expenditure calculations use a blended rate	

PROGRAM AND POLICY DECISION WORKSHEET

Programs Funded:

A Great Place to Live and Work

Program	BPPD #	Manager's Recommendation	Citizen's Committee Recommendation	Town Council Consensus
Council Discretionary Fund	1	\$25,000		
Deferred Infrastructure and Pavement Maintenance	2	Fund \$462,710 for materials and equipment from GF		
Community Service Officer	3	Hire from within		
Two Patrol Officers per Shift using COPS Grant	4	Use grants to achieve minimum 2 officers per shift		
Continue to Fund the School Resource Officer	5	Fund a School Resource Officer		
Continue to Accept Grants for Narcotics Task Force	6	Accept grants for Narcotics Task Force		

Quality Design and Development

Planning for Lakes Basin, Sherwins, Shady Rest	7	Assign staff to complete project		
Prepare for Reinvestment	8	Assign staff based on Council priorities		

Premier Year-Round Resort

Airport Operations for Commercial Air Service 3 flights/day	9	Fund \$97,976 to complete TSA improvements		
Air Service Subsidy	10	Allocate \$250,000 for Town's share of subsidy		
Form DMO	11	Allocate \$80,000 to hire Executive director		
Resort and Recreation Program Enhancement	12	Use existing staff to enhance special events		
Ice Rink Operations	13	Fund ice rink operations		
Contractual Services with Community Organizations	14	Fund a total amount at \$5000 more than last year –disburse by consensus		
Complete and Implement Cultural Arts Plan	15	Assign staff based on Council priorities		
Enhance TOT compliance from Single-family and condominium units	16	Use Finance and Police Staff and fund \$10,000 for audit		
Maintain Parks and Trails	17	Maintain existing level of service		

Environmental Sustainability

Wildlife Contract with Steve Searles	18	Renew the contract for \$55,000		
Air Quality Monitoring	19	Renew the contract for \$2,800		
Complete Mobility Plan EIR	20	Assign staff based on Council priorities		

Programs Not Funded:

A Great Place to Live and Work

Program	BPPD#	Manager's Recommendation	Citizen's Committee Recommendation	Town Council Consensus
Sidewalk Snow Removal	21	Do not fund		
Part Time Animal Control Officer	22	Do not fund		
Trails Wayfinding Plan Implementation	23	Only if USFS stimulus money materializes		
Manzanita Trail Connection	24	Seek an extension and do not fund.		
Town's 25 th Anniversary Celebration	25	Do not fund		

Quality Design And Development

Shift Staff Resources to Increase Code Enforcement	26	Maintain existing level of service		
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Premier Year-Round Resort

Website Improvement and Webcasting Technology	27	Do not fund		
Community Engagement	28	Do not fund		

Environmental Sustainability

Complete Environmental Analysis for Parks and Recreation Master Plan, Trail System Master Plan	29	Wait until grant funding is secured		
Prepare Climate Action and Resource Conservation Plan and Green Technology Training	30	Do not fund		
HSEF Funding	31	Use Council Discretionary Fund, if desired		

BUDGET POLICY AND PROGRAM DECISION #1

ISSUE: Council Discretionary Funding

STRATEGIC INITIATIVE FULFILLED: A Great Place to Live and Work

SERVICE TYPE: Proper Organizational Management

DESIRED OUTCOME:

1. Allow the Council to allocate funding to their priorities during the course of the fiscal year without affecting already-funded programs.

WHY IT IS NECESSARY:

1. Unexpected issues may arise during the year that the Council may wish to address with funding.

ALTERNATIVES:

1. Eliminate the Council Discretionary appropriation so funding can be provided now for unfunded priorities.
2. Increase the Council Discretionary appropriation by reducing other budgeted expenditures in order to provide greater funding flexibility during the course of the fiscal year.

STAFFING REQUIREMENTS: None.

COST: \$25,000 has been included in the Council Discretionary account.

INCLUDED IN DRAFT BUDGET: YES NO

MANAGER'S RECOMMENDED ACTION: Include \$25,000 for Council Discretionary in the budget.

BUDGET POLICY AND PROGRAM DECISION #2

ISSUE: Fund Deferred Infrastructure and Pavement Maintenance

**STRATEGIC
INITIATIVE
FULFILLED:**

Great Place to Live and Work
- Provide Quality Municipal Facilities, Infrastructure and
Maintenance

**SERVICE
TYPE:**

Required for Health and Safety

**DESIRED
OUTCOME:**

1. Increase the level of funding for road rehabilitation.
2. Complete the proposed road rehabilitation program for FY09-10.
3. Complete the road rehabilitation program that was postponed from last fiscal year.

**WHY IT IS
NECESSARY:**

1. To slow the rate of growth in the cost of deferred maintenance.
2. To provide well maintained streets for the safe and efficient movement of goods, services and citizens.

ALTERNATIVES:

1. Increase the future cost of deferred maintenance.
2. Experience more frequent and extensive pavement failures, resulting in more expensive solutions.

STAFFING

REQUIREMENTS: 13 FTEs for 1-1/2 months

COST:

\$462,710 in discretionary funds for materials

**INCLUDED IN
DRAFT BUDGET:**

YES

NO

**MANAGER'S
RECOMMENDED
ACTION:**

Fund the proposed road rehabilitation program for FY09-10.

BUDGET POLICY AND PROGRAM DECISION #3

ISSUE: Hire a Community Services Officer at the Police Department

STRATEGIC INITIATIVE FULFILLED: Great Place to Live and Work
- Maintain Public Safety

SERVICE TYPE: Proper Organizational Management

DESIRED OUTCOME:

1. Provide necessary staffing to manage the reception area of the Police Department.
2. Provide personnel necessary to manage the Police Department Property and Evidence Operations.
3. Provide support to the public and police personnel in the field
4. Handles parking enforcement when not assigned to the station.

WHY IT IS NECESSARY

1. Non-sworn police staffing is currently at a level that is causing considerable hardship on the overall department operations.
2. This position is necessary to provide support for a myriad of critical assignments within the police department.
3. Early retirement impacted the police department and its non-sworn personnel more dramatically than was anticipated.

TRADEOFF/ ALTERNATIVE: Continue to run the police front desk with one or two employees. Results in inefficient operations, could result in a failure to meet deadlines required by law, and results in unscheduled closures of the front desk.

STAFFING REQUIREMENTS: Hiring a Community Services Officer by recruiting an individual currently working in another Town department.

COST: \$71,141

**INCLUDED IN
DRAFT BUDGET:**

YES

NO

**MANAGER'S
RECOMMENDED
ACTION:**

Approve filling the vacant Community Services Officer for the Police Department, attempting to hire from the Town's existing staff.

BUDGET POLICY AND PROGRAM DECISION #4

ISSUE: Continue to staff Police Patrol to provide a minimum of two officers per shift and overlap coverage between 9 p.m. and 2 a.m. with COPS Grant – Cops Hiring and Recovery Program (CHRP)

STRATEGIC INITIATIVE FULFILLED: Great Place to Live and Work
- Maintain Public Safety

SERVICE TYPE: Required for Health and Safety

DESIRED OUTCOME:

1. Accept CHRP Grant to keep existing staffing levels of sworn Police Officers at the Police Department.
2. Provide timely response to calls for service.
3. Provide adequate Public Safety services.
4. Provide adequate Officer safety.

WHY IT IS NECESSARY:

1. More crime activity is occurring.
2. Existing Police staffing is necessary to meet minimum staffing levels for both public safety and officer safety, providing 24/7 coverage with a minimum staffing level of two officers per shift.
3. Keeps officers working in specialized/ collateral assignments.
4. Funds a police officer position for at or near 100% for 3 years, requires the Town maintain the position for one additional year at the conclusion of the grant cycle.

ALTERNATIVES:

1. Eliminate two existing sworn officer positions from the Police Department.
2. Eliminate overlapping coverage between 9 p.m. and 2 a.m.
3. Retain current staff, and re-evaluate staff level as turnover occurs.

STAFFING REQUIREMENTS: No increase in staffing; provides new grant funding to pay for a police officer currently employed.

COST: Minimal - \$120,000 funded by grant, no local match required for three years.

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Fund the current fifteen patrol positions with the COPS-CHRP grant, and re-evaluate staff level as turnover occurs.

BUDGET POLICY AND PROGRAM DECISION #5

ISSUE: Continue to fund the School Resource Officer

STRATEGIC INITIATIVE FULFILLED: Great Place to Live and Work

SERVICE TYPE: Required for health and safety

DESIRED OUTCOME:

1. Dedicate one officer primarily to school resource duties
2. Liaison between the schools/parents/students/police
3. Provide a safe, secure learning environment for students, teachers and staff in the Mammoth community

WHY IT IS NECESSARY:

1. Provide for early intervention to prevent juvenile crime
2. Assist the school district with serious disciplinary issues
3. Teach students to feel comfortable around police officers
4. Teach DARE Program and Life Skills Program in local schools, participates on the School Attendance Review Board.
5. Investigates juvenile cases locally; both those where there are juvenile suspects and juvenile victims
6. Liaison between Police Department, Social Services, Mental Health, District Attorney and Probation Department regarding juvenile activity.

ALTERNATIVE:

1. Eliminate one sworn police officer position
2. Review staffing as turnover occurs
3. Layoff is not recommended because it takes a full year of training before a new officer can operate as a sworn officer.

STAFFING REQUIREMENTS: One police officer

COST: \$168,444

**INCLUDED IN
DRAFT BUDGET: YES**

**MANAGER'S
RECOMMENDED
ACTION: Fund the school resource officer, and review staffing as
turnover occurs during the course of the year.**

BUDGET POLICY AND PROGRAM DECISION #6

ISSUE: Continue to accept grants to fund participation in Narcotics task forces.

STRATEGIC INITIATIVE FULFILLED: Great place to live and work

SERVICE TYPE: Required for health and safety

DESIRED OUTCOME:

1. Proactively enforce narcotic laws locally.
2. Provide adequate staffing to investigate complex narcotic cases.
3. Provide a sense of security for the community.

WHY IT IS NECESSARY:

1. Adding a third officer to the narcotic team has paid immediate dividends in narcotic enforcement efforts.
2. Has resulted in additional arrests, search warrants, recovery of narcotics, and use of informants to purchase narcotics from local narcotic dealers.
3. Improves officer safety and public safety in what is a very dangerous assignment for law enforcement personnel.
4. Removing persons who deal and use narcotics from the Mammoth community is an important element to keeping the community safe and desirable.

ALTERNATIVE:

1. Remove an officer from the narcotic assignment. This will eliminate some grant funding and will negatively impact local narcotic enforcement efforts; further, removal of an officer could result in disbanding of the local drug task force.

STAFFING REQUIREMENTS: Presently two officers from MLPD are assigned to the local narcotic task force.

