TOWN COUNCIL STAFF REPORT

Title: Fiscal Year 23-24 Tentative Budget (Manager Recommended).

Meeting Date: June 7, 2023

Prepared by: Rob Patterson, Administrative Services / Finance Director

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RECOMMENDATION:

Staff is requesting Council review and comment on tentative budget (Manager Recommended) that will assist staff in preparing the final phase of our FY23-24 budget process. Staff will use direction and additional research to bring a final budget presentation to the Town Council for public hearing and adoption on June 21.

BACKGROUND:

This report provides information related to the FY23-24 tentative budget (Manager Recommended). This phase of the budget is built on recommendations from Department Heads as well as feedback received from Town Council in the preliminary budget presentation on April 12th. Since that presentation, the financial components of the labor negotiations have been completed and staff has made appropriate adjustments to the expenditures. There have been minor adjustments to revenue and additional edits to expenditure to bring the budget into balance. Staff has included a list of changes for review during the tentative budget presentation. The tentative budget for the General Fund is in balance with revenue matching expenditures at $30,553,800. The tentative budget is considered largely complete, with only minor adjustments anticipated for the final budget. Staff are confident in the data projected below and the revenue and expenditures forecast.

Labor / Staff Updates

Labor is the largest expense of the Town's budget covering salaries, health insurance, comprehensive leave, and retirement expenses. The Town is finalizing negotiations with three employee bargaining units and has made appropriate adjustments based on expected outcomes. This resulted in approximately 3% more in salary expenses than our original estimates. In addition to scheduled salary increases, some employees may earn merit increases, 5% per adjustment, while within the range of their salary. In addition, anticipated cost increases for certain benefits are reviewed to make sure increases are captured during the budget process. All salary adjustments are anticipated and captured within this budget.

In addition to the adjustments noted above, this budget funds staff positions that were vacant for most of FY22-23, hired late in the fiscal year, and new positions requested for service expansion. Below is a brief statement on each of these additions with a brief explanation on the position description and task assignments. Staff positions represent an ongoing effort to establish stable staffing levels to meet core services and in some instances are the result of expanded services. Below is a recap of positions added for FY23-24.

Recreation Supervisor - Adult Programming and Facility Operations
The Recreation Supervisor is responsible for delivering primarily Adult (18+ years) recreation programming and the operation and programming of Town-owned or managed parks and facilities, excluding the Community Recreation Center (CRC). Primary duties include delivering scalable and sustainable, year-round adult programming for residents and visitors, such as adult clinics, leagues, tournaments, activities, and events. Primary responsibilities also include the operations and programming of the Whitmore Pool, Whitmore Track and Sports Field, Community Center & Tennis Courts, proposed Pickleball Center, Shady Rest Park & Disc Golf Park, Trails End Park & Volcom Brothers Skatepark, Mammoth Creek Park, and the Edison Theatre. The position may support other supervisory functions performed by the Parks and Recreation Department. The position is necessary to effectively manage the span of control over programs and staff (full time and part time) in the implementation of services and programs.

Police Officer
The addition of a police officer was approved in mid FY22-23 in response to the potential loss of some patrol officers to other agencies. The Town's police force operates 24 hours a day, 7 days a week with the current staff. This work plan does not have the capacity to absorb a loss of an officer without requiring significant overtime and burden on existing staff. The addition of this officer provides additional capacity and prepares for potential retirements or other loss of personnel. In the past, the Town has been successful at attracting the lateral move of officers from other agencies when needed; however, the last recruitment process resulted in a stark change from the past with a low number of qualified applications. The Town also has a desire to augment police staff by one officer to open the opportunity for an assigned detective position. This is an important position that would assist with investigations. This position will allow officers to continue to focus on patrol and related duties, provide greater attention to certain cases, enhance coordination with other agencies and can still support patrol operations when necessary. Currently this critical need is dependent on work by each patrol officer and relies more on the availability of the District Attorney investigative personnel.

Police Recruits
As stated under the Police officer section, the Town is having more difficulty recruiting law enforcement positions. One way staff have addressed this is to put two recruits through the POST academy. This is an effective process as you are typically drawing from existing community members, people who are already established with housing and roots locally. This process provides an opportunity for community members seeking a career in law enforcement. The last time the Town put a recruit through the academy was 2006. That officer is still employed with the Town today. The academy will take approximately six months for the recruit to graduate. After graduation they will be a part of our patrol force working with a field training officer for an additional four months. So, start to finish, it takes a recruit almost a full year until they are considered ready for patrol on their own.

Part-Time
Staff have also made appropriate adjustments to part-time staff as our structure and amenities have come online. The Police Department has an ongoing program to use Reserve Officers. These officers are generally retired officers living in the area and provide a variety of support services to the Department. This includes event assistance, conducting background checks on new officers,

limited backfilling of patrol when officers are out or in the case of significant calls for service, assistance with investigative follow up, traffic operations and may assist with transport of people to jail. The budget includes funding for one recently hired Reserve Officer.

The key adjustments from recreation are additional programs that will come online with the Community Recreation Center (CRC). These adjustments will result in approximately 1,200 additional hours per year. The programs and staffing are dependent on the recruitment of part-time staff. In the Fall of FY22-23, the outdoor host program shifted from being under MLTPA to the Town. The costs for the program are now part of our labor costs rather than a contract expense. The positions are managed by the Office of Outdoor Recreation. This is better aligned with funding and oversight being provided by the Office of Outdoor Recreation. Additional part-time hours are also reflected in trail maintenance/construction and grooming program, which are subject to weather conditions and the permitting process.

In total the changes reflected in new staff introduced in FY22-23 or recommended for FY23-24 have increased the labor expense by $658,669 which is 35.9% of the total labor increases reflected in this budget.

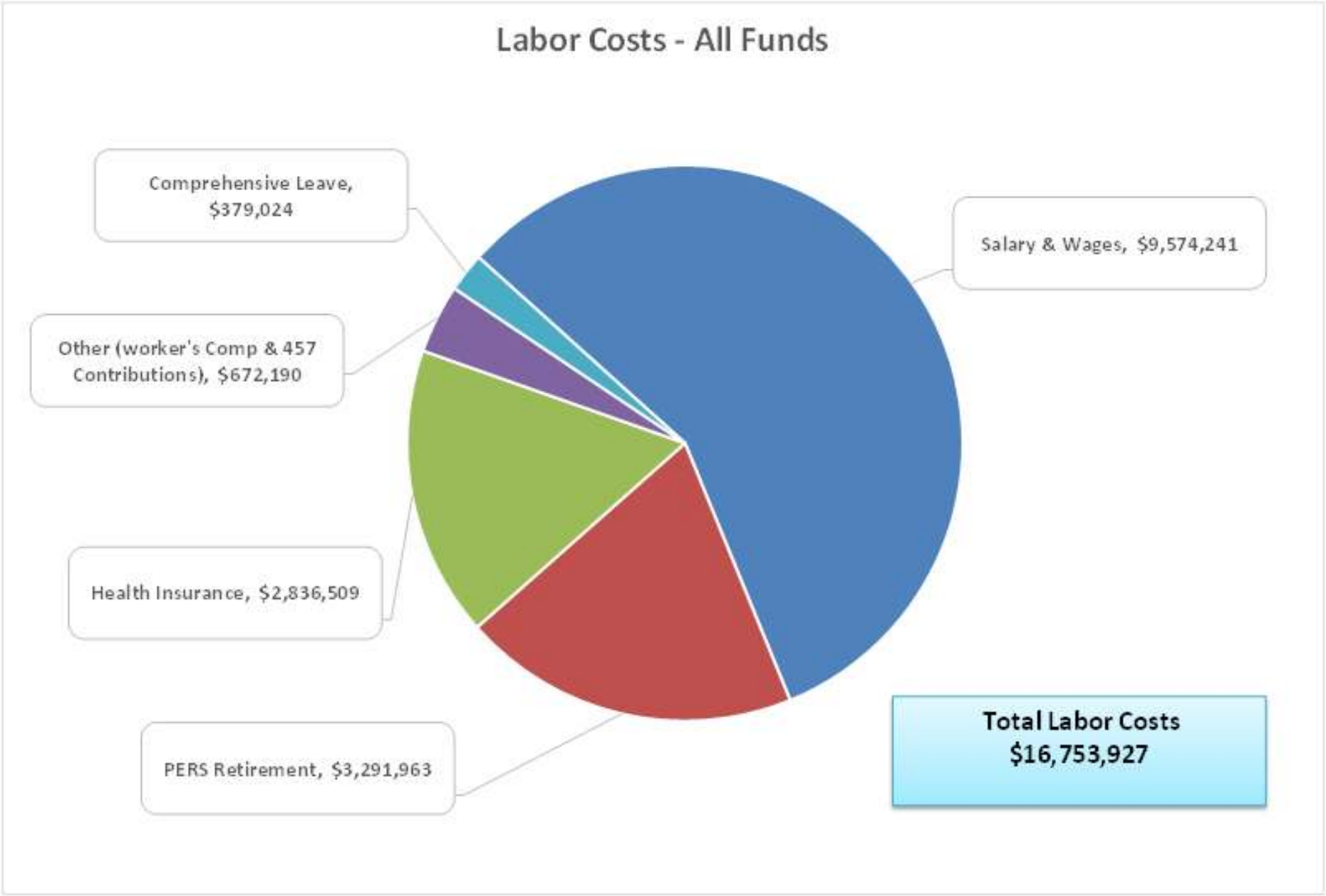
Labor Costs - All Funds

Item		FY23-24 Budget Total		FY22-23 Budget Total	Variance by Item	% of Total Labor
Salary & Wages	$	9,574,241	$	8,403,138	13.9%	57.1%
PERS Retirement	$	3,291,963	$	3,068,849	7.3%	19.6%
Health Insurance	$	2,836,509	$	2,591,871	9.4%	16.9%
Other (worker's Comp & 457 Contributions)	$	672,190	$	609,324	10.3%	4.0%
Comprehensive Leave	$	379,024	$	373,096	1.6%	2.3%
	$	16,753,927	$	15,046,277	11.3%	100.0%
		Variance	$	1,707,650		
		%		11.35%		

