



**THE TOWN OF  
MAMMOTH LAKES**

**BUDGET POLICY DECISIONS  
FOR THE  
PROPOSED BUDGET**

**FISCAL YEAR 2008-2009**

Policy	Decision	Description
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| 1  | Hot Creek Litigation Expenses (Suspend portion of the Road Rehabilitation Program) |
| 2  | Community Facilities TOT   |
| 3  | Airport Operation Funding  |
| 4  | Community Development Fees   |
| 5  | High Sierra Energy Foundation  |
| 6  | Chamber of Commerce Contract   |
| 7  | Running USA Contract   |
| 8  | Forest Fire Fuel Reduction   |
| 9  | Retiree Health Insurance   |
| 10 | TOT Auditing   |
| 11 | Assistant Planner Position   |
| 12 | Community Service Officer Position   |
| 13 | Code Compliance Officer Position   |
| 14 | Resort Programming Manager   |
| 15 | Snow Removal Part Time Position  |
| 16 | Vehicle for Community Emergency Response Team                                      |
| 17 | Parks & Recreation Master Plan; Trails Master Plan CEQA                            |
| 18 | Sierra Valley Sites -District Plan   |
| 19 | Erosion, Drainage, Flooding Project Implementation                                 |
| 20 | Codification of District Plans   |
| 21 | Transient Rental of Single Family Dwellings  |
| 22 | Main Street Promenade  |
| 23 | Non-Government Destination Marketing Organization                                  |
| 24 | Technology Improvement for Public Access   |
| 25 | Walkable Community Plan  |
| 26 | Transit Assistance Program   |
| 27 | Appropriations for Development funded Contractual Services                         |
| 28 | Workforce Housing  |
| 29 | Housing Element Update   |
| 30 | Utility Users Tax Extension  |
| 31 | Fiscal Year 2007-08 Year End Funding Direction                                     |

Policy Decision	Description	Town Manager Recommendation	Budget Impact	Comments
1	Hot Creek Litigation Expenses (Suspend portion of Rehabilitation Program)	1	Included in Budget	
2	Community Facilities TOT	1	Included in Budget	
3	Airport Operation Funding	1	Included in Budget	
4	Community Development Fees	1	Included in Budget	
5	High Sierra Energy Foundation	1	Included in Budget	Council Discretionary
6	Chamber of Commerce Contract	1	Included in Budget	T&R \$15,000; Local Programs \$10,000
7	Running USA Contract	1	Included in Budget	Local Programs
8	Forest Fire Fuel Reduction	1	Included in Budget	Self-Insurance Fund Balance
9	Retiree Health Insurance	1	Included in Budget	Self-Insurance Fund Balance
10	TOT Auditing	1	Included in Budget	
11	Assistant Planner Position	1	Not Included in Budget	Do not fund at this time
12	Community Service Officer Position	2	Not Included in Budget	Do not fund at this time
13	Code Compliance Officer Position	1	Not Included in Budget	Do not fund at this time
14	Resort Programming Manager	1	Not Included in Budget	T&R Commission funding being set aside in reserve
15	Snow Removal Part Time Position	2	Not Included in Budget	Do not fund at this time
16	Vehicle for Community Emergency Response Team	1	Not Included in Budget	Add to the budget
17	Parks & Recreation Master Plan; Trails Master Plan	1 or 2	Not Included in Budget	Consider if Measure R is approved
18	Sierra Valley Sites -District Plan	1	Not Included in Budget	Consider when uncommitted General Funds are available
19	Erosion, Drainage, Flooding Project Implementation	3	Not Included in Budget	Do not fund at this time (Storm Drain DIF)
20	Codification of District Plans	1	Not Included in Budget	Consider when uncommitted General Funds are available
21	Transient Rental of Single Family Dwellings	2	Not Included in Budget	Refer to Tourism & Planning Commission
22	Main Street Promenade	3	Not Included in Budget	Hold decision in abeyance until results are known from the MMSA/Chadmar funded planning efforts are known.
23	Non-Government Destination Marketing Organization	1	Not Included in Budget	Allocate \$40,000 from Tourism Reserve
24	Technology Improvement for Public Access	2	Not Included in Budget	Delay consideration to midyear; direct staff to review I/S technology priorities
25	Walkable Community Plan	3	Not Included in Budget	Do not fund at this time
26	Transit Assistance Program	2	Not Included in Budget	Do not extend program past September
27	Appropriations for Development funded Contractual	1	Not Included in Budget	Permit developer paid contractual services to proceed with later adjustment to the budget