COST: One officer position is fully grant funded and the second officer has his overtime paid by a grant.

INCLUDED IN
DRAFT BUDGET:

YES

NO

MANAGER'S
RECOMMENDED
ACTION:

Continue to accept grants to fund participation in Narcotics task forces.

BUDGET POLICY AND PROGRAM DECISION #7

ISSUE: Use of Measure A funds to support Lakes Basin, Sherwins and Shady Rest Planning.

STRATEGIC INITIATIVE FULFILLED: A Community with High Quality Design and Development
- Establish Codes and Standards

SERVICE TYPE: Quality of Life Responsibilities that Others Do Not Perform

DESIRED OUTCOME: 1. Management of strategic planning efforts for recreation facilities, amenities and opportunities to include Lakes Basin, Sherwins, and Shady Rest in partnership with our federal partner, USFS.

WHY IT IS NECESSARY: 1. Recreation is the engine driving our tourism-based economy and strategic planning of these areas will potentially provide a better experience which leads to greater visitation while securing economic and environmental sustainability.

ALTERNATIVE: 1. Planning efforts remain fractured and ad hoc, without clear engagement of stakeholders and potentially missed opportunities for recreation development.

STAFFING REQUIREMENTS: Existing staff.

COST: \$110,000 Measure A Funds, with \$40,000 SNC grant identified in FY 2009-10 T&R budget.

INCLUDED IN DRAFT BUDGET: YES NO

MANAGER'S RECOMMENDED ACTION: Fund staff resources to perform these services.

BUDGET POLICY AND PROGRAM DECISION #8

ISSUE: Prepare for Reinvestment with Strategic Planning, to include conducting district planning and codifying regulations for NOMR, Main Street, NVSP amendments, and Sierra Valley Sites.

STRATEGIC INITIATIVE FULFILLED: Community with Quality Design and Development
- Establish Codes and Standards

SERVICE TYPE: Proper Organizational Management

DESIRED OUTCOME:

1. Town adoption of current and cohesive policies and zoning ordinances that implement the 2007 General Plan.

WHY IT IS NECESSARY:

1. All Town regulatory documents are required to be consistent with the General Plan. In 1987, the Town adopted its first General Plan and adopted its first complete zoning code in 1990. Various incremental code amendments have been made over the last 19 years. With the adoption of the 2007 General Plan, it is acknowledged that the disconnect between the existing Zoning Code and the General Plan has been made greater underscoring the need for a comprehensive update.
2. District planning allows for the development of community-based plans that incorporate and apply PAOT, impact mitigation, and community benefits and incentive zoning polices tailored to each unique area.
3. Codification of district plans will streamline the permit process and prepare for future reinvestment in the community.

ALTERNATIVE:

1. If current and consistent codes are not established, it is likely that the public, appointed and elected officials, staff and applicants will continue to grapple with complex and

- controversial policies in open forums resulting in time consuming, costly and contentious processes.
2. Assign staff to another priority.

STAFFING

REQUIREMENTS: Existing staff will be utilized.

COST: No contractual services included

INCLUDED IN

DRAFT BUDGET:

YES

NO

MANAGER'S

RECOMMENDED

ACTION:

Fund staff resources to complete this work program based upon Council priorities.

BUDGET POLICY AND PROGRAM DECISION #9

ISSUE: TSA requires security upgrades to expand commercial air service to to accommodate three daily winter flights and one daily flight year round.

STRATEGIC INITIATIVE FULFILLED: Premier Year-round Resort
- Improve Visitor Access to Mammoth Lakes

SERVICE TYPE: Quality of life responsibilities others do not perform.

DESIRED OUTCOME:

1. Increase daily winter commercial flights to three
2. Add one daily commercial flight for year round service.

WHY IT IS NECESSARY:

1. An increase in the number of annual enplanements to 10,000 will result in a \$1,000,000 in FAA annual entitlement grant.
2. Increased enplanements translates to increased community convenience, marketing, modal shift, longer visits, and revenue.

ALTERNATIVE:

1. Do not fund expanded air service, and maintain service level of one daily flight, winter only.

STAFFING REQUIREMENTS: TBD, depending on flight schedule.

COST: 24 hour TSA security requirements: \$97,676.

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Fund \$97,676 for TSA Improvements.

BUDGET POLICY AND PROGRAM DECISION #10

ISSUE: Subsidy for Expanded Commercial Air Service

STRATEGIC INITIATIVE FULFILLED: Premier Year-Round Resort
- Improve Visitor Access to Mammoth Lakes

SERVICE TYPE: Quality of Life Responsibilities that Others Do No Perform

DESIRED OUTCOME:

1. Expand commercial service to increase access from new markets into Mammoth Lakes.
2. Expand commercial service to at least one flight/day year-round.

WHY IT IS NECESSARY:

1. Sustain local economy.
2. Develop new markets.
3. Overcomes perception that Mammoth is difficult to access.
4. Increase likelihood of 10K annual enplanements, resulting in \$1 million FAA entitlement grant.

ALTERNATIVE:

1. Do not subsidize year-round service; this could likely result in loss of opportunity to develop new markets for Mammoth Lakes.

STAFFING REQUIREMENTS: None at this time

COST: Up to \$250,000 (anticipated TOML share, funded by T&R Reserve)

INCLUDED IN DRAFT BUDGET: YES NO

**MANAGER'S
RECOMMENDED
ACTION:**

Approve using T&R Reserve Funds as/if needed for commercial air service subsidy up to \$250,000 beginning December '09 through June '10

BUDGET POLICY AND PROGRAM DECISION # 11

ISSUE: Formation of Non-Governmental Destination Marketing Organization (DMO)

STRATEGIC INITIATIVE FULFILLED: Premier Year-Round Resort
- Promote Economic Development

SERVICE TYPE: Quality of Life Responsibilities that Others Do Not Perform

DESIRED OUTCOME:

1. Form a non-governmental DMO for purpose of managing the destination's sales and marketing efforts
2. Leverage private sector funds with public funds for collaborative marketing efforts

WHY IT IS NECESSARY:

1. To achieve economic sustainability
2. Engage local travel business community in sales and marketing efforts
3. Develop an advocacy voice for tourism industry

ALTERNATIVE: 1. Tourism Department of the Town of Mammoth Lakes acts as the community's marketing arm.

STAFFING REQUIREMENTS: Hire an Executive Director FY '09-'10; T&R Director will staff Transition Board efforts along with Town Manager

COST: \$80,000
INCLUDED IN DRAFT BUDGET: YES NO

MANAGER'S RECOMMENDED ACTION: Approve allocation of \$80,000 within T&R Department budget for DMO Transition Board Executive Director and related expenses.

BUDGET POLICY AND PROGRAM DECISION #12

ISSUE: Resort and Recreation Programming Enhancement

STRATEGIC INITIATIVE FULFILLED: Premier Year-Round Resort
- Provide Recreation Facilities and Programs

SERVICE TYPE: Quality of Life Responsibilities that Others Do Not Perform

DESIRED OUTCOME:

1. Provide financial support for targeted special events to build visitation.
2. Enhance visitor experiences through program development (trails maps, weekly events, and experiential activities)
3. Engage visitors with abundant recreation opportunities and special events.

WHY IT IS NECESSARY:

1. Achieve economic sustainability
2. Ensure a positive visitor experience provides reason for guests to return to Mammoth

ALTERNATIVE: 1. Continue with ad hoc, individual efforts

STAFFING REQUIREMENTS: Existing staff

COST: \$15,000 in special event development

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Assign existing staff to resort and recreation programming enhancement.

BUDGET POLICY AND PROGRAM DECISION #13

ISSUE: Ice Rink Operations Winter 2009-10

STRATEGIC INITIATIVE FULFILLED: Premier Year-Round Resort
- Provide Recreation Facilities and Programs

SERVICE TYPE: Quality of Life Responsibilities that Others Do Not Perform

DESIRED OUTCOME: 1. Provide a winter recreational experience for residents and visitors to include figure skating and ice hockey

WHY IT IS NECESSARY: 1. Provide optional recreation opportunities for winter

ALTERNATIVE: 1. Do not operate the ice rink in the upcoming winter; should this alternative be selected, Mello-Roos funds may not be available to reinstate the ice rink operations in the future.

STAFFING REQUIREMENTS: Existing staff

COST: \$242,208 total (funded from Recreation Reserve: \$68,731; General Fund, \$80,448; Mello Roos Fund, \$54,429; Ice Rink Revenue, \$38,600).

INCLUDED IN DRAFT BUDGET: YES NO

MANAGER'S RECOMMENDED ACTION: Continue funding ice rink for FY 09-10.

BUDGET POLICY AND PROGRAM DECISION #14

ISSUE: Contractual Services with Community-based Organizations

STRATEGIC INITIATIVE FULFILLED: Premier Year-Round Resort
- Promote Economic Development
- Provide Recreation Facilities and Programs

SERVICE TYPE: Quality of Life Responsibilities that Others Do Not Perform

DESIRED OUTCOME:

1. Support and enhance the efforts of local organizations including Mammoth Track Club, Mammoth Lakes Chamber of Commerce, Southern Mono Historical Society and Mammoth Lakes Trails and Public Access
2. Leverage public funds through contracts for specified services and deliverables with these key organizations

WHY IT IS NECESSARY:

1. Local organizations can deliver services and efforts that the government agency may not be able to deliver
2. Diversifies the efforts of local organizations

ALTERNATIVE:

1. Do not fund local organizations, and do not support services and deliverables. Without public fund support, some of the organizations may not continue to exist.

STAFFING REQUIREMENTS: Existing staff.

COST: \$170,000
INCLUDED IN DRAFT BUDGET: YES NO

MANAGER'S RECOMMENDED ACTION: Approve allocation of \$170,000 within T&R Department budget for contractual service with Mammoth Track Club, Mammoth Lakes Chamber of Commerce, MLTPA and Southern Mono Historical Society.

BUDGET POLICY AND PROGRAM DECISION # 15

ISSUE: Complete and implement a Cultural Arts Plan

STRATEGIC INITIATIVE FULFILLED: Premier Year-round Resort; and
Community with High Quality Design and Development
- Establish Codes and Standards

SERVICE TYPE: Proper Organizational Management
Quality of Life Responsibilities that Others Do Not Perform

DESIRED OUTCOME:

1. Establish and implement a cohesive plan that will provide a broad range of cultural and artistic opportunities by encouraging and sponsoring concerts, performances, visual art exhibits, festivals, and sporting and educational and civic activities in the community.
2. Implement Public Arts Program as developed by Public Arts Commission
3. Achieve the most effective and efficient use of Town financial and staff resources to this end.

WHY IT IS NECESSARY:

1. Annually increase Town visitation and occupancy rates.
2. Stabilize and strengthen local businesses.
3. Annually increase municipal revenues and their reliability.