Employee Count Comparison

Full Time Equivalent (FTE) = 1 FTE is 2,080 hours

Employee Statistics	FY23-24 Budget Count	FY22-23 Budget Count	Change
Full Time Employees	92.0	88.0	4.0
Part Time Employees - Measured in Full Time Equivalents (FTE)			
Police	0.8	0.3	0.5
Recreation Programs	9.0	8.4	0.6
Parks Maintenance	1.7	1.7	-
Finance	0.5	0.5	-
Arts & Culture	1.4	1.4	-
Planning & Building	0.5	0.5	-
Capital Projects	0.8	0.8	-
Airport Operations	0.9	0.9	-
Measure R - Trails	1.5	1.5	-
Outdoor Recreation	0.9	0.0	0.9
Roads & Snow Removal	1.4	1.4	-
Facilities Maintenance	0.3	0.3	-
Total Part Time Employees (FTE)	19.7	17.7	2.0
Total Employee (FTE)	111.7	105.7	6.0


Labor Costs - All Funds
Comprehensive Leave, $379,024
Salary & Wages, $9,574,241
Other (worker's Comp & 457 Contributions), $672,190
Health Insurance, $2,836,509
PERS Retirement, $3,291,963
Total Labor Costs
$16,753,927

Full-Time Staff

Account	Department	FTE	Salary	Comp Leave	Health Insurance	457 Contribution	Total Health Ins	Worker's Comp	PERS	Total
100-413	Town Manager	2.0	$ 361,696	$ 21,252	$ 74,211	$ 2,940	$ 77,151	$ 24,316	$ 140,661	$ 625,075
100-414	Town Clerk	2.0	$ 188,182	$ 4,536	$ 76,338	$ 2,400	$ 78,738	$ 12,355	$ 66,245	$ 350,056
100-415	Finance	6.9	$ 662,388	$ 28,953	$ 268,597	$ 8,894	$ 277,491	$ 44,314	$ 211,350	$ 1,224,495
100-417	Personnel	2.0	$ 188,335	$ 13,519	$ 61,702	$ 3,000	$ 64,702	$ 12,941	$ 59,957	$ 339,453
100-420	Police	22.0	$ 2,464,399	$ 78,139	$ 565,300	$ 7,800	$ 573,100	$ 163,002	$ 1,189,775	$ 4,468,414
100-432	Parks & Recreation Programs	4.3	$ 382,655	$ 27,348	$ 105,376	$ 5,760	$ 111,136	$ 26,285	$ 136,292	$ 683,716
100-434	Whitmore Recreation Area	1.1	$ 84,277	$ 5,385	$ 27,271	$ 1,308	$ 28,579	$ 5,748	$ 27,921	$ 151,910
100-436	Arts & Culture	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
100-438	Parks Maintenance	3.3	$ 254,028	$ 17,950	$ 74,866	$ 3,924	$ 78,790	$ 17,436	$ 92,309	$ 460,514
100-440	Planning	4.6	$ 480,116	$ 26,324	$ 141,803	$ 6,102	$ 147,905	$ 32,468	$ 165,380	$ 852,194
100-442	Building	4.0	$ 340,155	$ 16,608	$ 146,323	$ 4,776	$ 151,099	$ 22,917	$ 122,337	$ 653,116
100-444	Code Compliance	1.0	$ 72,924	$ 1,429	$ 33,784	$ 1,200	$ 34,984	$ 4,767	$ 22,085	$ 136,189
100-445	Housing	1.2	$ 126,836	$ 4,981	$ 43,516	$ 1,482	$ 44,998	$ 8,451	$ 47,435	$ 232,700
100-460	Engineering	5.3	$ 539,440	$ 32,818	$ 141,074	$ 6,862	$ 147,935	$ 36,687	$ 182,468	$ 939,349
100-464	Facilities Maintenance	0.8	$ 38,941	$ 2,950	$ 14,361	$ 900	$ 15,261	$ 2,686	$ 12,443	$ 72,280
100-467	Office of Outdoor Recreation	3.0	$ 243,499	$ 12,687	$ 73,462	$ 3,600	$ 77,062	$ 16,424	$ 81,708	$ 431,380
100-475	Transit	0.0	$ 0	$ -	$ -	$ -	$ -	$ 0	$ 0	$ 0
General Fund Total		63.4	$ 6,427,870	$ 294,878	$ 1,847,983	$ 60,948	$ 1,908,931	$ 430,796	$ 2,558,367	$ 11,620,842

Full-Time Staff - Continued

Account	Department	FTE	Salary	Comp Leave	Health Insurance	457 Contribution	Total Health Ins	Worker's Comp	PERS	Total
205-490	Solid Waste	0.1	$ 6,438	$ 254	$ 2,128	$ 60	$ 2,188	$ 429	$ 2,482	$ 11,790
Solid Waste		0.1	$ 6,438	$ 254	$ 2,128	$ 60	$ 2,188	$ 429	$ 2,482	$ 11,790
210-450	Maintenance Streets (May-Sept)	5.7	$ 406,754	$ 16,623	$ 161,628	$ 6,852	$ 168,480	$ 27,143	$ 133,950	$ 752,951
210-452	Snow Removal (Oct-April)	7.5	$ 530,801	$ 22,810	$ 203,960	$ 8,976	$ 212,936	$ 35,492	$ 175,239	$ 977,277
210-456	Facilities Maintenance	0.1	$ 5,192	$ 393	$ 1,915	$ 120	$ 2,035	$ 358	$ 1,659	$ 9,637
Gas Tax		13.3	$ 942,747	$ 39,826	$ 367,503	$ 15,948	$ 383,451	$ 62,993	$ 310,848	$ 1,739,865
215-511	Measure R - Trails	0.3	$ 22,308	$ 677	$ 6,510	$ 408	$ 6,918	$ 1,474	$ 6,827	$ 38,203
Measure R - Trails		0.3	$ 22,308	$ 677	$ 6,510	$ 408	$ 6,918	$ 1,474	$ 6,827	$ 38,203
220-471	Airport	4.8	$ 386,909	$ 10,107	$ 147,855	$ 5,760	$ 153,615	$ 25,453	$ 117,926	$ 694,009
220-531	Airport AIP Capital Projects	0.2	$ 19,507	$ 582	$ 6,170	$ 240	$ 6,410	$ 1,288	$ 5,967	$ 33,755
Airport		5.00	$ 406,416	$ 10,689	$ 154,025	$ 6,000	$ 160,025	$ 26,741	$ 123,894	$ 727,764
250-540	LTC	0.0	$ 7,342	$ 638	$ 470	$ 72	$ 542	$ 512	$ 2,959	$ 11,992
Local Transportation		0.04	$ 7,342	$ 638	$ 470	$ 72	$ 542	$ 512	$ 2,959	$ 11,992
300-530	Capital Projects - Streets	0.0	$ 2,716	$ 81	$ 1,178	$ 41	$ 1,219	$ 179	$ 831	$ 5,026
300-531	Capital Projects - Other	0.9	$ 97,291	$ 5,934	$ 33,724	$ 1,171	$ 34,895	$ 6,618	$ 32,311	$ 177,049
Capital Projects		0.95	$ 100,007	$ 6,015	$ 34,902	$ 1,212	$ 36,114	$ 6,797	$ 33,141	$ 182,075
857-452	OMR Assessment Snow Removal	0.4	$ 24,695	$ 1,157	$ 8,533	$ 420	$ 8,953	$ 1,657	$ 8,358	$ 44,820
856-531	OMR Capital	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
857-452	OMR Assessment Snow Removal	0.3	$ 21,748	$ 937	$ 8,063	$ 372	$ 8,435	$ 1,454	$ 7,127	$ 39,702
858-436	Fractional MelloRoos	1.7	$ 126,576	$ 4,385	$ 45,561	$ 2,040	$ 47,601	$ 8,396	$ 39,372	$ 226,331
Assessment		2.36	$ 173,019	$ 6,480	$ 62,157	$ 2,832	$ 64,989	$ 11,508	$ 54,858	$ 310,852
910-456	Garage Facility Maintenance	6.6	$ 534,824	$ 19,568	$ 189,006	$ 7,920	$ 196,926	$ 35,542	$ 179,808	$ 966,668
Garage Services		6.6	$ 534,824	$ 19,568	$ 189,006	$ 7,920	$ 196,926	$ 35,542	$ 179,808	$ 966,668
Worksheet Total		92.0	$ 8,620,970	$ 379,024	$ 2,664,685	$ 95,400	$ 2,760,085	$ 576,790	$ 3,273,183	$ 15,610,052