Policy Decision	Description	Town Manager Recommendation	Budget Impact	Comments
28	Workforce Housing	Defer until final recommendations are received from the Mammoth Lakes Housing Board of Directors		
29	Housing Element Update	3	Consider with the Policy #28-Overall Workforce Housing Budget	
30	Utility Users Tax Extension	1	Direct staff to prepare a policy discussion	
31	Fiscal Year 2007-08 Year End Funding Direction	1	Direct General Fund Surplus to 1) Fulfill Measure A & Measure T formula allocations 2) Fund department budget shortfalls 3) Fund litigations costs	
Drawdown REU for any remaining funding shortfall not covered by the surplus				

Unless a funding alternative is listed, the Reserve for Economic Uncertainty would be required to fund any additional expenditures added to the Budget  
The Reserve for Economic Uncertainty balance before any Fiscal Year adjustments are made for Fiscal Year 2007-08 is \$4,417,319

## BUDGET POLICY DECISION #1

- ISSUE:** Hot Creek Litigation Expenses
- DESCRIPTION:** Mammoth Lakes Land Acquisition, LLP (Hot Creek) has sued the Town for alleged breach of the Development Agreement for development of a condominium or hotel at Mammoth Yosemite Airport. In April 2008, a jury found that the Town had breached the DA and awarded \$30 million in damages. That decision is being appealed, and is not expected to be heard during the course of the FY 2008-09 budget. Although the appeal will not be argued during the course of the year, there will be significant costs associated with preparation and briefing.
- JUSTIFICATION:** The costs associated with the Hot Creek litigation as of March 31, 2008 were \$843,380. This does not include the cost of the trial. The two year total, including costs associated with the appeal, could easily be in the vicinity of \$1.5 million. Although these amounts could be repaid through insurance, it appears prudent to pay down as much as possible. It is therefore recommended that the \$514,300 General Fund contribution to the summer repaving program be cancelled on a one-time basis. This will leave \$280,000 in Proposition 1B funds for a limited repaving program. Also, the Lake Mary Bike Trail and Road Reconstruction Project will constitute a very significant improvement in the road system.
- OPTIONS:**
- Option 1: Cancel the \$514,300 General Fund contribution to the summer road repaving program on a one-time basis, and use the money to pay down legal bills associated with the Hot Creek Lawsuit.
- Option 2: Cover the Hot Creek legal bills by advancing funds from the REU, until we know if reimbursement will be available from insurance coverage, or as a prevailing party at the end of the litigation.

MANAGER'S RECOMMENDED ACTION:

Option 1: Cancel the \$514,300 General Fund contribution to the summer road repaving program on a one time basis, and use the money to pay down legal bills associated with the Hot Creek Lawsuit.

## BUDGET POLICY DECISION #2

ISSUE: Community Facilities TOT

DESCRIPTION: In order to address the community facilities needs of Mammoth, and in particular to provide for future funding of the Public Safety Facility (PSF), a portion of TOT receipts is designated for community facilities. Council has been gradually increasing the amount, and it currently stands at 1.05%. Because of the delay in the PSF it is possible to reprogram \$752,000 of that amount on a one time basis.