ALTERNATIVE:

1. Continue with an incremental and ad hoc delivery of cultural arts programs.
2. Assign staff to other priorities.

STAFFING REQUIREMENTS: Existing staff.

COST: No additional contractual services needed.

INCLUDED IN DRAFT BUDGET: **YES** **NO**

**MANAGER'S
RECOMMENDED
ACTION:**

Assign staff based on Council priorities.

BUDGET POLICY AND PROGRAM DECISION #16

ISSUE: Increase Compliance with the Town ordinance regulating collection of Transient Occupancy Tax (TOT)

STRATEGIC INITIATIVE FULFILLED: Premier Year-Round Resort

SERVICE TYPE: Proper Organizational Management

DESIRED OUTCOME:

1. Increase legal compliance and collection of TOT revenue.
2. Interdepartmental efforts by both the Finance and Police departments.
3. On-going audit program of existing TOT remitters in partnership with Mono County.

WHY IT IS NECESSARY:

1. Individual owner marketing is easier and more powerful through the internet and those 'new' remitters must be informed of the TOT compliance requirements.
2. Stronger compliance efforts coordinated between the finance and police departments have a broader compliance result.
3. TOT revenues are the largest General Fund revenue and therefore contribute considerable funding for many Town services and programs.
4. Audit programs have a proven record to increase remitter understanding of the requirements and increase revenue.

ALTERNATIVE:

1. Do not engage potential 'new' TOT remitters, who will likely either be uninformed or purposely ignore compliance requirements.
2. Do not conduct audits on or educate existing remitters; this could result in their being uninformed of the TOT requirements or purposely under-reporting TOT.

STAFFING REQUIREMENTS: Time allocated from two finance staff and one detective.

COST: Fill vacated finance position via internal recruitment; potential to realize increased TOT revenue. \$10,000 for contract audit services.

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Provide work effort with inter-department transfer to maintain finance effort on TOT compliance (also maintains ESTA accounting services) and continue police-finance interdepartmental TOT compliance efforts. Approve audit program of existing TOT remitters using existing contract partnership with Mono County.

**MANAGER'S
RECOMMENDED
ACTION:**

Maintain current level of service.

BUDGET POLICY AND PROGRAM DECISION #18

ISSUE: Manage wildlife and continue contract with Steve Searles

**STRATEGIC
INITIATIVE
FULFILLED:**

Environmental Sustainability
- Sustain Healthy Natural Habitats and Wildlife

**SERVICE
TYPE:**

Quality of Life Responsibilities that Others Do Not Perform

**DESIRED
OUTCOME:**

1. Increase public confidence in the Town's Wildlife Efforts.
2. Provide a working relationship with the Police Department and wildlife management to effectively manage wildlife.
3. Provide public education regarding feeding of wildlife and proper waste and food storage.

**WHY IT IS
NECESSARY**

1. Provide a positive public perception.
2. Effectively address wildlife problems locally.
3. Work within the guidelines set forth in Town's Human-Bear Management Plan.

ALTERNATIVE:

1. Handle wildlife calls with police personnel.
2. Rely on California Department of Fish and Game to respond to wildlife calls.
3. Not hire a wildlife contractor.

STAFFING

REQUIREMENTS: Renewing contract with Steve Searles as a Wildlife Contractor. No increases to existing Town staff.

COST: \$55,000

**INCLUDED IN
DRAFT BUDGET:**

YES

NO

**MANAGER'S
RECOMMENDED
ACTION:**

Renew the contract with the current Wildlife Contractor.

BUDGET POLICY AND PROGRAM DECISION #19

ISSUE: Continue Air Quality Monitoring Contract with Howard Sheckter

STRATEGIC INITIATIVE FULFILLED: Environmental Sustainability
- Enforce Environmental Laws and Regulations

SERVICE TYPE: Required by Federal, State or Local Codes

DESIRED OUTCOME:

1. Effectively communicate "no burn days" to maintain healthy air.
2. Be able to predict in advance when climate conditions may result in "no burn days".

WHY IT IS NECESSARY

1. The combination of atmospheric conditions, road cinders, and wood smoke periodically create unhealthy air conditions in Mammoth Lakes in the form of PM-10s.
2. The Town's Air Quality Ordinance calls for "no burn days" when the level of PM-10's is unhealthy.

ALTERNATIVE:

1. Use staff to monitor air quality; this would result in a significant reduction of expertise gained by the contract with Mr. Sheckter.

STAFFING REQUIREMENTS: Renewing contract with Howard Sheckter for Air Quality Monitoring. No increases to existing Town staff.

COST: \$2,200 - \$2,800.

INCLUDED IN DRAFT BUDGET: YES NO

MANAGER'S RECOMMENDED ACTION: Renew the contract for Air Quality Monitoring with Howard Sheckter.

BUDGET POLICY AND PROGRAM DECISION #20

ISSUE: Complete Mobility Plan EIR

**STRATEGIC
INITIATIVE
FULFILLED:**

Environmental Sustainability
- Enforce Environmental Laws and Regulations

**SERVICE
TYPE:**

Required by Federal, State, or Local Codes

**DESIRED
OUTCOME:**

1. Adoption of the Mobility Plan that integrates the goals and policies of the 2007 General Plan Mobility Element with implementation policies, guidelines and standards.

**WHY IT IS
NECESSARY:**

1. Completion of the environmental analysis is required to adopt the Mobility Plan.
2. To provide the policies, guidelines and standards that describe how the General Plan Mobility Element will be implemented as new development or re-development occurs..
3. To provide clear expectations related to Mobility planning and development.

ALTERNATIVES:

1. Evaluate each development proposal on an individual basis for compliance with the General Plan Mobility Element without a comprehensive town-wide Mobility Plan.
2. Assign staff to another priority.

STAFFING

REQUIREMENTS: Existing staff and expert consultants.

COST:

\$175,000 required for all work. Only \$75,000 is available from LTC for staff subsidy. Consultant work is not funded.

**INCLUDED IN
DRAFT BUDGET:**

YES

NO

**MANAGER'S
RECOMMENDED
ACTION:**

Assign staff based on Council priorities.

BUDGET POLICY AND PROGRAM DECISION #21

ISSUE: Sidewalk Snow Removal – Walkable Community Plan

**STRATEGIC
INITIATIVE
FULFILLED:**

Great Place to Live and Work
- Maintain Public Safety

**SERVICE
TYPE:**

Required for Health and Safety

**DESIRED
OUTCOME:**

1. Provide sidewalk snow removal on the north Side of Meridian from Sierra Park to Azimuth and Sierra Park from Meridian to Tavern Road.
2. Reduce the risk of injury claims to the Town.

**WHY IT IS
NECESSARY:**

1. Provide safe walking routes to schools during winter months.
2. Reduce the potential for pedestrian vs. vehicle accidents.

ALTERNATIVE:

1. Students and other pedestrians will continue to use the streets for walking.
2. Provide sidewalk snow removal less frequently throughout Town to allocate hours to this task.

**STAFFING
REQUIREMENTS:**

Hire one part-time operator for the sidewalk blower.

COST:

\$30,000, with 50% of the cost reimbursed in the following fiscal year.

**INCLUDED IN
DRAFT BUDGET:**

YES

NO

**MANAGER'S
RECOMMENDED
ACTION:**

Do not fund.

BUDGET POLICY AND PROGRAM DECISION #22

ISSUE: Hire a Part-Time Animal Control Officer

STRATEGIC INITIATIVE FULFILLED: Great Place to Live and Work
- Maintain Public Safety

SERVICE TYPE: Required for Health and Safety

DESIRED OUTCOME: Hire an Animal Control Officer as a part-time Town employee to handle calls for service related to domestic animals.

WHY IT IS NECESSARY:

1. Animal Control services are an essential part of any healthy community.
2. There is no one presently trained in any Town Department who can effectively handle such calls.
3. Public complaints have been received about the lack of animal control services in the community.

ALTERNATIVE:

1. Have sworn police officers handle calls for service.
2. Provide little to no proactive animal control enforcement within the community.
3. Contract with Mono County; however, they have indicated they would have to hire additional personnel to meet the needs of the Mammoth community.

STAFFING REQUIREMENTS: Hire one part-time Animal Control Officer.

COST: \$20,250 (If hired at step A of the part-time skilled classification)

INCLUDED IN DRAFT BUDGET: YES NO

MANAGER'S RECOMMENDED ACTION: Do not fund.

BUDGET POLICY AND PROGRAM DECISION #23

ISSUE: Implement Trails Wayfinding Plan

**STRATEGIC
INITIATIVE
FULFILLED:**

A Great Place to Live and Work
- Provide Quality Municipal Facilities, Infrastructure,
Maintenance

**SERVICE
TYPE:**

Quality of Life Responsibilities that Others Do Not Perform

**DESIRED
OUTCOME:**

1. Complete conceptual design and development of trails signage and wayfinding system.
2. Manufacture and install trails signage and wayfinding.

**WHY IT IS
NECESSARY:**

1. Directional and safety requirements for Mammoth Lakes Trail System.
2. Enhanced Mammoth Lakes Trail System experience for residents and visitors.

ALTERNATIVE:

1. Retain existing, incomplete, signage system.

**STAFFING
REQUIREMENTS:**

Existing staff.

**COST:
INCLUDED IN
DRAFT BUDGET:**

\$300,000 for materials.

YES

NO

(may receive stimulus money through USFS for this project; if that doesn't materialize, then Measure R becomes next alternative for funding along with grants)

**MANAGER'S
RECOMMENDED
ACTION:**

Undertake project only if USFS stimulus funds materialize.

BUDGET POLICY AND PROGRAM DECISION #24

ISSUE: Construction of the Manzanita – Shady Rest Tract Connector Path

STRATEGIC INITIATIVE FULFILLED: Great Place to Live and Work
- Manage Mobility and Transportation

SERVICE TYPE: Quality of Life Responsibilities that Others Do Not Perform

DESIRED OUTCOME: Perfect the trail easement the Town purchased from Mammoth Lakes Housing, LLC by either extending the construction commencement period included in the easement or by constructing the path between Manzanita and the Shady Rest Tract.

WHY IT IS NECESSARY: Connect Shady Rest with Sierra Valley Sites to improve mobility/neighborhood walkability.

ALTERNATIVE: Allow the easement to expire. This would eliminate the public access to the Shady Rest Tract and the owners would return the \$15,000 purchase price to the Town.

STAFFING REQUIREMENTS: One week of Public Works maintenance crew and 8 hours engineering staff time.

COST: \$25,000 to obtain easement and construct trail with Town staff performing work.

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Seek an extension of the easement, and do not fund construction at this time.