Part-Time Staff

Account	Department	Salary	FTE	Health Insurance	PARS	Total
100-410	Town Council	$ 62,635	-	$ 171,824	$ 1,235	$ 235,694
100-415	Finance	$ 30,167	0.47	$ -	$ 595	$ 30,762
100-420	Police	$ 63,439	0.76	$ -	$ 1,251	$ 64,689
100-432	Recreation Programs	$ 169,403	4.13	$ -	$ 3,340	$ 172,743
100-434	Whitmore Recreation Area	$ 101,765	2.34	$ -	$ 2,006	$ 103,771
100-436	Arts & Culture	$ 54,780	1.41	$ -	$ 1,080	$ 55,860
100-438	Parks Maintenance	$ 65,983	1.66	$ -	$ 1,301	$ 67,284
100-440	Planning & Building	$ 18,689	0.47	$ -	$ 368	$ 19,057
100-464	Facilities	$ 15,674	0.34	$ -	$ 305	$ 15,979
100-467	Office of Outdoor Rec	$ 40,966	0.94	$ -	$ 808	$ 41,774
		$ 623,502	12.53	$ 171,824	$ 12,287	$ 807,614
210-452	Temp Snow Removal	$ 83,456	1.41	$ -	$ 1,645	$ 85,101
215-438	Measure R - Trails	$ 59,649	1.49	$ -	$ 1,176	$ 60,825
220-471	Airport Operations	$ 56,091	0.94	$ -	$ 1,106	$ 57,197
300-530	Capital Projects - Streets	$ 15,474	0.38	$ -	$ 301	$ 15,775
300-531	Capital Projects - Other	$ 15,474	0.38	$ -	$ 301	$ 15,775
		$ 30,949	0.77	$ -	$ 602	$ 31,550
858-436	Fractional MelloRoos	$ 99,625	2.49	$ -	$ 1,964	$ 101,589
		$ 953,271	19.6	$ 171,824	$ 18,780	$ 1,143,875

Number of Employees	
Full-time employment	92.0
Part-time employment (FTE)	19.6
	111.6

Fund 100 - General Fund

Revenue

The budget revenue projections presented to Council on April 12 included detailed discussion on methodology used for General Fund revenue. Since the preliminary budget revenue presentation, staff have continued to develop the budget detail resulting in some significant adjustments to revenue expectation. Namely, the expenses in Community and Economic Development contractual services are expected to be fully reimbursable by applicants; therefore, the revenue was increased to match planned expense, which resulted in a $230,000 increase in revenue for that line item. Whitmore Pool reimbursement is calculated at 50% of total cost of operation which is reimbursed by Mono County. The expenses for this year have been determined, resulting in an additional $95,000 in revenue. Interest on investments has been strong in recent times as we have switched our main investments from LAIF to CAMP. The small increase of $35,000 reflects higher interest earnings. Transfer In, revenue from other funds, was increased due to planned projects supported by Measure U and the Local Transportation Commission (LTC), increasing the revenue by $55,000. Other minor adjustments to revenue were based on additional analysis completed since the preliminary presentation. In total, revenue has increased $450,400 in the General Fund bringing the total to $30,533,800 for FY23-24. Below is a summary of General Fund revenue adjustments:

Fund 100 - General Fund
Revenue Adjustments since Preliminary

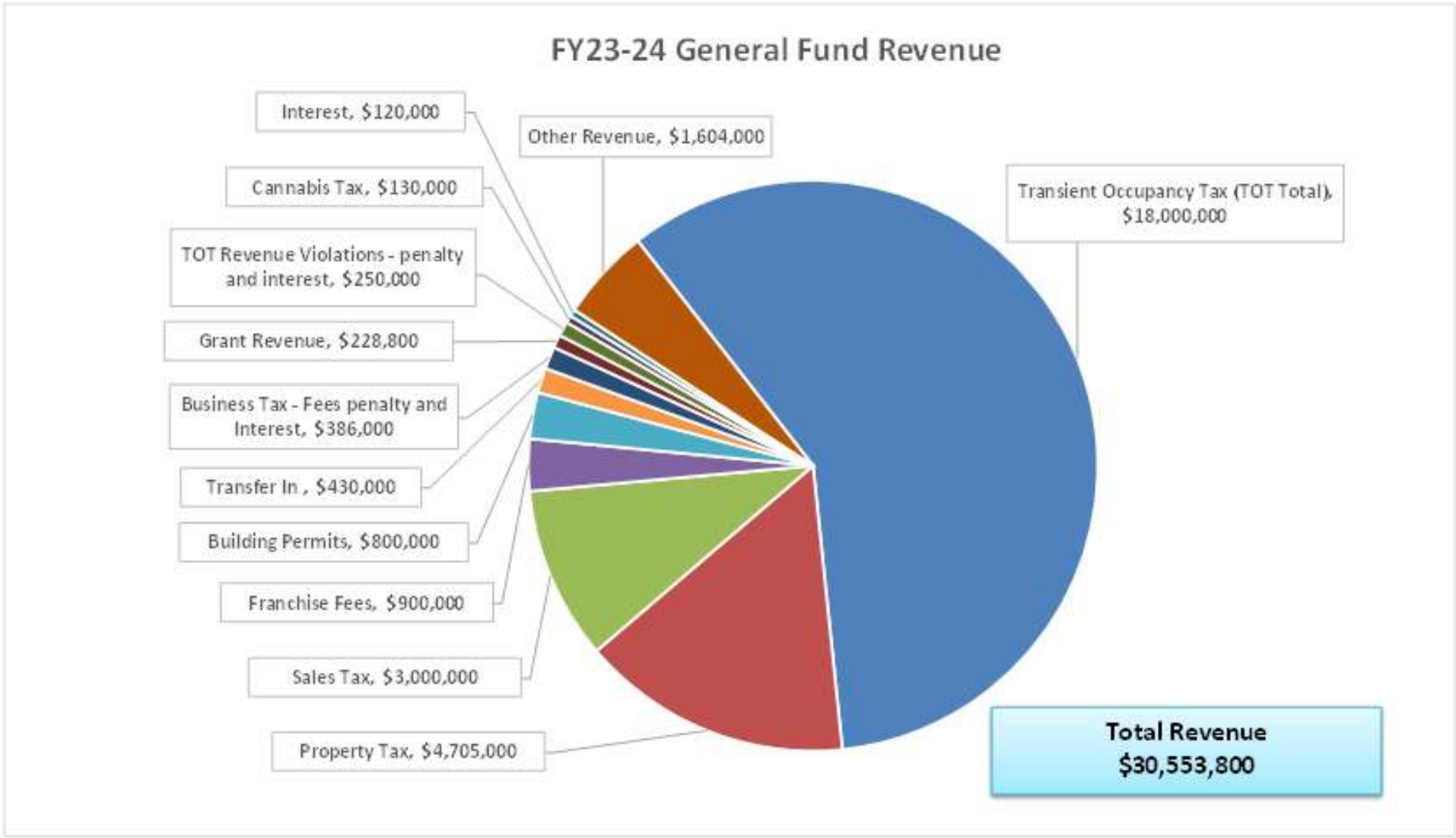
Preliminary Budget - General Fund Revenue				**$ 30,103,400**	
Account	Description	Original Amount	New Amount	change amount	Notes
100-000-31470	Special Events Permit	$ 7,600	$ 6,000	$ (1,600)	Reduced number of events due to compressed Spring and Summer
100-000-31610	Facility Rental	$ 165,000	$ 200,000	$ 35,000	Current trends
100-000-31624	Planning & Zoning Applications	$ 120,000	$ 350,000	$ 230,000	All Contractual Services for CED reimbursable
100-000-31670	Whitmore Master	$ 18,000	$ 20,000	$ 2,000	Minor Revenue increase
100-000-31672	Whitmore Pool Reimb	$ 100,000	$ 195,000	$ 95,000	Calculation of Expenses (100-434) minus Revenue (Whitmore Pool Master) = Net Expense
100-000-37002	Interest on Investments	$ 65,000	$ 100,000	$ 35,000	
100-000-39999	Interfund Transfers In	$ 375,000	$ 430,000	$ 55,000	Measure U for Edison Theater, $15,000, LTC Node Planning $40,000
Total Revenue Changes				$ 450,400	
Tentative Budget - General Fund Revenue				**$ 30,553,800**	

Key Revenue Components - General Fund

Item		Amount	% of Total Revenue
Transient Occupancy Tax (TOT)	$	18,000,000	58.9%
Property Tax	$	3,755,000	12.3%
Sales Tax	$	3,000,000	9.8%
Community Development Permits	$	1,226,500	4.0%
Property Tax in Lieu VLF	$	950,000	3.1%
Franchise Fees	$	900,000	2.9%
Business Tax - Fees penalty and Interest	$	562,000	1.8%
Other Revenue	$	573,500	1.9%
Recreation Programs	$	380,000	1.2%
TOT Penalty and Interest	$	250,000	0.8%
Public Safety	$	325,800	1.1%
Transit Fee	$	135,000	0.4%
Interest	$	120,000	0.4%
Charges for Services (TBID Collection, Clerk Duties, Snow Removal Civic Center)	$	181,000	0.6%
Whitemore Pool County Share 50%	$	195,000	0.6%
Total Budgeted Revenue	**$**	**30,553,800**	**100.0%**