JUSTIFICATION: The initiation of commercial air service will require one-time capital expenditures of about \$2 million, which will be covered by a loan until FAA funds are available for repayment. In addition, ongoing annual operating costs of over \$168,000 will be incurred. It is recommended that the majority of those operating costs (\$150,283) in 2008-09 be covered with a portion of the one-time transfer.

Even with fee increases, the Community Development Department will require some general fund support for items that are not directly attributable to a specific application. It is recommended that \$365,297 be allocated to Community Development to cover these items on a one-time basis.

The costs associated with the Hot Creek litigation as of March 31, 2008 were \$843,380. This does not include the trial cost. The two year total, including costs associated with the appeal could easily be in the vicinity of \$1.5 million. Although these amounts could be repaid through insurance, it appears prudent to pay down as much as possible. Therefore, in addition to the separate Budget Policy Decision that suspends the Road Rehabilitation Program to fund the Airport litigation, additional funding is needed. Therefore the balance of the suspended Community Facilities TOT is recommended (\$236,420) to be allocated for litigation costs.

OPTIONS:

Option 1: Use \$752,000 from the community facilities TOT allocation for the airport, the community development department, and repayment of the REU, as detailed above.

Option 2: Use the \$752,000 as partial funding to complete the cover to the ice rink.

Option 3: Hold the \$752,000 in reserve for future community facility needs.

MANAGER'S  
RECOMMENDED  
ACTION:

Option 1: Use \$752,000 from the community facilities TOT allocation for the airport, the community development department and, repayment of the REU, as detailed above.

### BUDGET POLICY DECISION #3

ISSUE: Airport operational funding required to support commercial air service

DESCRIPTION: The Town Council has approved the capital funding required to begin air service in December 2008. This includes reconstruction of the runway, converting the Aircraft Rescue Fire Fighting (ARFF) building into a terminal building, upgrades to convert an aircraft hanger to an ARFF building, TSA requirements, terminal FF&E and others. The FY 08-09 cost of the capital portion for air service is almost \$6,400,000. In addition to capital costs the airport will incur ongoing operational costs to support the air service program. The annual total operational cost is \$535,471, of which over \$160,000 is attributable to supporting commercial air service.

JUSTIFICATION: Airport staff offices are currently in the ARFF building and with its conversion, staff will move into a mobile home which is currently rented through Hot Creek Aviation. Additionally, the airport will need to rent an aircraft hanger from Hot Creek Aviation to house the snow removal equipment, ARFF vehicle, and maintenance shop. The current airport and transportation staffing consists of the Airport and Transportation Director and the Assistant Airport Manager. With air service, the airport will be staffed seven days a week as opposed to five days a week. Additionally, airport staff must provide dedicated ARFF, security and snow removal personnel with the appropriate training. The minimum staffing required to meet the air service commitment is a full time Airport Operations Coordinator and two full time temporary employees for the duration of the air service season. Each employee will be trained in ARFF, airport security and snow removal operations. Should the aircraft flight times exceed the normal business day, overtime or additional personnel would be required.

The airport doesn't generate enough 'new' revenues to offset this additional cost with airport revenue, so a \$150,000 General Fund contribution is needed. The cost breakouts for annual operational costs are as follows:

Mobile Home Revenue Loss	(\$ 8,400.00)
Tie Down Revenue Loss	(\$ 11,600.00)
Airline Rental of Comm Terminal	<u>\$ 20,000.00</u>
TOTAL REVENUE	\$ 0.00
ARFF Hanger Rental	\$ 36,000.00
Operations Coordinator	\$ 62,000.00
Temporary Employees (2)	\$ 50,300.00
ARFF/Security Employee Training	\$ 10,000.00
Commercial Terminal	<u>\$ 10,000.00</u>
TOTAL EXPENDITURE:	\$168,300.00

The above expenditures will be annual on going expenditures. In addition, there is one-time capital expenditure for airline ground service that is estimated to be \$100,000 and has been included in the Airport Capital Budget.