BUDGET POLICY AND PROGRAM DECISION #25

ISSUE: Town of Mammoth Lakes 25th Anniversary Commemoration

**STRATEGIC
INITIATIVE**

FULFILLED: Great Place to Live and Work

**SERVICE
TYPE:**

Quality of Life Responsibilities that Others Do Not Perform

**DESIRED
OUTCOME:**

An event that will strengthen sense of local history and community.

**WHY IT IS
NECESSARY:**

On August 20, the Town will celebrate 25 years of incorporation; a fitting occasion to reflect on where we have been, and where we would like to be in another 25 years.

ALTERNATIVE:

Acknowledge the 25th anniversary without expending Town funds.

STAFFING

REQUIREMENTS: Existing staff.

COST:

\$10,000 for a community celebration at Shady Rest Park.

**INCLUDED IN
DRAFT BUDGET:**

YES

NO

**MANAGER'S
RECOMMENDED**

ACTION: Do not fund.

BUDGET POLICY AND PROGRAM DECISION #26

ISSUE: Shift more staff resources to increase code compliance efforts to address blight, graffiti, noise, light, and trash.

STRATEGIC INITIATIVE FULFILLED:

Quality Design and Development
- Ensure Compliance with Codes and Standards

SERVICE TYPE:

Proper Organizational Management

DESIRED OUTCOME:

1. Improve the aesthetic appearance of the community.

WHY IT IS NECESSARY:

1. The municipal code allows the Town to require unattractive site and property conditions to be eliminated. These services are now provided through the Inspection Services and Code Compliance Workgroup.
2. An attractive Town appearance is important to visitors and to the community's success as a destination resort.

ALTERNATIVE:

1. If more staff resources are shifted to code compliance, other services will be reduced.
2. Maintain the current level of staff resources dedicated to code compliance.

STAFFING

REQUIREMENTS: Shift one FTE to the function of Code Compliance Officer.

COST:

None

INCLUDED IN DRAFT BUDGET:

YES

NO

MANAGER'S RECOMMENDED ACTION:

Staff Code Compliance duties at current level.

BUDGET POLICY AND PROGRAM DECISION #29

ISSUE: Use grants, General Fund, Measures A and R, and existing staff to complete environmental analyses for Parks and Recreation Master Plan, and Trail System Master Plan.

STRATEGIC INITIATIVE FULFILLED: Environmental Sustainability
- Enforce Environmental Laws and Regulations

SERVICE TYPE: Required by Federal, State or Municipal Code

DESIRED OUTCOME: 1. Completion and certification by the Town as needed of environmental analyses required to adopt the documents described above.

WHY IT IS NECESSARY: 1. The California Environmental Quality Act (CEQA) requires lead agencies to determine and conduct appropriate environmental analysis before making decisions and acting on certain activities, plans, and programs.

ALTERNATIVES: 1. Do not adopt the documents described above.
2. Assign existing staff to another priority.

STAFFING REQUIREMENTS: Existing staff will be utilized; \$97,000 in consulting costs.

COST: \$245,600 (\$25,200 has been requested of Measure R for TSMP and PRMP first phase of CEQA—award in June 2009. Additionally, SNC grant for \$187,000 may become available at later date for TSMP and PRMP CEQA.)

INCLUDED IN DRAFT BUDGET: **YES** **NO**

MANAGER'S RECOMMENDED ACTION: Fund work effort if/when revenue sources are available.

BUDGET POLICY AND PROGRAM DECISION #30

ISSUE: Fund Environmental Sustainability Programs, Including Training for Green Building Code Implementation

STRATEGIC INITIATIVE FULFILLED: Environmental Sustainability
- Promote Resource Conservation

SERVICE TYPE: Required for Federal, State or Municipal Code and Quality of Life Responsibilities

DESIRED OUTCOME:

1. Become a leader in environmental sustainability.
2. Implement new, required state codes for Green Technologies.
3. Develop a Climate Action Plan and Implementation Targets.
4. Change behavior to purchase "green" products and manage facilities to be more energy efficient.
5. Reduce Greenhouse Gas Emissions.
6. Fund a Greenhouse Gas Inventory.
7. Train staff to implement Green Building requirements.
8. Develop standards for construction of public facilities.
9. Develop standards for vehicle replacement and retrofit.
10. Modify landscaping standards to address water and pesticide use.

WHY IT IS NECESSARY:

1. Long term cost savings.
2. Required by state law.
3. Have an impact on global climate change.

ALTERNATIVE:

1. Be out of compliance with state law will impact ability to receive grants.
2. Our General Plan and Strategic Initiatives state our commitment to these objectives – if we do not intend to pursue them we should change these goals.

STAFFING REQUIREMENTS: Existing staff, and we may need consultant and expert advice for a fee.

BUDGET POLICY AND PROGRAM DECISION #31

ISSUE: Fund High Sierra Energy Foundation

**STRATEGIC
INITIATIVE
FULFILLED:**

Environmental Sustainability
- Promote Resource Conservation

**SERVICE
TYPE:**

Quality of Life Responsibilities that Others Do Not Perform

**DESIRED
OUTCOME:**

1. Become a leader in environmental sustainability.
2. Reduce Greenhouse Gas Emissions.

**WHY IT IS
NECESSARY:**

1. Long term cost savings.
2. Have an impact on global climate change.

ALTERNATIVE:

1. Do not fund HSEF.

**STAFFING
REQUIREMENTS:**

None.

COST:

\$25,000

**INCLUDED IN
DRAFT BUDGET:**

~~YES~~

NO

**MANAGER'S
RECOMMENDED
ACTION:**

Utilize Council Discretionary Fund, if desired.

TOWARD ORGANIZATIONAL IMPROVEMENT AND MEASUREMENT

This new focus on performance and the declaration of the Town's Strategic Initiatives and Key Services will allow for organizational improvements that streamline our efforts and reward professionalism. Improving our organizational performance includes collaborating across departments to improve efficiencies, simplifying processes, measuring performance on critical services, and improving service delivery. This new way of doing business will encourage innovation and empowerment. It recognizes that a learning organization will sometimes fail in the pursuit of progress. Fear of failure is an insurmountable barrier to becoming a dynamic, responsive organization. We recognize that we are not defined by failure itself, but rather how we respond to it.

The organization will have to make difficult choices and may have to suspend or eliminate non-essential services that are desirable, but not mission-critical. These service changes must be done in a positive and supportive manner that communicates realistic expectations to the public.

Performance measurement drives organizational excellence by demonstrating whether the strategies are achieving desired results and communicating our successes as well as our failures. Performance measurements can provide the basis for any number of data-driven decisions, including service expansions or reductions, employee evaluations, and budget allocations. Development of this program will be integrated into the community monitoring program established by the General Plan. This effort will be undertaken as a work program effort in the 09-10 fiscal year and used to inform priorities set within the 10-11 budget.

COMPLETE LIST OF SERVICES

The available full-time and part-time staff expertise and hours have been allocated to every recommended service or program that the Town of Mammoth Lakes intends to provide in 2009-10.

All programs were developed in March 2008 and are described by an approximate number of full-time equivalent employees (FTE) required to perform each task at an acceptable level of service. The FTEs do not reflect: 24 furlough days, further attrition, unpredictable mandatory requirements, unusual or extended time requirements, overtime or exceptional levels of service. Therefore, as adjustments are made in the available time or the level of service, the time required to complete each service may be extended.

CORE SERVICE WORKSHEET LEGEND

SERVICE TYPE

A. Required by Federal, State or Municipal Code

Ex: Processing land use permits
Environmental Review
Insurance Claims
Accounts Payable

B. Required for Health and Safety

Ex.: Response to police calls
Building inspections
Erosion Control
Essential Services of Town Government
Pavement maintenance
Develop Construction Standards

C. Proper Organizational Management

Ex: Payroll
Information Technology Support
Typical Services Provided by Most Cities for all Residents
Parks and Open Space Maintenance
Code Compliance
Develop Plans and Programs

D. Quality of Life Responsibilities that Others Do Not Perform

Ex: Affordable Housing
Economic Development
Recreation Programming

FTE

Full-time equivalent employee, includes full and part time staff allocated to a 2080 hour work year. Therefore, it does not include 24 furlough days, attrition after 3/1/09, unexpected or extended work effort and other unpredictable interruptions.

FUNDING

This column describes the primary funding source available to fund the task.

GF = General Fund

Grant = Grant

Measure T = 1 point of the Transient Occupancy Tax allocated to Transit

Transit Fee = Fee charged to transient rental units for transit operations

LTC = Local Transportation Commission

DIF = Development Impact Fees

Gas Tax = Gas Tax Allocation from State

Assessment District = Any legally formed Assessment District

Measure A = 2.5 points of the Transient Occupancy Tax allocated to Marketing

Measure A = 2.5 points of the Transient Occupancy Tax allocated to Marketing
Measure R = .5 cents of the Sales Tax specifically for Recreation, Parks and Trails

USFS = United States Forest Service Partnership Revenue

Art Fund = Fees collected to provide public art

Fee = Any fee charged for a specific service

Mono County = Mono County Partnership Revenue

DEPARTMENT

This column describes the primary departments responsible for the work effort. Other staff will be involved to a lesser degree.

PW = Public Works

CDD = Community Development Department

HR = Human Resources

Police = Police

AT = Airport and Transportation

F = Finance

TR = Tourism and Recreation

TM = Town Administration

MLH = Mammoth Lakes Housing, Inc.

ESTA = Eastern Sierra Transit Authority

BUDGET

This column provides the general cost to deliver the desired service, including staff, overhead, contractual services, equipment, etc.