Major Revenue Components

Item	FY20-21 Actual	FY21-22 Actual	FY22-23 Adopted Budget	FY23-24 Proposed Budget	Variance to FY22-23	%	% of Total Revenue
Transient Occupancy Tax (TOT)	$ 15,911,859	$ 16,599,247	$ 16,000,000	$ 18,000,000	$ 2,000,000	12.5%	58.9%
TOT Revenue Violations	$ 94,039	$ 148,977	$ 100,000	$ 100,000	$ -	0.0%	0.3%
TOT Penalty and Interest	$ 267,207	$ 167,766	$ 150,000	$ 150,000	$ -	0.0%	0.5%
Total TOT Revenue	$ 16,273,104	$ 16,915,990	$ 16,250,000	$ 18,250,000	$ 2,000,000	12.3%	59.7%
Property Tax	$ 4,054,115	$ 4,572,245	$ 4,650,000	$ 4,705,000	$ 55,000	1.2%	15.4%
Sales Tax	$ 2,372,657	$ 2,513,299	$ 2,700,000	$ 3,000,000	$ 300,000	11.1%	9.8%
Franchise Fees	$ 851,036	$ 858,936	$ 900,000	$ 900,000	$ -	0.0%	2.9%
Other Revenue							
Building Permits	$ 623,387	$ 934,970	$ 760,000	$ 800,000	$ 40,000	5.3%	2.6%
Business Tax (New, Renewal, and Penalties)	$ 360,535	$ 336,897	$ 336,000	$ 386,000	$ 50,000	14.9%	1.3%
Cannabis Tax	$ 160,539	$ 161,553	$ 130,000	$ 130,000	$ -	0.0%	0.4%
Interest	$ 353,569	$ 150,389	$ 85,000	$ 120,000	$ 35,000	41.2%	0.4%
Grant Revenue	$ 481,925	$ 380,379	$ 228,800	$ 228,800	$ -	0.0%	0.7%
Transfer In	$ 1,326,724	$ 623,000	$ 375,000	$ 430,000	$ 55,000		1.4%
Misc Revenue	$ 183,164	$ 1,770,424	$ 1,216,090	$ 1,604,000	$ 387,910	31.9%	5.2%
Total Budgeted Revenue (General Fund)	$ 27,040,754	$ 29,218,082	$ 27,630,890	$ 30,553,800	$ 2,922,910	10.6%	100.0%


FY23-24 General Fund Revenue
Interest, $120,000
Other Revenue, $1,604,000
Cannabis Tax, $130,000
Transient Occupancy Tax (TOT Total), $18,000,000
TOT Revenue Violations - penalty and interest, $250,000
Grant Revenue, $228,800
Business Tax - Fees penalty and Interest, $386,000
Transfer In , $430,000
Building Permits, $800,000
Franchise Fees, $900,000
Sales Tax, $3,000,000
Property Tax, $4,705,000
Total Revenue
$30,553,800

Expenditures

The preliminary budget presented to the Town Council on April 12 had a deficit of almost $82,000. As noted earlier under the labor section, there were various elements still in discussion. Staff has updated the expenditures based on negotiation efforts and additional analysis of planned expenditures. In some instances, Staff has recommended reductions in line items to balance the budget. The labor adjustment reduced expenditures by $127,843 due to an overestimation of Comprehensive Leave expense during the preliminary budget. The original calculation accounted for the total cost of this item vs the incremental growth expected for the fiscal year. Staff also made adjustments to the new positions based on the individuals hired in the position rather than on estimates. For example, when a position is added, the total cost includes the highest classification of employee, including family medical. Once the employee is hired, actual classifications are updated, which resulted in a reduction of both health insurance and PERS retirement. Staff also concluded the financial elements of negotiations and updated salary and wages accordingly. Other noteworthy adjustments include an additional $200,000 in contractual services for the building department. This reflects the cost of contractual work necessary for inspections and support for emergency repairs. Staff had been accelerating repayment of the internal vehicle replacement loan by increasing charges to departments annually. Staff reduced this practice by $55,000 in order to balance the budget. All other adjustments are budget fine turning based on identified needs or potential cost reductions. In total, these expenditure adjustments increased expense by $369,367 for the General Fund and balanced the General Fund revenue and expense at $30,553,800 for FY23-24. The chart below reconciles these changes:

Fund 100 - General Fund

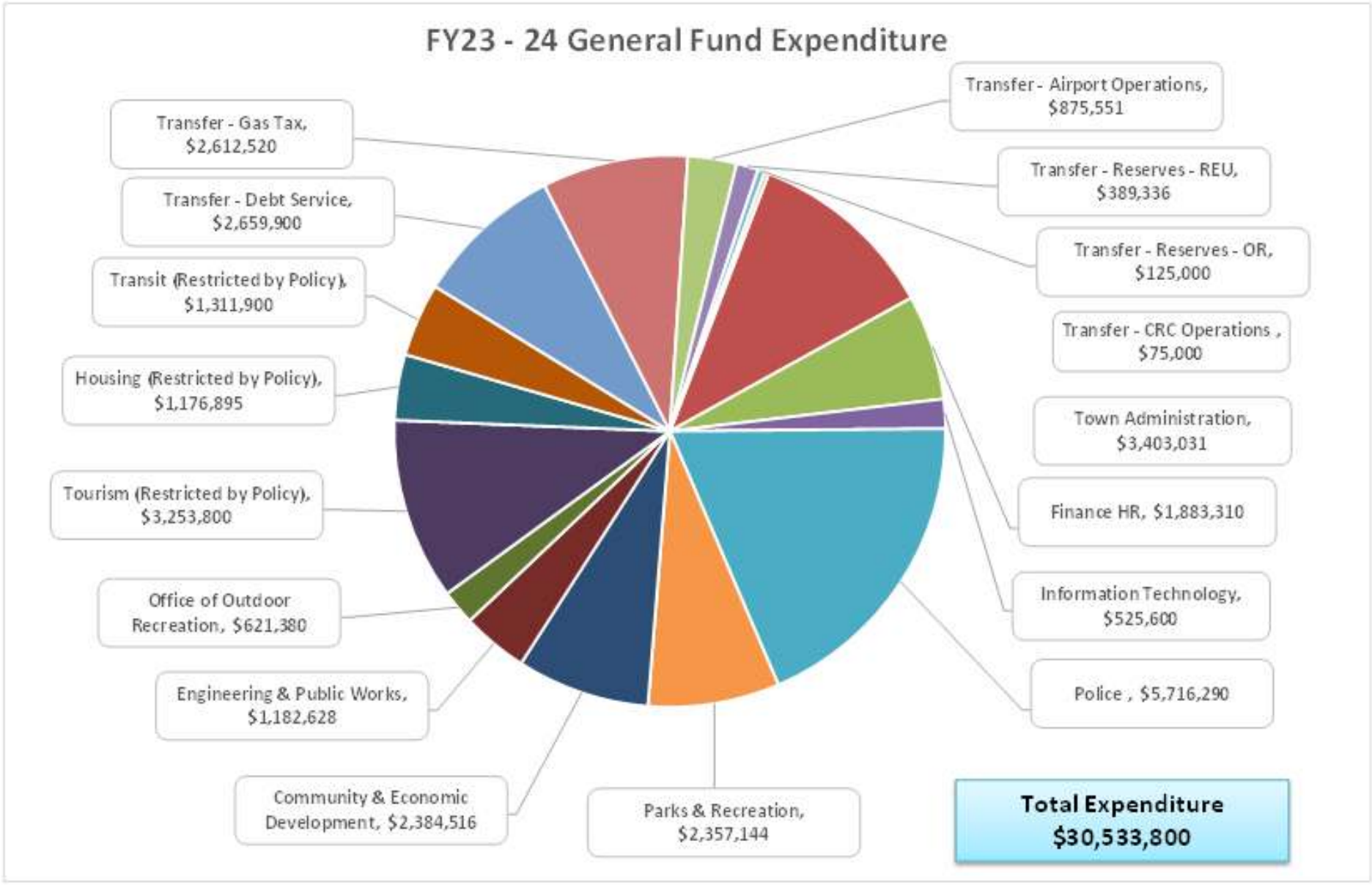
Expense Adjustments since Preliminary

Account	Description	Original Amount	New Amount	change amount	Notes
Various	Salary & Wages	$ 9,428,210	$ 9,574,241	$ 146,031	Negotiation actual vs estimate
Various	PERS Retirement	$ 3,318,854	$ 3,291,963	$ (26,891)	Correction on employee classification
Various	Health Insurance	$ 2,896,662	$ 2,836,509	$ (60,153)	Adjustment to Actuals from high estimate on new positions
Various	Comprehensive Leave	$ 565,854	$ 379,024	$ (186,830)	Calculation error on Salary and Benefit Worksheet
Various	Vehicle Replacement	$ 977,984	$ 922,674	$ (55,310)	Reduced acceleration in loan repayment to balance budget
100-410-43150	Training, Ed, Conf & Mtgs	$ 25,000	$ 20,000	$ (5,000)	Estimate reduction
100-413-44520	Emergency Preparedness	$ 25,000	$ 15,000	$ (10,000)	Estimate reduction
100-414-40113	Overtime Wages	$ -	$ 5,000	$ 5,000	Assistant Clerk OT
100-414-44600	Codification	$ 35,000	$ 5,000	$ (30,000)	Funds from FY22-23 will carry over, total project $35k
100-415-40113	Overtime Wages	$ 10,000	$ 5,000	$ (5,000)	Estimate reduction