OPTIONS:

Option 1: Approve the additional annual airport operational costs of \$168,300.00 to begin air service in December 2008.

Option 2: Do not approve the additional airport operational expenditures and delay the initiation of air service.

MANAGER'S RECOMMENDED ACTION:

Option 1: Approve the additional airport operational cost of \$168,300.00 in the Fiscal Year 2008-2009 Budget to begin air service in December 2008.

## BUDGET POLICY DECISION #4

ISSUE: Community Development Fees

DESCRIPTION: Over the past two years, the Community Development Department has implemented a cost accounting system that tracks the time spent on processing development applications, inspecting buildings and other activities. Prior to having this system, fee schedules had been determined by having a consultant interview staff members in order to get their estimate of how much time it takes to complete various tasks for an average application.

The cost accounting system shows that the fees we charge fall far short of covering the cost of providing the service. This finding is reinforced by comparing the actual revenues over a five year period to actual expenditures on projects. This analysis also shows a major shortfall.

We have also surveyed other communities and compared our average hourly staff rate and building permit fees to those of other communities. The survey shows that we charge quite a bit less than many other communities for the same services.

A discussion of the fee schedules will be conducted over the next couple of months, with recommendations to increase fees to fully recover costs. The proposed budget assumes that these increases will be approved.

JUSTIFICATION: Most, but not all of the services provided by the Community Development Department are, or should be, covered by fees. Some work, however, is not chargeable and is the responsibility of the General fund. The proposed budget provides a \$365,000 allocation of General Fund revenue to the Community Development Department budget. If the fees are not increased as recommended, there will be a need for an additional \$900,000 to balance the budget.

OPTIONS: Option #1: Increase fees in the Community Development Department to provide full cost recovery for services provided to private developers.

Option #2: Do not increase the fees at this time and fund the \$900,000 difference by drawing down funds from the Reserve for Economic Uncertainty (REU)

Option #3: Increase the fees by a lesser amount, and cover the difference by drawing down funds from the REU.

MANAGER'S  
RECOMMENDED  
ACTION:

Option #1: Increase fees in the Community Development Department to provide full cost recovery for services provided to private developers.

## BUDGET POLICY DECISION #5

- ISSUE:** High Sierra Energy Foundation (HSEF)
- DESCRIPTION:** The strategic objective of the HSEF is to reduce dependence on fossil-based energy sources (electricity and propane) for town residents, businesses and property owners by helping to develop renewable sources and improve energy efficiency. A series of meetings were recently held with representatives of the HSEF, Town staff and a local community representative to review existing policy and guidance documents relating to current energy initiatives. As a result of these meetings, the HSEF and town have developed the framework for a strategic energy plan. The focus of the plan will initially be on near term projects that have an immediate impact and help to achieve the strategic objective.
- JUSTIFICATION:** The Town has provided \$25,000 on an annual basis to HSEF for several years. During FY 2008-09 HSEF will administer the Edison Partnership grant. Some of the funds from this grant will be used to provide energy efficient lighting in all Town buildings. HSEF will continue work with Iceland America to establish a demonstration geothermal project. In addition a variety of educational and awareness efforts will be continues
- OPTIONS:**
- Option #1: Approve a FY 2008-09 budget allocation of \$25,000 for the HSEF from the Council Discretionary line item.
  - Option #2: Reduce or eliminate funding of HSEF
- MANAGER'S RECOMMENDED ACTION:** Option #1: Approve a FY 2008-09 budget allocation of \$25,000 for the HSEF from the Council Discretionary line item.

## BUDGET POLICY DECISION #6

**ISSUE:** Contract with Mammoth Lakes Chamber of Commerce

**DESCRIPTION:** Review the existing contract and funding level with the Mammoth Lakes Chamber of Commerce for renewal.

**JUSTIFICATION:** In June 2007, the Town executed a contract for services with the Mammoth Lakes Chamber of Commerce. These services included development and fulfillment of a comprehensive residential and business relocation packet, development and implementation of a group enhancement program, participation with the Town for production of an annual community indicators report and access to the Chamber's communication channels to include their Monday morning e-mails.