5/1/2009

Core Service Deliverable : Maintain Public Safety

To Achieve: A GREAT PLACE TO LIVE AND WORK

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Storm Water Master Plan	B	Plan for infrastructure to prevent flooding	0.23	Grant	PW	
Emergency Operations Center	B	Maintain and operate center for emergency purposes	0.10	GF	PW, HR	
Snow Removal and Sidewalk Snow Removal	B	Remove snow for safety and circulation	6.97	Gas Tax, GF	PW, TR	
Patrol Operations	B	2-person min. team 24 hrs/day for general law enforcement	14.30	GF	Police	
School Resource Operations	B	Reduce juvenile crime and increase preventative intervention	1.30	GF, Grant	Police	
Narcotics Enforcement	B	County-wide narcotics and methamphetamine enforcement	2.30	Grant	Police	
Traffic Safety	B	Speed and traffic enforcement	1.30	Grant, GF	Police	
Investigations	B	Follow up and solve criminal cases	1.30	GF	Police	
Police Customer Service	B	Provide and file records and evidence, DA requests, public service	3.00	GF	Police	

*Staff hours based on 2080/person

Core Service Deliverable : Manage Mobility and Transportation

To Achieve: A GREAT PLACE TO LIVE AND WORK

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Work with ESTA/MMSA on integrated Transit Operations Manage Contract, Perf. standards with ESTA for Trolley, Lift and DAR	D	Year-round, free scheduled fixed routes	0.30	Measure T, Transit fee, LTC	AT	
Transit Service Contract through Contract with ESTA	D	Year-round, free scheduled fixed routes	0.25	Measure T, Transit fee, LTC	AT	
Traffic Management	B	Year-round, free scheduled fixed routes Traffic counts, modeling and studies	na	Measure T, Transit fee, LTC	ESTA	
Signage and Wayfinding	C	Prepare plan and standards for townwide and trail signage/directions	0.37	LTC	PW	
ESTA Accounting	C	Provide accounting services for ESTA	0.60	LTC, Measure A, T, R, USFS, Contract, Measure T	PW, TR, CDD	
Mobility Plan	C	Establish strategies and operational objectives	0.80	LTC, GF	F	
Mobility Commission Support	C	Staff support	0.82	LTC	PW, CDD	
Local Transportation Commission	C	Admin Support to the LTC	0.14	LTC	PW	
			0.16	LTC	PW, TM, F	

*Staff hours based on 2080/person

5/1/2009

Core Service Deliverable : Promote Housing Opportunities

To Achieve: A GREAT PLACE TO LIVE AND WORK

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Contract with Mammoth Lakes Housing	D	Develop housing, loans, rental housing	na	Measure A	MLH	
Housing - Admin	D	Accounting for MLH	0.03	Measure A	F	

Total

*Staff hours based on 2080/person

5/1/2009

Core Service Deliverable : Provide Quality Municipal Facilities, Infrastructure, Maintenance

To Achieve: A GREAT PLACE TO LIVE AND WORK

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Operate and maintain the airport	A	Provide for commercial air service and general aviation	2.45	GF	AT	
Coordinate FBO at Airport	B	Provide for general aviation service	0.75	GF	AT	
Manage Transit Facility, fleet maintenance	D	Maintain 12 transit vehicles	0.25	Measure T, Transit fee, LTC	AT	
Pavement Management	B	Annual evaluation of roads, updated 5-yr rehab program	0.07	Gas Tax, GF	PW	
Manage Capital Projects	B	Project planning, manuals, development and funding, MFP, CIP, DIF	4.65	Grant, DIF, GF	PW, F, TM	
Fleet Maintenance	B	Limit "down time" of town vehicles, fire, school, transit	6.63	Fee	PW, F	
Street Maintenance	B	Keep signals, striping, signs, pavement in working order	5.82	Gas Tax, GF	PW	
Road Rehabilitation	B	Upgrade deteriorating streets	1.30	Gas Tax, GF	PW	
Facility Maintenance	C	Keep buildings in working order	2.92	GF	PW	
Park and Ride Lot Maintenance	C	Remove snow, maintain landscaping	0.16	GF	TR	
Transit Stop Maintenance	C	Sweep, clean	0.13	GF	TR	
Maintain Whitmore Park and Pool	C	joint use with county	0.96	GF, Mono County	TR	
Maintain Trails	C	Sweep, patch, sign	0.42	GF	TR	
Old Mammoth Road Landscape	C	Sweep, water, plant	0.14	GF, Assess. Dist.	TR	
Main Street Landscape Maintenance	C	Sweep, water, plant	0.12	GF, Assess. Dist.	TR	

*Staff hours based on 2080/person

5/1/2009

Core Service Deliverable : Establish Codes and Standards

To Achieve: A COMMUNITY WITH HIGH QUALITY DESIGN AND DEVELOPMENT

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Public Works and Capital Projects Standards and Manuals	B	Update standards to meet current state laws	0.14	GF	PW	
Lakes Basin, Shady Rest, Sherwin Area Strategic Planning	C	Prepare guidelines and specifications	0.25	Grants Measure A	TR	
Snowcreek VIII and DA	C	Review Snowcreek Master Plan and Dev. Agreement	0.16	Fee	CDD, TM	
Cultural Arts Plan	C	Establish program to provide Cultural Arts	0.23	Art Fund	CDD, TR	
General Plan Housing Element	A	Complete State Required update	0.13	GF, Measure H	CDD	
Update Municipal Code	B	Create consistency with the General Plan	0.39	GF, Measure A, T, R, Grants	CDD	
NVSP Amendments	C	Implement changes resulting from District Study	0.32	GF	CDD	
NOMR District Study	C	Codify policies resulting from District Study	0.38	GF	CDD	
Sierra Valley Sites District Study	C	Comprehensive planning and mobility study	0.00	GF	CDD	
Main Street Study	C	Comprehensive planning and mobility study	0.64	GF	CDD	
The Sherwins District Zoning Amendment	C	Complete review of application	0.20	Fee	CDD	
Parks and Recreation Master Plan	C	Finalize and adopt Plan	0.12	Measure A	TR	
Trail System Master Plan	C	Prepare guidelines and specifications	0.28	Measure A	CDD, TR	
Mammoth Crossings	C	Review Specific Plan Proposal	0.14	Fee	CDD, TM	
Single Family Transient Rentals	C	Prepare ordinance for transient rentals in SFR zones	0.12	GF	CDD	

* Staff Hours based on 2080/person

Core Service Deliverable : Establish Codes and Standards

To Achieve: A COMMUNITY WITH HIGH QUALITY DESIGN AND DEVELOPMENT

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
East OSSC Study - Mammoth Creek Park Plan	C	Complete study and prepare plan	0.23	GF	CDD	
Vacant Building Code Amendment	C	Prepare regulations	0	NA	CDD	
Sierra Star Master Plan	C	Complete Review of Master Plan	0	Fee	CDD	
Hidden Creek Crossing/Shady Rest Master Plan	C	Complete Review of Master Plan	0	Fee	CDD	

* Staff Hours based on 2080/person

5/1/2009

Core Service Deliverable : Provide Plan Review and Permitting

To Achieve: A COMMUNITY WITH HIGH QUALITY DESIGN AND DEVELOPMENT

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Improvement Plans	A	Sidewalks, infrastructure, street plan compliance review	0.10	Fee	PW	
Map Review	A	Map compliance reivew	0.14	Fee	PW	
Encroachment Permits	A	Right-of-way encorachment compliance review	0.10	Fee	PW	
Administrative Permits	A	Tree removal, design review, land use permits	0.07	Fee	CDD	
Building Permit Plan Review	B	Review building permits for compliance with laws	0.64	Fee	PW, CDD	
Legislative Actions and Permits to Town Council	A	Review zoning amendments, take to PC and TC for action	0.32	Fee	CDD, TM	
Planning Commission Actions and Permits	A	Review use permits, maps, etc. and take to PC for action	0.11	Fee	CDD, PW	
Development Services	C	Support to permit services, bidg, planning, and PW	1.95	Fee, GF	CDD, TM	

* Staff Hours based on 2080/person

Core Service Deliverable : Ensure Compliance with Codes and Standards

To Achieve: A COMMUNITY WITH HIGH QUALITY DESIGN AND DEVELOPMENT

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Inspections	B	Grading, structural, infrastructure, capital projects	1	Fee	CDD, PW	
Code Compliance	C	Building, signs, noise, lighting, landscaping, graffiti, etc.	1	GF	CDD, PW, Police, HR	
TOT and Business Tax enforcement	C	Ensure businesses are paying their required tax	0.35	GF, Measure A	F, Police, TR	

* Staff Hours based on 2080/person

5/1/2009

Core Service Deliverable : Coordinate with Other Agencies and Partners

To Achieve: A COMMUNITY WITH HIGH QUALITY DESIGN AND DEVELOPMENT

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Lake Mary Road Easements	B	Review for compliance with codes and standards	0.05	GF	PW	
Main Street Corridor Management Plan	B	Review for compliance with codes and standards	0.05	LTC	PW	
Highway 203 Relinquishment Plan	C	Prepare analysis regarding operating and maintaining Highway 203	0.00	GF	PW	
Scenic Byway Corridor Management Plan	C	review for compliance with codes and standards	0.05	Grant, LTC	PW	
LV Mining and Materials Operation	B	Maintain "the Pit" for grading export	0.96	Fee	PW	
Partnering with MMSA Security	B	Assist MMSA with on-mountain security	0.05	GF	Police	

* Staff Hours based on 2080/person

Core Service Deliverable : Increase Community Participation and Outreach

To Achieve: A COMMUNITY WITH HIGH QUALITY DESIGN AND DEVELOPMENT

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Public Service Announcements and Public Information	C	Prepare announcements during emergencies	0.03	GF	HR	
Channel 51	C	Maintain for public info and meetings	0.04	GF, Measure A	HR, TR	
Community Education	C	Neighborhood Watch, CERT	0.25	GF	Police	
Website and webcasting	C	Develop new website and webcasting based on common models	0.00	GF	HR, TM	
Internal/External Communications	C	Media announcements, Friday Update, Media alerts	0.38	Measure A	TR	
Media Relations	C	Interviews, fact-check, verification	0.06	Measure A	TR	
Community Café's	D	Provide for informal conversations on important topics	0.10	GF	TM	

* Staff Hours based on 2080/person

5/1/2009

Core Service Deliverable : Improve Visitor Access to Mammoth Lakes

To Achieve: A PREMIER YEAR-ROUND RESORT

Program	Service Type	Service Expectation	FTE*	Funding	Department	Cost
Expand Air Service by partnering with MMSA	D	Expand by up to 3 flights per day	0	Measure A	TM, TR, AT	

* Staff Hours based on 2080/person

Core Service Deliverable : Promote Economic Development

To Achieve: A PREMIER YEAR-ROUND RESORT

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
DMO Creation	C	Establish DMO Board and Aciton Plan	0.27	Measure A	TR, TM	
Website Visitmammoth.com	C	daily content change, design programs	1.29	Measure A	TR	
CRM Management	C	Direct mail, e-blasts, electronic marketing	0.31	Measure A	TR	
Advertising	C	insertions and creative brochures, vacation guide, proof, distribution	0.10	Measure A	TR	
Collateral Production	C	attendance, preparation	0.10	Measure A	TR	
Media Events	C	attendance, preparation	0.11	Measure A	TR	
Familiarization Trips	C	attendance, preparation	0.25	Measure A	TR	
Public Relations	C	response, submittals, fact check	0.09	Measure A	TR	
Sales Missions	C	Prepare and attend	0.25	Measure A	TR	
Research	C	Address public inquiries	0.10	Measure A	TR	
Consumer Shows	C	Prepare and attend	0.18	Measure A	TR	
DR CEDS Implementation	C	Prepare strategies ; implement programs	0.40	GF, Measure A	CDD, TR	
Business and Lodging Support	C	Manage lodging and business support meetings	1.14	Measure A	TR	
Implement Cultural Arts Plan	C	Provide arts and cultural programs	0.12	Art Fund	CDD	
Implement Parks and Recreation and Trail System Master Plans	C	Provide support to facilities planning	0.06	GF	CDD	