Fund 100 - General Fund

Expense Adjustments since Preliminary - Continued

Account	Description	Original Amount	New Amount	change amount	Notes
100-416-42030	Special Operational	$ 15,000	$ 10,000	$ (5,000)	Estimate reduction
100-416-43031	Contractual Services	$ 201,230	$ 196,230	$ (5,000)	Estimate reduction
100-416-44220	Community Support Fund	$ 38,500	$ 71,000	$ 32,500	Estimate reduction
100-420-43031	Contractual Services	$ 80,000	$ 104,000	$ 24,000	Axon Cameras and Tasers annual contract increase due to additional services
100-420-43060	Garage Vehicle Service	$ 95,000	$ 90,000	$ (5,000)	Estimate reduction
100-436-45010	Facility Lease	$ 24,000	$ 27,800	$ 3,800	Calculation on current rate
100-442-42003	Misc Supplies	$ 1,500	$ 2,000	$ 500	Increment based on Storm damage
100-442-43031	Contractual Services	$ -	$ 200,000	$ 200,000	Missed on the Preliminary as waiting on updates
100-442-43130	Advertising & Legal Notices	$ 1,500	$ 3,000	$ 1,500	Increment based on Storm damage
100-460-40111	Temporary Wages	$ -	$ 11,000	$ 11,000	Internship
100-460-40113	Overtime Wages	$ -	$ 5,000	$ 5,000	Snow Patrol
100-460-41028	PARS (Part Time Retirement)	$ -	$ 220	$ 220	Internship
100-460-43031	Contractual Services	$ 80,000	$ 50,000	$ (30,000)	Estimate reduction
100-464-43031	Contractual Services	$ 17,000	$ 42,000	$ 25,000	ADA Compliance
100-467-43031	Contractual Services	$ 5,000	$ 50,000	$ 45,000	Node Planning
100-599-49999	Transfers Out			$ 294,000	Airport
Total Revenue Changes				$ 369,367	
Tentative Budget - General Fund Expense				**$ 30,553,800**	


FY23 - 24 General Fund Expenditure
Transfer - Airport Operations, $875,551
Transfer - Reserves - REU, $389,336
Transfer - Reserves - OR, $125,000
Transfer - CRC Operations , $75,000
Town Administration, $3,403,031
Finance HR, $1,883,310
Information Technology, $525,600
Police , $5,716,290
Parks & Recreation, $2,357,144
Community & Economic Development, $2,384,516
Engineering & Public Works, $1,182,628
Office of Outdoor Recreation, $621,380
Tourism (Restricted by Policy), $3,253,800
Housing (Restricted by Policy), $1,176,895
Transit (Restricted by Policy), $1,311,900
Transfer - Debt Service, $2,659,900
Transfer - Gas Tax, $2,612,520
Total Expenditure
$30,533,800

Fund 205 Solid Waste

The Solid Waste Fund accounts for restricted revenues related to providing solid waste related services and programs and was established in FY18-19. The majority of the solid waste programs and services are provided by Mammoth Disposal under a Solid Waste Franchise Agreement. The Fund supports recycling and trash services for Town facilities, Town clean up, and staff time associated with managing the Solid Waste Franchise agreement and services. The renewal of the Solid Waste Franchise Agreement in FY 19-20 adjusted the franchise fees by 4.5% from 5% to 9.5%. Two percent of the increase was retained in the General Fund and 2.5% percent is deposited in the Solid Waste Fund. The fees deposited here represent an AB939 fee collected under the new franchise agreement and are estimated at $150,000 for FY23-24. AB 939 fees are dedicated to meeting recycling mandates by funding facilities and programs to divert waste from landfills and increase recycling efforts. Previously an amount equal to 2% was received and set aside to assist in the development of new solid waste facilities. This amount was formally incorporated into the franchise fee with the new agreement resulting in a net franchise fee increase of 2.5%. A Solid Waste Parcel fee is levied in Mono County and was shared with the Town by the County under a previous agreement. The parcel fee may be used to fund solid waste-related infrastructure and operations. This past year the sharing of this fee with the Town was discontinued. The Town generates close to $500,000 for solid waste services from the fee for County solid waste operations. With the closure of the Benton Crossing Landfill this year (Jan. 1, 2023), a portion of the fee will support the ongoing post-closure costs of the landfill. The Town will be working with the County to re-establish shared use of the Solid Waste Parcel fee to assist the Town in meeting State related mandates and other solid waste related operations, as well as ongoing post-closure costs of the Benton Crossing Landfill.

Fund 210 Gas Tax

The Gas Tax Fund only has minor edits from the preliminary budget.

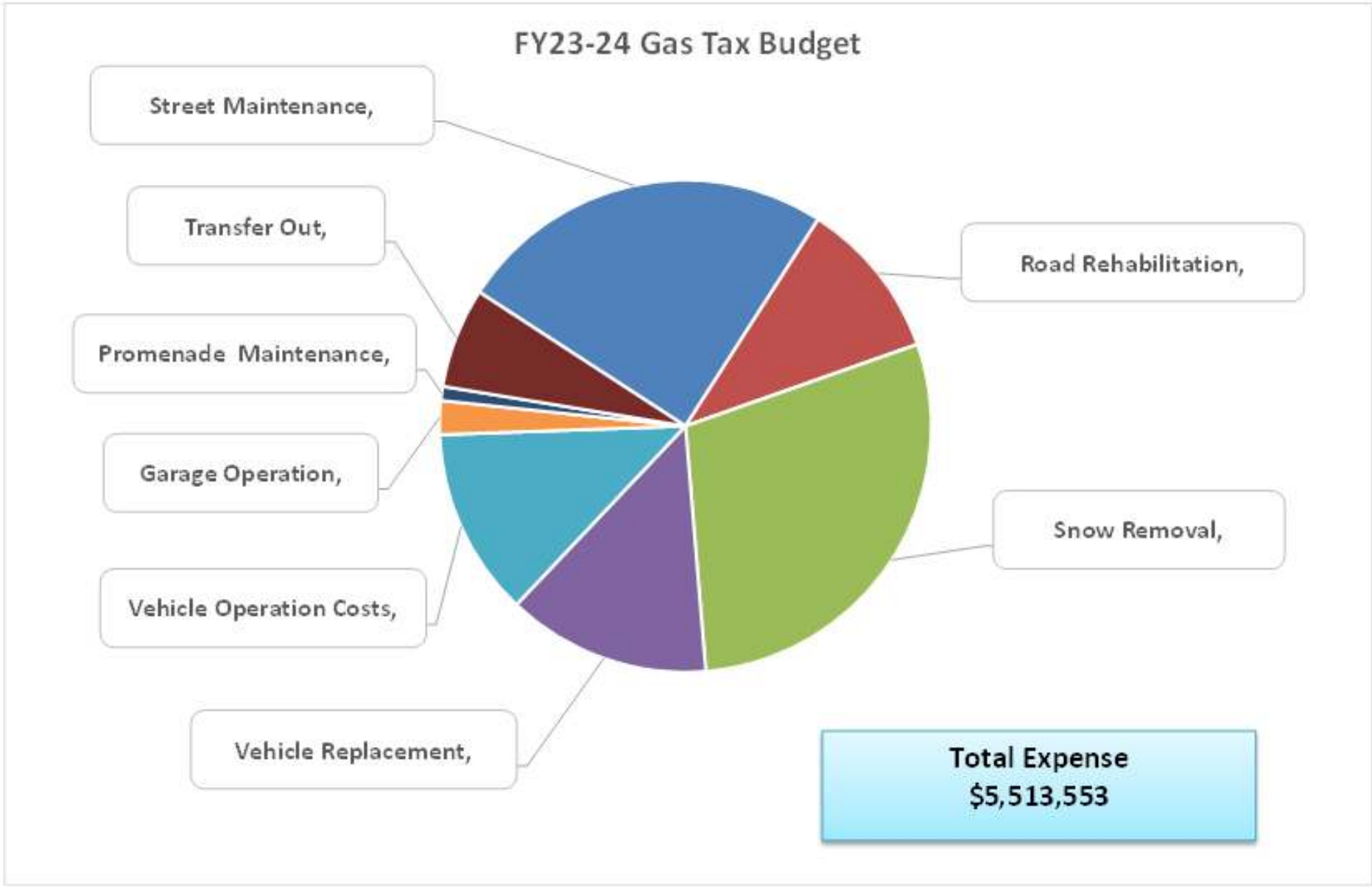
The Gas Tax Fund is the second largest operating fund following the General Fund. The fund provides for road infrastructure maintenance and snow removal. The revenue for FY23-24 includes $2,818,033 in State Gas Tax funds. This includes the reimbursement for snow removal estimated at $2,400,000. This reimbursement is significantly higher than prior years and is based on the snow year experienced in FY22-23. A portion of this reimbursement is transferred to the various assessment districts, estimated at $175,000 in total. Since this revenue is based on prior year actual snow removal cost, Fund 210 will see an increase of 37.1% from prior year snow removal revenue. This annual fluctuation in current year expense and subsequent year revenue requires the Town to fund the excess cost of snow removal in heavy snow years. While this is always the dynamic of this fund, it has not been more evident than in the last three years where we have had near record high and low snowfall totals. The Fund is supported by a General Fund and Garage Services transfer of $2,672,520 which is 13.5% lower than the prior year, which reflects the estimated higher reimbursement amount for snow removal. This level of State funding should not be counted on for future years and will require additional General Fund support in the future.