The payment for delivery of the above referenced services was \$15,000 for FY 2007-08. During a review of the current contract with the current chamber president, it was noted that they were working diligently towards establishing the programs outlined in their contract.

The role of the Chamber continues to be refined and financial support from the Town provides a stable resource to allow the Chamber to develop effective programs that enhance the business community.

The Chamber has requested a funding level of \$50,000 for this coming fiscal year. With the financial concerns of the Town's budget and a conservative forecast for revenues, staff is recommending a funding level of \$25,000 for this new fiscal year. The funds would come from two sources within the proposed budget; 1) the Tourism and Recreation Directors contractual services budget and, 2) the Local Programs funding budget.

**OPTIONS:**

Option 1. Affirm the commitment to move forward with renegotiation of the Mammoth Lakes Chamber of Commerce contract and confirm the allocation of \$25,000 within the proposed Town budget for FY 2008-09 to fund a contract with the Mammoth Lakes

Chamber of Commerce. \$15,000 would be allocated within the Tourism and Recreation Director's contractual services budget and \$10,000 would be allocated within the Local Programs funding budget.

Option 2. Affirm the commitment to move forward with renegotiation of the Mammoth Lakes Chamber of Commerce contract and allocate a different amount within the proposed T&R Director's contractual services budget and the Local Programs budget for FY 2008-09 to fund a contract with the Mammoth Lakes Chamber of Commerce.

Option 3. Do not allocate funding for a contract with the Mammoth Lakes Chamber of Commerce at this time.

MANAGER'S  
RECOMMENDED  
ACTION:

Option 1. Affirm the commitment to move forward with renegotiation of the Mammoth Lakes Chamber of Commerce contract and confirm the allocation of \$25,000 within the proposed Town budget for FY 2008-09 to fund a contract with the Mammoth Lakes Chamber of Commerce. \$15,000 would be allocated within the Tourism and Recreation Director's contractual services budget and \$10,000 would be allocated within the Local Programs funding budget.

## BUDGET POLICY DECISION #7

- ISSUE: Contract Renegotiation with Running USA
- DESCRIPTION: The contract with Running USA will be a renegotiation of the current contract that expires June 2008. The contract will provide financial support for the Running USA program that currently uses Mammoth as a training location for their elite athletes.
- JUSTIFICATION: In January 2005, the Town entered into a multi-year agreement with Running USA as a sponsorship opportunity. The financial commitment increased annually, to a level of \$30,000 in 2007-08.

The agreement identified the Town as a sponsor of Running USA and provided promotional opportunities to include a link on the Running USA website, exposure at running events through brochure distribution and mention as a sponsor on the organization's weekly media wire.

The relationship between the Town and Running USA has matured over the duration of the contract. Staff has begun to work closely with representatives from Running USA to program activities such as events during the summer to welcome running teams to Mammoth. Additionally, Running USA has provided access to the athletes for ongoing promotional opportunities.

In this Olympic year, the value of the relationship with Running USA will be incalculable. Running USA athletes training in Mammoth have won both the men's and women's U.S. Olympic marathon trials. Because the athletes identify Mammoth as their hometown, each interview and story written has referenced Mammoth as their training center. The value of this media exposure is still being determined, but is anticipated to exceed hundreds of thousands of dollars following the exposure of the Olympic Games.

As Mammoth continues to embrace the concept that recreation is the engine that drives our tourism-based economy, a strategic alignment with an organization that can help promote Mammoth as a recreation-based

destination is a critical component of the overall marketing and promotional strategy.

Historical funding for this contract has been identified in the annual budget within the Local Programs funding category. It is anticipated the value of the contract will increase incrementally over a multi-year time frame.