* Staff Hours based on 2080/person

Core Service Deliverable : Provide Recreation Facilities and Programs

To Achieve: A PREMIER YEAR-ROUND RESORT

Program	Service Type	Service Description	FTE*	Funding^	Department	Cost
Special Events Registration and Collateral Development	C	Set up and manage Carnivals, July 4th, Art shows, etc.	0.49	GF, Measure A	TR	
Maintain Parks	C	Brochures	0.30	GF, Measure A	TR	
Pool Operations/Swim Program	C	Shady Rest, Community Center, Mamm. Creek, Trails	2.33	GF, Mello Roos	TR	
Ice Rink	D	Lessons, swim team, lap swim, free swim, maintenance	1.77	Mono County, Measure R, GF,	TR	
Holiday Programs	C	Operate and Maintain	3.12	Measure R, Mello Roos	TR	
Summer Camps	D	Crafts, Easter, Halloween, winter	0.08	GF, Fees, Measure R	TR	
Indoor Soccer	D	Soccer, tennis, wilderness, climbing, skate, sports	0.46	GF, Fees, Measure R	TR	
Softball	D	Winter soccer	0.07	GF, Fees, Measure R	TR	
Youth Theater	D	Adult mens and coed and tournaments	0.27	GF, Fees, Measure R	TR	
	D	2 plays	0.02	GF, Fees, Measure R	TR	

^ Measure R could be used to fund a higher level of service

* Staff Hours based on 2080/person

Core Service Deliverable : Provide a Quality, Seamless Experience

To Achieve: A PREMIER YEAR-ROUND RESORT

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Welcome Center Operations	C	Visitor information At Welcome Center per USFS contract	3.00	Measure A	TR	
Resort Information	C	Visitor information via call center, mail fulfillment, airport customer service	2.16	Measure A	TR	
Guest Surveys	C	Annual guest surveys	0.10	Measure A	TR	

* Staff Hours based on 2080/person

Core Service Deliverable : Enforce Environmental Laws and Regulations

To Achieve: A LEADER IN ENVIRONMENTAL SUSTAINABILITY

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Fleet Registration with CARB Off-road and On-road Fleet Compliance Plan	A	Compliance with CARB regulations	0.04	Gas Tax, GF	PW	
Air Quality monitoring and reporting	A	Compliance with CARB regulations Monitor levels and determine no burn days	0.14	Gas Tax, GF	PW	
Water Quality and Erosion Control Monitoring	B	Enforce requirements of Lahontan/Town MOU	0.07	GF	CDD	
EIR for the Municipal Code Update	A	If needed	0.18	Fee	PW	
ND/MND for the NVSP	A	Prepare required environmental documentation	0	GF	CDD	
ND/MND for NOMR Codification	A	Prepare required environmental documentation	0.05	GF	CDD	
EIR for the Mobility Plan	A	Complete to allow Plan adoption	0.05	GF	CDD	
EIR for the Parks and Rec and Trail System Master Plans	A	Complete to allow Plan adoption	0.68	LTC	CDD	
Food and Trash Disposal Education and Enforcement	A	Prepare collateral for education	1	Grant, Measure A, Measure R	CDD, TR	
	C		0.08	GF	HR, Police	

*Staff Hours based on 2080/person

Core Service Deliverable : Promote Resource Conservation

To Achieve: A LEADER IN ENVIRONMENTAL SUSTAINABILITY

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Impact Resource and Resource Conservation Plan	C	Establish plan to conserve resources and reduce impacts	0.39	GF	CDD	
Franchise Agreements	A	Establish new rates and facilities needs	0.16	GF	HR	
Recycling Mandates for Construction/LEEDS Projects	A	Establish standards	0.06	GF	TM	
Sustainability Goals and Programs	C	Establish GHG emission, purchasing, fleet standards	0.15	GF	TM	
Inyo Mono Regional Water Quality Management Plan	C	Be the sponsor and coordinate regional agencies	0.48	Grant	CDD	

*Staff Hours based on 2080/person

5/1/2009

Core Service Deliverable : Promote Green Technology Use

To Achieve: A LEADER IN ENVIRONMENTAL SUSTAINABILITY

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Work with HSEF to Provide Green Technologies	C	Implement solar, green, geothermal solutions	0.06	GF	TM	

*Staff Hours based on 2080/person

5/1/2009

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Core Service Deliverable : Sustain Healthy Natural Habitats and Wildlife

To Achieve: A LEADER IN ENVIRONMENTAL SUSTAINABILITY

To Achieve:

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Wildlife, Food Source and Trash Enforcement	B	Monitor and send citations	0.26	GF	HR, Police	

*Staff Hours based on 2080/person

Core Service Deliverable : Town Management, Finance, Human Resources

To Achieve:

GENERAL GOVERNMENT

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Administration of Council and Fiscal Policies	A	Develop and implement policies Development and oversight of staff workplan and evaluations	1.19	GF	TM, F	
Performance Review	C		0.34	GF	TM, HR	
Special Districts	C	Annual Reports and Accounting	0.23	Assessment Districts	PW, F	
Annual Community Indicator Assessment Report	C	Annual report to community indicators	0.21	GF, Measure A	CDD, TR	
Financial Reporting	A	Prepare mandatory audits	0.74	GF	F	
Insurance Management and Claims	A	Property, crime, bonding, pollution, environmental, liability	0.17	GF	HR	
Contracts	C	Review for legal and liability conformance	0.05	GF	HR	
Computer, Website and Equipment Maintenance	C	Maintain office equipment	1	GF	HR	
Employee Relations and Personnel Actions	C	Training, safety, counseling, benefits, MOU management	1.31	GF	HR, F	
Office, Council, Commission Support	C	Council, manager, commission, minutes and meetings	2.9	GF	TM	

*Staff hours based on 2080/person

Core Service Deliverable : Town Management, Finance, Human Resources

To Achieve: GENERAL GOVERNMENT

Program	Service Type	Service Description	FTE*	Funding	Department	Cost
Purchasing and Accounts Payable	C	Acquire supplies and equip	1.23	GF	F	
Budget	C	Preparation	0.52	GF	F, TM	
Payroll	C	Pay employees	0.80	GF	F	
TOT/ Business Tax Collections	A	Collect and Report	1.00	GF	F	
TR, Business Support	C	Manage meetings, collaboration, representation, special projects	0.57	Measure A	TR, TM	
Development Community Support and Public Assistance	C	Address questions, information and public requests	2.33	GF	CDD	

*Staff hours based on 2080/person

BUDGET PRINCIPLES AND STRATEGIES

The following Budget Principles and Strategies were confirmed by the Town Council on March 4, 2008.

Budget Principles and Strategies

Budget Principles

- All budget decisions shall be evaluated against the long-term sustainable levels of service which achieve the strategic initiatives and core service deliverables of "Moving Mammoth Forward".
- Strategic Initiatives, Core Services and Priorities shall be compared to evaluate the trade-offs of a selected decision.
- Decisions that enhance all three aspects of community capital (social, natural and economic) provide the greatest benefit; decisions that improve or conserve two forms of capital without diminishing the third are also ideal. Decisions that only benefit one and decrease the other forms of capital are undesirable.
- Expanding or re-directing existing revenue sources shall be considered to achieve the highest priority strategic initiatives and core services.
- Distribution of restricted revenues and politically committed revenues should be honored in accordance with their objectives.
- The Town will consider partnerships or elimination of services and programs when other entities or providers can provide them more efficiently.
- Delivery of Core Services and the desired Levels of Service shall be the primary consideration in funding actions.
- Annual adaptations to changing economic and community conditions may result in modified priorities in any individual year.
- The Town will work toward developing a comprehensive, sustainable Business Plan that will address deployment of resources to implement the 2007 General Plan and include a work program to achieve the desired levels of service.

Operational Budget Strategies:

- A balanced operational budget, where projected expenditures match projected revenue, shall be developed each year.
- The proposed budget shall start with conservative assumptions. If conditions merit, additional services or higher levels of service may be considered.
- A five-year forecast shall be used to place the current year decisions in context with existing and future commitments.
- The Town will work toward the preparation of a two-year budget that will be used for budget planning purposes.

- The Reserve for Economic Uncertainty (REU) is intended to maintain service levels during unforeseen downturns and/or extraordinary expenses. The target amount for the REU is 25% of operational revenues.
- Fees shall cover the costs of services rendered or Council should consider which of the following actions to take: (1) reduce services; (2) increase fees; or (3) determine the appropriate subsidy level of the General Fund.
- All efficiencies will be pursued, including looking for little savings that can add up to big savings.
- Best practices from Government Finance Officers Association (GFOA) shall be researched and incorporated as applicable.
- Requests for funding shall be made during the established budget approval period and/or during mid-year adjustments, unless of an emergency nature that threatens public health & safety.
- The Town will work further on developing policies that: 1) define the circumstances under which the REU shall be utilized and re-funded, and 2) how to program "excess" revenue from a prior year.
- A clear, understandable budget summary will be prepared.

Program/Project Strategies:

- Long-term maintenance and operating costs shall be considered whenever operating programs and services are approved.
- Grant funded capital projects, or those projects with alternate funding sources, that require completion of the project lest the funds be returned to the provider, shall be a funding priority.
- Adequate staff resources shall be deployed to seek out grants and other funding sources that address the Town's Strategic Initiatives and Core Services.
- Capital projects will only be initiated if: 1) all revenue, expenditures, operating and maintenance costs have been identified for the long-term; 2) all funding risks have been identified; 3) the benefit of the project compared to any funding risk has been evaluated; 4) public/private partnerships, agency partnerships and grants have been researched; and, 4) the project meets the Strategic Initiatives and core service deliverables of "Moving Mammoth Forward".
- Any new project, program or service shall support the core services and the community's social, natural and economic capital (triple bottom line.)
- Contracts for programs or tasks that require intermittent service, expertise, or resources that the Town cannot provide may be considered.

Organizational Strategies:

- Staffing levels shall be implemented to achieve long-term sustainability and level of service goals.
- The above principles will be used to consider staff reorganizations.
- Productivity, technology, streamlining, and simplification to deliver services at a higher quality level, with better flexibility and lower cost, are encouraged.
- The Town will continue to invest in building organizational capacity by supporting training and employee development, as well as by retaining and attracting highly qualified staff.
- The Town will work toward an evaluation and performance monitoring program that will assess the success of the above strategies and will allow for mid-course corrections, as warranted.

BUDGET FACT SHEETS

The following Budget Fact Sheets were confirmed by the Town Council on February 18, 2009, March 4, 2009, March 18, 2009, and April 1, 2009.