Gas Tax Fund Revenue by Category

Item	FY2019-20 Actual	FY20-21 Actual	FY21-22 Actual	FY22-23 Budget	FY23-24 Budget	Variance to Prior Year Budget	
Gas Tax	$ 206,948	$ 208,821	$ 223,898	$ 230,342	$ 230,342	$ -	0.0%
Gas Tax - Snow Removal	$ 1,999,871	$ 2,186,069	$ 1,531,985	$ 1,750,000	$ 2,400,000	$ 650,000	37.1%
Gas Tax - SB1	$ 142,612	$ 139,710	$ 161,785	$ 187,691	$ 187,691	$ -	0.0%
Total Gas Tax	$ 2,349,431	$ 2,534,600	$ 1,917,669	$ 2,168,033	$ 2,818,033	$ 650,000	30.0%
Transfer In - General Fund & Garage Services	2,232,652	2,695,390	3,040,926	3,091,086	2,672,520	$ (418,566)	-13.5%
Misc Revenue	26,567	50,838	137,112	23,000	23,000	$ -	0.0%
Total Gas Tax Revenue	**$ 4,608,650**	**$ 5,280,828**	**$ 5,095,707**	**$ 5,282,119**	**$ 5,513,553**	**$ 231,434**	**4.4%**

Gas Tax Fund Expenditures by Category

Department	FY2019-20 Actual	FY20-21 Actual	FY21-22 Actual	FY22-23 Budget	FY23-24 Budget	Variance to Prior Year Budget	
Street Maintenance	$ 899,943	$ 1,082,159	$ 1,499,890	$ 1,283,889	$ 1,374,151	$ 90,262	7.0%
Road Rehabilitation	$ 69,595	$ 99,007	$ 68,208	$ 430,000	$ 580,000	$ 150,000	34.9%
Snow Removal	$ 1,120,282	$ 1,180,015	$ 1,145,689	$ 1,509,201	$ 1,602,878	$ 93,677	6.2%
Vehicle Replacement	$ 668,246	$ 815,227	$ 738,020	$ 770,364	$ 738,396	$ (31,968)	-4.1%
Vehicle Operation Costs	$ 650,143	$ 589,140	$ 677,500	$ 681,100	$ 681,800	$ 700	0.1%
Garage Operation	$ 135,770	$ 150,807	$ 174,984	$ 118,874	$ 122,637	$ 3,764	3.2%
Promenade Maintenance	$ 50,796	$ 57,464	$ 48,323	$ 51,000	$ 51,000	$ -	0.0%
Operational Costs	**$ 3,594,775**	**$ 3,973,819**	**$ 4,352,615**	**$ 4,844,428**	**$ 5,150,862**	**$ 306,434**	**6.3%**
Transfer Out - Assessment District Snow	$ 155,206	$ 101,230	$ 77,251	$ 100,000	$ 175,000	$ 75,000	75.0%
Transfer Out - SB1 & Road funds for Capital Proje	$ 190,629	$ 25,137	$ 1,210,000	$ 337,691	$ 187,691	$ (150,000)	-44.4%
Total Transfers Outs	**$ 345,835**	**$ 2,003,461**	**$ 2,003,461**	**$ 225,609**	**$ 362,691**	**$ 137,082**	**60.8%**
Total Gas Tax Expenditures	**$ 3,940,610**	**$ 5,977,280**	**$ 6,356,076**	**$ 5,070,037**	**$ 5,513,553**	**$ 443,516**	**8.7%**


FY23-24 Gas Tax Budget
Street Maintenance,
Transfer Out,
Promenade Maintenance,
Garage Operation,
Vehicle Operation Costs,
Vehicle Replacement,
Road Rehabilitation,
Snow Removal,
Total Expense
$5,513,553

Measure R and U – Restricted Funding

Revenues generated from two voter initiatives commonly referred to as Measure R and Measure U are restricted in use by the language of the initiatives. The Town Council has designated Mammoth Lakes Recreation (MLR) to be the body to take public input on the proposed use of these funds and to make recommendations to Council for consideration. The MLR Board met on May 2, 2023 and held a public hearing to receive public comment and review the proposed budget allocations of Measure R and U funds.

The tentative budget includes the recommendations provided by MLR. This included ongoing expenses to manage the funds and maintain equipment and facilities secured by Measure R and U expenditures, debt payments, and community support. An overview of the recommended budgets by MLR is discussed below.

Fund 215 / 216 – Measure R

Measure R (Fund 216) is budgeted to receive $1,500,000 in Sales Transactions and Use Tax revenues for FY23-24. The fund has operating expenditures of $666,150 for FY23-24 and includes updates to support recreation in our community. The Community Recreation Center (CRC) is planned to begin operations in FY23-24 and the operational plan includes $112,000 in annual support from Measure R. This support helps reduce the required fees for the public and therefore the affordability of the new center. The budget includes $25,000 in support for the new Recreation Officer position. This position is assigned as the primary Town staff support working with Mammoth Lakes Recreation. The budget includes $95,900 for the contract with Mammoth Lakes Recreation to fund operations for FY23-24. The transfer to Fund 215 Trails was increased in FY23-24 by $50,000 to $300,000 for trails construction/repair efforts.

In addition to the annual ongoing expenses, staff requested two one-time funding items from Measure R that require a planned use of fund balance. This occurs when the expenditures are budgeted to exceed the revenue for the year, thereby expending existing fund balance to cover those expenditures. Both requests were presented to MLR on May 2, 2023 and were approved for the FY23-24 budget. The first item is $250,000 for future trails construction. Staff has included this in the budget as a transfer out to Fund 215, where trail construction funding is retained. Since these funds are intended for future construction projects, it is reflected as an increase in Fund balance. The second request is an allocation of $350,000 for CRC interior improvements. This allocation will bring the balance for interior improvements to $1,050,000 with $350,000 from a previous allocation from Measure R and $350,000 committed from General Fund. This work includes building out the concession and rental areas, offices, rubberized flooring, and community space/storage.

Measure R - Annual Revenue		
Sales Tax: Measure R *	$	1,500,000
Total Annual Revenue	$	1,500,000

Measure R - Annual Expenses		
Transfer to Fund 215 - Trails	$	300,000
Community Recreation Center Support	$	112,000
Transfer to Fund 100 - Trails Manager	$	100,000
MLR Town Agreement - Administration	$	95,900
Special Projects	$	25,000
Office of Outdoor Recreation Manager	$	25,000
Audit Services	$	4,250
Equipment Replacement	$	2,000
Equipment Maintenance	$	2,000
Total Annual Expenses	$	666,150

Measure R - Fund Balance Allocation		
Future Trails Construction - Fund 215	$	250,000
CRC Interior Funding	$	350,000
Measure R - One-Time Funding	$	600,000

Measure R - Debt Service		
CRC Financing	$	613,482
Measure R - Total Expense	$	1,879,632

Change in Fund Balance	(379,632)

In October 2017, the Town acquired $5.5 million in debt secured by Measure R for construction of a multi-use facility. The annual payment for this 10-year bond is based on a payment schedule and includes $613,482 for FY23-24. This payment is made from Measure R proceeds bringing total expenditures for Measure R Fund 216 to $1,879,632. The current revenue and expenditure budget should reduce available fund balance by $379,632 for FY23-24, considered a planned use of Fund Balance.

Measure R Trails (Fund 215) receives a transfer of $300,000 which is increased by $50,000 for FY23-24. These funds are used for trail construction along with some allocated for full-time and part-time trails construction staff, operating expenses, contractual services, and projects. As

mentioned earlier, an additional $250,000 is distributed to Fund 215 but not included in the annual expenses. This reserves those funds for a future trail construction project.

With the creation of the General Fund department 467 – Office of Outdoor Recreation in FY22-23, many of the trails administrative expenses have been moved to this new department. The only remaining labor expense in this Fund is used specifically for trail construction. This includes an allocation of a full-time public works maintenance worker who is allocated for the summer and a crew of part-time employees.

Measure R Trails

Revenue		Amount	Notes
Transfer In - Fund 216	$	550,000	Measure R - Trails Construction support
	$	550,000	
Expenditures			
Staff and Labor	$	99,028	Trail Construction Labor
Contractual Services	$	184,372	Funds available for contract trails production
Misc Expenses	$	16,600	
Total Expenditures	$	300,000	

Change in Fund Balance	$	250,000

* Capital Funding for Future Trails Construction

Fund 217 – Measure U

Measure U is projected to receive $880,000 in Utility User Tax charges for FY23-24. This remains flat to previous year's budget and actual revenue analysis. The breakdown in revenue is as follows:

Measure U - Annual Revenue		
Utility Tax: Telephone	$	100,000
Utility Tax: Electricity	$	530,000
Utility Tax: Gas	$	250,000
Total Annual Revenue	$	880,000

Operating expenses for FY23-24 are estimated at $411.570, an increase of $47,100 from previous years. The discussion below was presented at the May 2nd MLR meeting, outlining the intended programming updates. These recommendations were included in the Tentative budget presentation.

Programming

Mammoth Lakes Recreation (MLR) has established an effective process to allocate Measure U Funds for programming purposes. This effort is coordinated with partner agencies. The allocation

process is done each fiscal year and looks forward to the following fiscal year. The crossing of the fiscal year creates a budgetary challenge as the funds allocated in one fiscal year are technically allocated to the next year and the allocation process assumes funds will be available the next year for the actual funding. To address this funding over fiscal years a change in the budget process this year is recommended. The funding recommendation is to amend the current Fiscal Year (FY) 2022-2023 budget in the amount of $180,300 for the recently recommended programming allocations. This will fully fund the recommendations. This also allows the applicants to request funding and MLR to fully fund the commitments with appropriated funds in the current year. If funds to an applicant are not committed by June 30, the funds will be carried forward to the next fiscal year to fund approved commitments. The base allocation for FY23-24 for programming is recommended at $186,000. Also, there was a current year savings in lower than anticipated commitments of $37,200. The full budget recommendation for Measure U programming or FY23-24 includes the base allocation of $186,000 and the use of $37,200 from fund balance to recognize the savings achieved in the FY23-24 budget for a total allocation of $223,200. The proposed budget shows a current allocation of $225,000, which technically includes the use of fund balance of $37,200 but is shown coming from current revenues as this time. To recognize staff time spent on the allocation process for Measure U funding, it is recommended that a $10,000 allocation from Measure U be considered to support this staff work.

Project Support

The Town, Mammoth Lakes Foundation, Cerro Coso College, and other partners are continuing to move forward with the development of a new Performing Arts Auditorium, the rehabilitation of the Edison Theater, and a small/medium sized outdoor amphitheater. To continue to keep these projects moving forward an additional budget request is recommended for consideration. The Town, through Measure U, has committed $2.5 million to the Performing Arts Auditorium. The Town through Measure U has also committed $300,000 in annual operational funding. The first budget request approved by MLR is to recommend that the $300,000 in operational funding from the current FY22-23 be added to the capital commitment for the new facility. This will increase the commitment to $2.8 million. The College has committed $7,500,000 to the project. Private donors have also made contributions to the project through the Mammoth Lakes Foundation. Secondly, the properties that are currently used for smaller outdoor events as well as larger ones (Woods Site) are on the market and will at some point no longer be available. The long-term vision for the Mammoth Lakes Foundation property has included the development of a small to medium sized outdoor amphitheater (100-500 attendees). This includes events such as Shakespeare in the Woods. The budget request approved by MLR recommended $300,000 to support this project in the FY23-24 budget. This will provide concept drawings, cost estimates, work with user groups, and potentially detailed drawings. The Town is funding support amenities including a restroom ($300,000), an additional 40+/- parking spaces ($400,000), and a dog park ($200,000) on adjacent property. Additional funding will be needed for the amphitheater's construction. These projects will increase the value of arts and culture offerings and add to the economic vitality and diversification of the Town.

Total one-time funding from Measure U is $780,300 requiring a planned use of fund balance of $311,870. Town Council has recommended the annual budget include an allocation of $300,000 in annual operating expenses that will likely be needed once the project is completed and operational.

Measure U - Annual Expenses FY23-24		
Programming	$	225,000
Office of Outdoor Recreation Coordinator	$	75,000
Office of Outdoor Recreation Manager	$	25,000
Special Projects	$	25,000
Transit Services	$	25,000
Edison Hall Operations	$	15,000
MLR Town Agreement - Administration	$	10,000
Event Contracts Processing	$	5,320
Audit Services	$	4,250
Equipment Replacement	$	2,000
Total Annual Expenses	$	411,570

Measure U - One-Time Expenses FY23-24		
Programming - Funding Recommendations FY22/23	$	180,300
Allocation to MACC Construction	$	300,000
Amphitheater Design	$	300,000
Total Annual Expenses	$	780,300
MACC Operating - Set aside future expense	$	300,000
Change in Fund Balance		(611,870)

Airport Operational Fund (220)

The Airport continues to work on expansion of charter service and other expansion opportunities after commercial service was moved to Bishop in December of 2021. The Town's efforts for the second season of Advanced Air have been to maintain competitive ticket prices while improving service and customer experience. These efforts resulted in a very strong winter season with almost a 200% increase in passenger utilization. Staff continue to make minor modifications to the subsidy plan to ensure the service meets the needs of the community while seeking a reduction in overall subsidy costs. The previous Town subsidy of $200,000 will need to be increased in FY23-24 to maintain current charter services. The amount is currently under negotiation. The charter service does not provide as many revenue opportunities for the Airport and the core Airport leadership team is working on expanded revenue opportunities. For FY23-24, the Town continues to rely on FAA CARES grant funding to support operations, with a shift to a greater contribution from the General Fund in order to reduce reliance on these operational grants in the near future. By contributing more from the General Fund, staff will extend the grant period while slowly reintroducing the support needs to the General Fund budget.

The expenditure budget for FY23-24 has some increases based on core management team and changes to leadership structure. The Airport continues with the same staff plan as the previous year. There have been some changes in leadership that resulted in minor savings from salary which has been reallocated to other staff assignments in the budget plan. In addition to the labor costs,

the core team is working with a consultant to develop staff and improve operational excellence in meeting FAA requirements. This consultant will help in the strategy and vision of the Airport as it transitions into the next phase of programming and development. Below is the planned expenditure which should increase as capital projects costs are applied.

There are a number of grant projects funded for FY23-24. They include the finalization of the initial grant to design the AARF / SRE building. This project in the current design was not approved by FAA late in the process, resulting in a required redesign of the building. Staff are currently working to address the ineligible elements of the building based on FAA comments. This redesign will be grant funded as part of the delayed status due to FAA feedback on the project design. A third capital project is planned for the year with the relocation of the Automated Weather Observation System (AWOS). This relocation is required to make way for the AARF / SRE building. Staff has estimated the cost of each of these projects and considered the normal grant allocation of 92% of project costs as potential FAA grants. The expected match for the Town, approximately 8%, is the planned use of Fund Balance of $80,484 listed below. The Town does have enough fund balance in the form of capital project matching funds, to cover this expenditure.