Restricted or Obligated Town Revenues

The Town receives and relies on many different types of revenue. Many sources of revenue are only able to be used to fund specific programs and are therefore considered restricted. Of the total revenue received, the Town only has 30% of the revenue available for discretionary purposes; 70% of the revenue must be spent on mandated or politically-committed programs. Below are the types of restricted revenue that the Town receives.

Fees and Special Revenue

Fees - Fees are intended to pay for a service that benefits an individual or entity. Fees do not cover a service that is a general benefit received by the entire community, like snow removal. Fee revenue that is collected must be used for the service requested. For example, a fee that an individual might pay to participate in a recreation class or program is used to fund the cost of that recreation program; it cannot be used to fund the police department. Each department has Council approved fees that are charged for specific services requested by an individual or business.

Grants - The Town receives grants from other funding sources such as the State of California or the United States Government. Those grants are awarded for a specific purpose or program and cannot be used to fund any service or program that is different from the grant award requirements. The Town regularly receives grants for capital improvements, police services, or planning activities.

Intergovernmental Revenue or Special Revenue - This is non-grant funding that is received from other governments. State law restricts how the revenue can be used. For example, Gas Tax revenue is restricted for street maintenance and snow removal costs, and Local Transportation Funding is restricted for certain transportation planning activities, transit services or capital purchases.

Assessment District Levy—Assessment districts are legally separate entities from the Town and all assessment levies or special taxes are restricted and must be spent for expenditures as outlined for the District. The Town programs the funds for the intended services.

Debt Service Funding

Debt Service funding is funding from any source that has been specifically allocated to paying debt. Once the Town commits to taking out a loan or taking on debt, the monthly or yearly payment is an obligation of the Town that cannot be compromised.

Confirmed by the Town Council on 2/18/09.

Voter Approved Revenue Sources

The voters of Mammoth Lakes have approved tax increases (with political commitments by Council) and special taxes. These taxes place a local obligation on revenues as follows:

1986 – Advisory Vote:

The voters approved a Transient Occupancy Tax (TOT) rate for transient rentals. The Council applied a funding formula of 2 points of the TOT rate, and all the business tax revenue, to the Tourism & Recreation Department for tourism development.

2002 – Voter Approved Tax Increase:

The voters approved a 2 point increase in the TOT rate. The Council applied a funding formula that:

- added an additional ½ point of the TOT (total 2.5 points) for tourism development.
- allocated 1 point of TOT to workforce housing. This has funded land acquisition, housing construction, and various housing programs. Some of this funding has been used to fund the contract for services with Mammoth Lakes Housing.
- Allocated ½ point of TOT towards community facilities. Since 2002 Council has approved by resolution a commitment to incrementally increase this allocation to a full 1 ½ points for community facilities.

2006- Voter Approved Tax Increase:

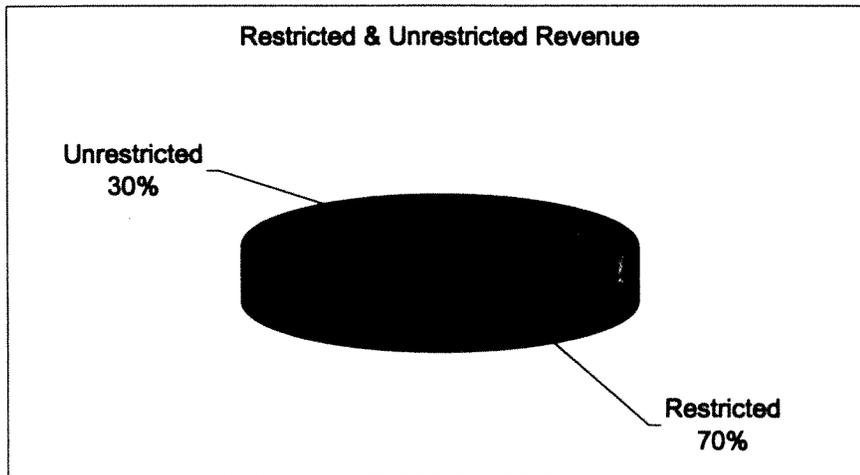
The voters approved a 1 point increase in TOT. The Council voluntarily obligated that increase to fund transit infrastructure and services. Some of this funding has been used to fund the contract for transit services with Eastern Sierra Transit that operates the Town's transit fleet.

2008 – Special Tax:

The voters approved Measure R which is a special tax. The special tax levies an additional 0.5% sales tax on taxable sales in Mammoth Lakes. By law, the tax proceeds may only be used to fund Parks, Recreation & Trail capital projects, operations, programs and maintenance.

Summary

<u>Revenue Type</u>	<u>% of Total</u>	<u>FY 08-09 Budget Amount</u>
Fees	13.06%	\$ 5,605,208
Grants	33.10%	\$14,206,935
Special Revenue	5.37%	\$ 2,304,243
Assessments	4.18%	\$ 1,795,637
Tourism & Recreation TOT	5.53%	\$ 2,373,766
Debt Service Funding	2.26%	\$ 969,385
Community Facilities TOT	.94%	\$ 403,438
Workforce Housing TOT	1.88%	\$ 806,876
Transit/Transportation TOT	1.88%	\$ 806,876
<u>Parks, Recreation & Trails</u>	<u>1.63%</u>	<u>\$ 700,000</u>
Total Restricted Revenue	69.83%	\$29,972,364
<u>Total Unrestricted Revenue</u>	<u>30.17%</u>	<u>\$12,949,857</u>
Grand Total All Revenue	100.00%	\$42,922,221



Confirmed by the Town Council on 2/18/09.

Obligated Town Expenditures

Obligated expenditures are those costs that must be paid due to contractual obligations, mandatory day-to-day operational expenses, or litigation services. The current ratio of obligated and unobligated expenses is 80% obligated and 20% unobligated.

Negotiated Obligations

Employee Memorandums of Understanding (MOU) – The Town has four (4) employee groups; General Employee Association, Management Employee Association, Public Works Employee Association, and the Police Officer's Association. Each group has an MOU in place that contractually defines their compensation and employee benefits. These contracts are typically 3-5 years in length and cannot be modified, once adopted, without the consent of the affected employee group.

Part-time Employees – Part-time employees do not have an MOU, but they receive wages that are adopted annually by the Town Council and limited benefits to address disability, medicare and retirement (in lieu of social security).

Cost-Shared Obligations

The Town has shared contracts in place for services used by both the Town and other agencies in and around Mono County. These shared services are obtained at a lower cost by working through the County and other agencies than by contracting for them independently.

Animal Control – The Town and County share the cost to run the Animal Shelter located next to the Whitmore ball fields.

Dispatch Services – Mono County provides emergency dispatch services for the entire County including the Town of Mammoth Lakes. The Town has a contract with the County to pay for the cost of Town services.

TOT Audit Services – Mono County provides audit services for all of our Transient Occupancy Tax remitters for an annual fee.

Whitmore Recreation Area – The Town and County share the cost of maintaining the Whitmore Recreation Park area.

Eastern Sierra Transit Authority – The Town contracts with ESTA to provide transportation in Mammoth Lakes.

Housing – The Town has a contract to provide funding and support to Mammoth Lakes Housing, Inc.

Operational Expenses

The budget includes expenditures that are required for the day-to-day operations of the Town. The following are some examples of required Town expenditures for day-to-day operations.

Leases/Rent – The Town has several different types of Leases or Rental contracts covering multiple years. These include leases for office space, storage facilities, airport maintenance and lease-purchase agreements for equipment.

Liability and Property Insurance – The Town pays for liability insurance coverage for all property and its various uses.

Utilities - The Town pays for utilities used in all facilities for the normal daily operations such as electric, propane, phones, cell phones, and the internet.

Office Supplies – The Town pays for the office supplies used by employees to complete their daily work assignments.

Postage – The town mails public hearing notices, communications with the public and payments to our vendors for services or products received.

Equipment and Vehicle Replacement and Maintenance Contracts – Equipment and vehicle replacement programs ensure functional and appropriate office equipment, safe vehicles, and updated technology. Major office equipment and computers are covered by maintenance contracts.

Litigation Expenses

The Town has the following ongoing litigation.

Airport Litigation – The Town has hired expert counsel to assist in the process of filing an appeal in the Hot Creek vs. Town of Mammoth Lakes litigation.

Current Town Debt

The Town has incurred various forms of debt to finance facilities, equipment or land purchases. As with any household loan, financing allows the Town to acquire an item sooner than it would take to save for the entire cost of the item. A long-term funding commitment is required to make annual payments until the debt is paid.

Debt Service

The Town has the following Debt Service Obligations.

- A) **2000 Certificate of Participation (COP)** – The debt is paid off in 2025. This bond paid for the Bell Shaped parcel.

- B) **2003 Certificate of Participation (COP)** – This debt refinanced debt that was originally incurred in 1989 and 1991. It will be paid off in 2011 at the same time that the 2.5% utility user tax sunsets. This bond issue paid for the following projects:
 - 1. Joint Use Fields at Elementary School
 - 2. Mammoth Creek Trails
 - 3. Community Center Parking Lot Improvements
 - 4. Mammoth Creek Park Phase I Development
 - 5. Shady Rest Park Improvements & Facilities
 - 6. Minaret Road Extension
 - 7. Old Mammoth Road Construction
 - 8. Street Improvements
 - 9. Lakeview Blvd Storm Drains
 - 10. Animal Shelter Facility
 - 11. Road Department Land Lease-Purchase
 - 12. Equipment Leases
 - 13. Citywide Trail System
 - 14. Visitor Center
 - 15. Mammoth Creek Park Phase II
 - 16. Sierra Manor Sedimentation Basin
 - 17. Community Center park
 - 18. Police Computer
 - 19. Administrative Computer
 - 20. Land Acquisition Fund

- C) **Visitor Center Administrative Building** – The debt is paid off in 2011. The Town financed a portion of the cost of the Visitor Center Administrative Building.

- D) 2004 Certificates of Participation (COP)** – The debt is paid off in 2014. This bond was issued to purchase land for the purpose of building workforce housing.
- E) California State Water Resources Control Board** – The debt is paid off in 2019. This loan funded certain storm drain improvements.
- F) Department of Transportation Aeronautics Division** – There are 2 loans with the Department of Transportation.
1. Assumed debt from Mono County for Airport Improvements put in prior to the transfer of the Airport to the Town. The debt is paid in 2010.
 2. Loan for a water system and taxiway extension at the Airport. The debt is paid in 2015.

General Fund Revenue Projections Methodology

The General Fund Revenues come from the variety of taxes and fees noted below. Taxes can be applied to any Town service after any political commitments for the money have been honored. Fees must be applied to the specific service requested.

Council has the most revenue available and the most flexibility with tax-supported General Fund Revenue. The majority of this revenue is generated from locally levied taxes. For the FY 08-09, there is \$18,500,000 tax-supported revenue.