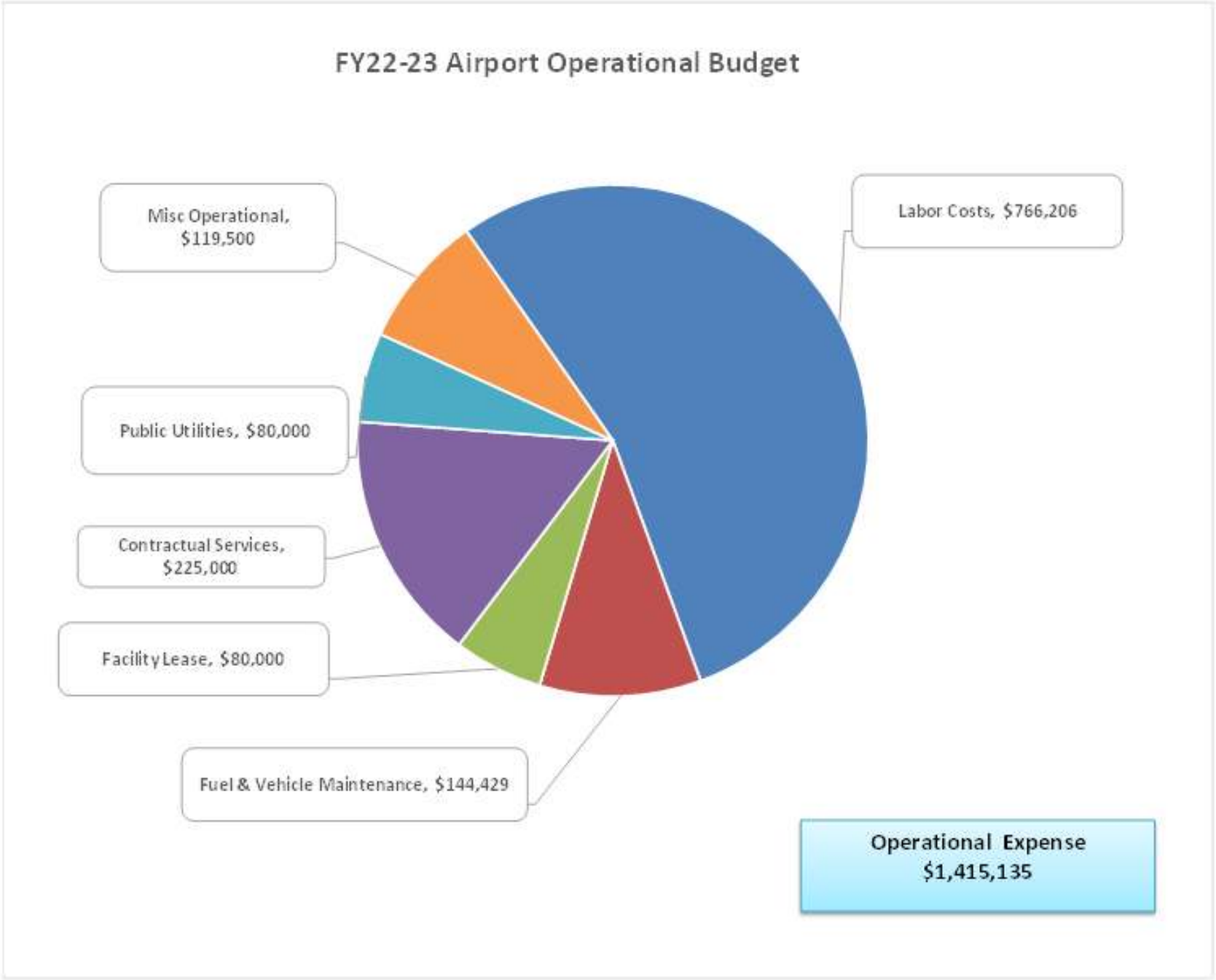
Airport Fund Revenue by Category

Item	FY20-21 Actual	FY21-22 Actual	FY22-23 Budget	FY23-24 Budget	Variance to Prior Year Budget	
Airport Passenger Facility Fee	$ 9,060	$ -	$ -	$ -	$ -	0.0%
Car Rental Fee	$ 110,510	$ 25,226	$ 45,000	$ 55,000	$ 10,000	22.2%
Commercial Terminal Rent	$ 113,749	$ -	$ -	$ -	$ -	0.0%
Hanger Ground Lease	$ 97,524	$ 100,914	$ 110,000	$ 110,000	$ -	0.0%
FAA: Operations Grant CARES Act	$ 315,804	$ 780,979	$ -	$ -	$ -	0.0%
FAA: Operations Grant (AIP 45 - ACRGP)	$ -	$ -	$ 275,000	$ -	$ (275,000)	-100.0%
FAA: Operations Grant (AIP 47 - ACRGP)	$ -	$ -	$ 400,000	$ 300,000	$ (100,000)	-25.0%
FAA: Capital Project Grants	$ 899,666	$ 1,312,047	$ 445,000	$ 746,347	$ 301,347	67.7%
Other Revenues	$ 63,258	$ 36,981	$ 52,900	$ 112,980	$ 60,080	113.6%
Total Airport Revenue	**$ 1,609,571**	**$ 2,256,146**	**$ 1,327,900**	**$ 1,324,327**	**$ (3,573)**	**-0.3%**
Transfer In - General Fund	291,274	100,000	500,000	875,551	$ 375,551	75.1%
Total Airport Revenues	**$ 1,900,845**	**$ 2,356,146**	**$ 1,827,900**	**$ 2,199,878**	**$ 371,978**	**20.4%**

Airport Fund Expenditures by Category

Department	FY20-21 Actual	FY21-22 Actual	FY22-23 Budget	FY23-24 Budget	Variance to Prior Year Budget	
Labor Costs	$ 496,757	$ 782,185	$ 756,372	$ 766,206	$ 9,834	1.3%
Fuel & Vehicle Maintenance	$ 75,048	$ 67,667	$ 114,265	$ 144,429	$ 30,164	26.4%
Facility Lease	$ 46,579	$ 54,665	$ 86,000	$ 80,000	$ (6,000)	-7.0%
Contractual Services	$ 109,587	$ 195,960	$ 225,000	$ 225,000	$ -	0.0%
Public Utilities	$ 59,583	$ 60,580	$ 65,000	$ 80,000	$ 15,000	23.1%
Misc Operational	$ 329,483	$ 302,197	$ 106,500	$ 119,500	$ 13,000	12.2%
Operational Costs	**$ 1,117,038**	**$ 1,463,255**	**$ 1,353,137**	**$ 1,415,135**	**$ 61,998**	4.6%
Labor Costs - Capital Projects	$ 23,401	$ 27,064	$ 28,630	$ 33,755	$ 5,125	100.0%
Contractual Services - Capital Projects	$ 442,487	$ 191,302	$ 491,000	$ 831,472	$ 340,472	69.3%
Capital Project Costs	**$ 465,888**	**$ 218,366**	**$ 519,630**	**$ 865,227**	**$ 345,597**	66.5%
Total Airport Expenditures	**$ 1,582,926**	**$ 1,681,622**	**$ 1,872,767**	**$ 2,280,362**	**$ 407,595**	**21.8%**

Projected change in Airport Fund Balance **$ (80,484)**


FY22-23 Airport Operational Budget
Misc Operational, $119,500
Labor Costs, $766,206
Public Utilities, $80,000
Contractual Services, $225,000
Facility Lease, $80,000
Fuel & Vehicle Maintenance, $144,429
Operational Expense $1,415,135

Fund 240 – Long Valley

This is a small fund and receives minimal revenue from private use of the "pit" for disposal of clean fill material. The pit is located near the Airport and receives clean fill material used to rehabilitate the site, as it was previously a site from which material was removed. The Town has also been working with the Forest Service on the removal and use of old asphalt grindings that were placed in the pit. The removal of this material assists with remediation of the site. Revenues are budgeted at $26,000 with expenditures of $3,000.

Fund 910 – Garage Services

The Vehicle Service Fund, also referred to as the Garage, is used to track the cost of maintenance for our vehicle fleet. The garage staff is comprised of four mechanics, two mechanic trainees, and one fleet superintendent. The staff maintains all vehicles in the Town's fleet, including most repairs, fuel, and periodic maintenance. When work is performed on a vehicle, the department where that vehicle is assigned will be charged the cost of repair including staff time. This type of account is known as an internal service fund where expenses are covered by work performed for other departments. The list of estimated charges, within the FY23-24 budget are listed below:

Vehicle Replacement

Fuel and Repairs

Fund / Department	Description		Garage Services
100-416	General Fund - General Services	$	35,000
100-420	General Fund - Police	$	90,000
100-434	General Fund - Whitmore Rec Area	$	22,000
100-438	General Fund - Parks Maintenance	$	58,000
210-454	Gas Tax - Summer Equipment	$	80,000
210-455	Gas Tax - Winter Equipment	$	160,000
220-471	Airport - Operations	$	45,000
858-436	Fractional - Parks & Rec		
		$	490,000

In addition to internal service, this department services outside entities that use our repair and fuel services. These outside agencies include the Eastern Sierra Transit Authority, Schools, Fire, and some county vehicles. The fund has projected revenues of $1,187,952 and expenditure of $1,498,653 for FY23-24. These expenditures include a transfer out to Gas Tax of $60,000 to cover 50% of maintenance for the garage facility. The proposed budget has a deficit of $310,701 for the year and staff are recommending we review actual performance at each quarter for possible adjustment. This fund previously contained the vehicle replacement program and some funding for that program was used to meet operating budget shortfalls between revenue and the expense to deliver services. If billing proves insufficient to cover expenses, additional funds will be transferred from the General Fund to cover the shortfall and a thorough review of staff and billing practices will be implemented.

Fund 915 – Vehicle Replacement

The vehicle replacement fund was new for FY21-22, separating vehicle replacement from garage services as noted above. This change was made to separate two diverse but equally important motor pool functions and provide clarity on the cost of operations for the cost of vehicle replacement. The vehicle replacement portion supports the purchase of a replacement vehicle once the existing piece of equipment is all used up. This is accomplished using a calculation to estimate required annual set aside to cover future replacement costs based on expected lifespan, original vehicle costs, and annual CPI increases. The vehicle is assigned to a division which is charged to specific funds and departments who use the vehicle.

The vehicle replacement fund contains both cash and debt as it was used as part of the stabilization of the Town's finances after the MLLA settlement agreement. The General Fund makes an annual payment of $340,000 to pay back the internal loan which should be paid off in the next couple of years as the repayment process has been accelerated. The difference between accrued fund balance and available cash is the unpaid loan. Below is a list of charges for the FY23-24 budget by operating department:

Vehicle Replacement

Budgeted Replacement Cost

Fund / Department	Description		Vehicle Replacement
100-416	General Fund - General Services	$	31,481
100-420	General Fund - Police	$	44,783
100-434	General Fund - Whitmore Rec Area	$	24,861
100-438	General Fund - Parks Maintenance	$	73,546
210-454	Gas Tax - Summer Equipment	$	177,830
210-455	Gas Tax - Winter Equipment	$	560,566
220-471	Airport - Operations	$	4,429
858-436	Fractional - Parks & Rec	$	5,179
		$	922,674

Vehicle Replacement Fund

Division / Description	7/1/2023 Set Aside Fund Balance	(Gas Tax) 7/1/2023 Restricted Available Balance	7/1/2023 Unrestricted Available Balance	Total Cash	Funded Ratio	Outstanding Loan Balance
		Restricted CASH	Unrestricted CASH			
Division 1 - Public Works - Summer / Winter	$ 5,613,801	$ 1,924,334	$ 3,281,082	$ 5,205,416	92.7%	$ 408,385
Division 2 - Parks Maintenance	$ 725,340	$ -	$ 725,340	$ 725,340	100.0%	$ -
Division 4 - Police Vehicles	$ 589,411	$ -	$ 589,411	$ 589,411	100.0%	$ -
Division 5 - Administration	$ 375,254	$ -	$ 375,254	$ 375,254	100.0%	$ -
Division 6 - Airport	$ 8,390	$ -	$ 8,390	$ 8,390	100.0%	$ -
Division 7 - Summer Roads	$ 312,891	$ 44,810	$ 185,563	$ 230,373	73.6%	$ 82,518
Division 8 - Winter Roads	$ 3,304,840	$ 1,318,274	$ 1,575,343	$ 2,893,617	87.6%	$ 411,224
Division 18 - Transit Services	$ 562,127	$ -	$ 562,127	$ 562,127	100.0%	$ -
Fuel Tank Replacement Fund	$ 88,680		$ 8,830	$ 8,830	10.0%	$ 79,850
Total Vehicle Replacement	$ 11,580,734	$ 3,287,418	$ 7,311,339	$ 10,598,757	91.5%	$ 981,977
		Outstanding Balance of Loan		$ 981,977		

CONCLUSION

As we prepare a final budget for Council consideration, we anticipate some minor revenue and expenditure adjustments to the final budget. The Town Council will be provided with the final budget for adoption on June 21. This final budget report will recap all prior presentations including key assumptions and policy decisions that were made along the way.

In addition to the final budget hearing and adoption, staff will present Appropriations Limits, Investment Policy, Master Fee Schedule, and Reserve Policy for approval. Once a final budget is adopted, Staff will begin work on a budget book to aid in public understanding of our budget details along with department goals and objectives for FY23-24.