Fee supported revenue totals \$3,521,395 for FY-08-09.

Transient Occupancy Tax - TOT (Generates 56% of General Fund Revenue)

Basis: TOT is charged at 13% of the nightly room rate for lodging rentals. TOT is dependent on visitation so significant revenue swings can occur from year to year.

Projection: Historic TOT receipts show how visitation reacts to poor weather, economic upturns and downturns, and new rooms added to the rental pool. Ten years of actual quarterly TOT activity is used to determine a trend line for the future. The data is also adjusted by the changes in the consumer price index and past reported visitor occupancy rates to determine other trends and anomalies. The future visitation outlook and current local economic conditions are considered to make any forecasting adjustments and arrive at a conservative projection.

Property Tax (Generates 20% of General Fund Revenue)

Basis: The property tax is both levied and collected by Mono County based upon assessed valuations prepared by Mono County. Even though property valuations have risen over the last several years, the Town receives only 6% or 6 cents for every property tax dollar that is paid for property located in Mammoth Lakes. In addition to this allocation, the Town receives additional property tax revenue to replace the lost Vehicle License Fees and a portion of sales tax that once were provided to the Town but now are retained by the State.

Projection: The changes in assessed valuations are reviewed for the last 10 years along with future economic forecasts that could mitigate or accelerate past trends and pending reassessments.

Sales Tax (Generates almost 11% of General Fund Revenue)

Basis: The Town receives 1 point of the 7.75 point sales tax rate. Part of the 1 point is withheld by the State and then backfilled through Educational Reimbursement Account Fund, known as the triple-flip.

Note: Measure R receives 0.5 point of the 7.75 points, but is a special tax and not part of the General Fund.

Projection: Ten years of historic information is reviewed and adjusted for the change in the consumer price index. Future economic forecasts are considered to determine a conservative projection for the coming year.

Utility User Tax (Generates almost 5% of General Fund Revenue)

Basis: The Utility User Tax is a 2.5% tax on the users of electricity, propane and certain telephone services. The revenue from this tax has increased significantly over the last few years, primarily due to the increased cost of propane. Electricity and telephone usage has been more stable.

Note: This tax will sunset on June 30, 2011.

Projection: The last several years of data is used for the budget projection, along with future economic forecasts of energy costs.

Franchise Fees (Generates almost 3% of General Fund Revenue)

Basis: The Town receives franchise fees from entities that provide services in Mammoth Lakes. Those include electricity (1% franchise), cable TV (5% franchise), solid waste removal (5% franchise), and propane (2% franchise).

Projection: The franchise fee is levied on the total revenue for each entity. Increases in that fee will result in an increase in the franchise fees the Town receives. In addition, historic data and future economic forecasts are used to estimate future revenue.

All Other General Fund Revenues (Generates 5% of General Fund Revenue)

Basis: The total of the Business Tax, Intergovernmental Revenues, Interest Earned, Administrative Service Fees, Charges for Services and Miscellaneous Revenues equals only 5% of the General Fund Revenue.

Projection: Past activity and any known future impacts to these revenue sources are reviewed when the budget projection is prepared.

Fees for Services (Department Specific)

Basis: Certain fees are collected to pay for the cost of services as noted in the Town's Fee Resolution. These fees are directly assigned to the departments performing those services and are therefore not discretionary or considered part of General Fund revenue.

Projection: Each department receiving fees will estimate future revenues by reviewing historic data, tracking time spent for similar services, projecting the volume of activity and/or reviewing economic forecasts.

Budget Practices Related to Future Expenses

Setting aside funds to provide for future expenses, long-range expenses and future capital projects requires discipline and creativity. Most projects and services are rarely completed or accomplished in one year and require planning over a lengthy time period, whereby funding must be continually anticipated. These include providing for replacement of existing vehicles and equipment, funding liabilities, creating reserve accounts, leveraging existing revenue to gain greater revenue, acting conservatively when unexpected revenue is secured, ensuring beneficiaries pay for services rendered and allocating future tax dollars through political commitments. The taxpayers and financial institutions expect the Town to have a sound financial strategy and plan to secure long-term financing and maintain the quality of services and infrastructure.

Reserve for Economic Uncertainty (REU)

The Town has set aside funding or 'savings' for the purpose of 'weathering' an economic downturn or funding extraordinary expenses. The adopted policy is to target an REU savings level of 25% of General Fund revenues. The current REU level is 16%.

Vehicle and Equipment Replacement Fund

The Town owns and operates a wide range of vehicles and equipment to service the community. These include, police vehicles, loaders, large snow blowers, dump trucks, air rescue fire engine, parks equipment and many other cars and specialized vehicles. Each year, every department that uses a vehicle or piece of equipment pays for the fuel, labor, maintenance and parts, and a portion of the cost of the future replacement of that vehicle or equipment. Once the vehicle is purchased, a replacement charge is set aside each year so that at the end of that equipment's useful life a replacement purchase can be made with 'cash on hand'. Some vehicles and equipment can be funded in part through grants, state reimbursements and assessment districts so that the local taxpayers are not burdened with the full cost of replacement.

Pre-funding of Town Liabilities

The Town deliberately funds expected future obligations to avoid any future strain on the budget. These accounts include:

- PERS (retirement)
- Retiree Health Insurance as required by State law
- Leave value

Operational Departments Fund Balance or "Reserve"

Some departmental budgets include a reserve account. The reserve is made up of unspent money from a prior year's budget and can be used to offset future expenditures or help to fund one-time special projects. Tourism and Recreation, Housing and Transit generally have ongoing reserves to fund extraordinary expenses that may arise.

One Time Revenue Programmed for One Time Expenditures (Capital)

From time to time the Town receives one-time revenues from the sale of an asset. Past examples include the sale of land to the schools for a bus barn or an excess right-of-way sale to an adjoining developer. A budget strategy is to use one-time proceeds to fund one-time expenditures such as capital projects. .

Assessment Districts & Mello Roos Districts

Assessment Districts or Mello Roos Districts may fund certain services and facilities. The Town has formed 9 districts including a 'fractional/timeshare' district. Each district provides services in a small geographic area and the service is paid for by the beneficiary for the services rendered. This maintains the General Fund for services affecting the majority of the taxpayers. The formation of new Districts may make strategic sense in the future when funding new facilities or expanded services.

Community Facilities Allocation of TOT

During 2002, the voters approved a one point increase in the TOT rate and Council made a commitment to use ½ point of the TOT to fund community facilities/capital projects. Since that time, Council has established a goal to allocate a full 1-½ points towards community facilities/capital projects. Several long-term financial goals are accomplished by an increased allocation, those include:

- a) Provides direct funding for capital facilities identified in the Master Facilities Plan.
- b) Demonstrates to both the community and to financial institutions that the Town has capital/debt funding policies, the financial capability and a strategic plan to construct facilities that service the community.
- c) Provides funding to "match" a grant and to leverage local tax dollars.
- d) Provides the Town with financial flexibility to manage both the Town's existing and future debt in a way that funds new capital projects sooner.

Measure R (Special Sales Tax of ½ point)

In 2008, the voters approved an increase to the sales tax rate that is dedicated to parks, recreation and trails. This new funding has the potential to be used to fund parks, recreation and trails capital projects, based upon established priorities, sooner than would otherwise be possible.

Utility User Tax (UUT)

The UUT rate is 2.5% and is scheduled to sunset June 30, 2011. Currently the tax is used to fund the 2003 COP (debt). The UUT sunset coincides with the final payment of the 2003 COP debt payment. If an extension to the UUT was put before the voters and approved, this funding would then be available to finance capital projects and facilities.

Development Impact Fees (DIF)

DIF is a funding mechanism authorized by state law that allows a government to collect a fee from new development for their fair share of the cost of future capital projects. DIF is used state wide to offset the increased demand caused by new development. This allows funding to coincide with the need for new or expanded facilities and can also be used for debt service payment on the expanded facilities. Many times a new facility's cost is split between both new development and the existing community; therefore it is prudent for the Town to identify and set aside funding sources to fund the balance of the cost of new facilities.

Capital Project Funding

The adopted Master Facility Plan (MFP) describes the anticipated facilities needed to implement the Town's General Plan. Each MFP project is evaluated to determine the likelihood that it will be built within the next five years using the following three criteria: (1) the priority of the project, (2) the probability of funding, and (3) the availability of grant funding. Feasible projects and their associated funding sources are then listed in the five-year Capital Improvement Program (CIP). The projects and facilities listed in the first year of the CIP are included in that year's budget.

CIP

The CIP identifies projects that will be constructed in each year over a five-year period.

Capital Projects completed in recent years include the Tourism & Recreation Department Building, the Welcome Center, the two-bay maintenance facility addition, Trails End Park, Old Mammoth Road improvements, the Ice Rink Phase 1, the Main Street Promenade, various trail sections, storm drainage projects, and pedestrian facilities.

Projects that are expected to be part of this year's CIP are:

- Lake Mary Road Bike Lane
- Lower Canyon Blvd. Improvements
- North Main Street Frontage Improvements
- Tavern Road Improvements
- Meridian Blvd. Improvements
- Lakeview Road Improvements
- Payments on Loaders and Blowers

Priority

Projects which address health and safety needs have generally been given the highest priority. In the past, Council has recognized opportunities to achieve other projects such as the skate board park and ice rink in response to community needs or the availability of funding.

Funding

Funding may come from grants, General Fund dollars, debt financing, Development Impact Fees, taxing authorities, and other sources. Most projects require a combination of funding sources to bring them forward to the construction phase. Combining funding sources to establish the most secure funding package can be challenging, especially when a project is multi-phased or the fiscal planning process takes several years.

The Council may shift funds or reset priorities to accomplish a project in the desired timeframe.

Project Construction and Funding Obligation

A project does not become a funding obligation of the Town until the Town Council awards the project bid. All of the construction-phase capital projects programmed for FY 09-10 are multi-year construction projects that were initiated in a prior fiscal year. The programmed expenses in FY 09-10 along with the program budget have the potential to 'slide' to the next budget year if the construction process or funding capabilities lag. If a capital project is not funded in any given year it does not place an obligation on the operating budget – it just means that the project will be delayed until sufficient funding is available.

Projects with significant funding challenges for FY 09-10

Lake Mary Road Bike Lane: This \$13,000,000 project received a little over \$10,000,000 in grants, with the rest of the funding expected to come from Development Impact Fees (DIF). Because of insufficient DIF funds, this project could be reduced in scope for FY 09-10 while other funding sources are identified to complete the project.

Airport Terminal Building Financing: This project was to be financed over a ten-year period, but only short-term financing could be obtained during November 2008 due to the global credit market collapse. The short-term debt is structured to be 'rolled over' into a long-term financing structure or a second short-term debt on July 1, 2009. The exact financing terms and availability of roll-over financing will not be known until late spring or early summer.