OPTIONS:

Option 1. Affirm the commitment to move forward with renegotiation of the Running USA Contract and support the allocation of \$32,000 within the proposed Local Programs budget for FY 2008-09 to fund a contract with Running USA. It is anticipated this contract will run over a multi-year period, with allocations identified in each new fiscal year budget.

Option 2. Allocate a different amount within the proposed Local Programs budget for FY 2008-09 to fund a contract with Running USA over a multi-year period.

Option 3. Do not allocate funding for a contract with Running USA at this time.

MANAGER'S  
RECOMMENDED  
ACTION:

Option 1. Affirm the commitment to move forward with renegotiation of the Running USA Contract and support the allocation of \$32,000 within the proposed Local Programs budget for FY 2008-09 to fund a contract with Running USA. It is anticipated this contract will run over a multi-year period, with allocations identified in each new fiscal year budget.

## BUDGET POLICY DECISION #8

ISSUE: Forest Fire Prevention/Fuel Reduction Funding

DESCRIPTION: The recent forest fires in South Lake Tahoe and the San Bernardino Mountains have demonstrated the devastation that a forest fire can do to a community and the environment. Forest fuel reduction programs have proven to give a level of fire protection that doesn't exist in an overgrown and unhealthy forest. The Mammoth Lakes Fire Protection District (MLFPD) has implemented a multi-agency funded program (MLFPD, United States Forest Service, Mono County and the Town of Mammoth Lakes), to reduce fuel conditions in the forest in and around Town.

The Proposed Budget for FY 08-09 appropriates \$30,000 to assist in the fire prevention effort. The funding would come from the Town's Self-Insurance Reserve Fund.

The Self-Insurance Fund is a long-term savings designation that was created to provide extra insurance coverage if needed. The Town's insurance carrier does not require this 'savings' and Council may direct this reserve for other purposes. The Town did temporarily draw down this fund one time to supplement underground fuel clean-up work while litigation with the responsible party was in process. The proceeds from the litigation replenished the Self-Insurance Fund.

JUSTIFICATION: The protection of lives and property of the community is increased, because a fuel reduction program dramatically improves the ability of the MLFPD and the Forest Service to fight and extinguish a forest fire.

OPTIONS: Option 1: Approve the FY 08-09 Proposed Budget appropriation of \$30,000 from the Self-Insurance Fund for the fuel reduction program implemented by MLFPD.

Option 2: Do not provide funding for the MLFPD sponsored fuel reduction program.

MANAGER'S  
RECOMMENDED

ACTION: Option 1: Approve the FY 08-09 Proposed Budget appropriation of \$30,000 from the Self-Insurance Fund for the fuel reduction program implemented by MLFPD.

## BUDGET POLICY DECISION #9

ISSUE: Use the Self-Insurance Reserve Designated Fund Balance to fund the existing liability for retiree health insurance

DESCRIPTION: Government Accounting Standards Board (GASB) has issued a reporting requirement that now impacts how the Town reports liabilities for non-pension benefits in retirement (this requirement has been in place for several years for larger governments). California law requires that the Town must pay a portion (currently \$97.00 per month) of the health insurance premium cost for each of the Town's retirees that elect to have health insurance coverage through CalPERS. Although GASB only requires the reporting of the liability, the financial institutions that loan monies to governments have announced that a government's decision to adequately fund this liability will be a factor when deciding to offer financing. The Town is now 'setting aside' funding each year for current employees, but the liability associated with current retirees has not been funded.

Governor Schwarzenegger established a Public Employee Post-Employment Benefits Commission, which recently produced a report proposing 34 recommendations. The very first recommendation is that public agencies should adopt pre-funding as their policy with the ultimate goal to achieve full funding. The current retirement system provided by PERS (for pension payments) does follow that recommendation, but currently there is no funding set aside for current retiree health premium cost for Mammoth Lakes.

The recommended method to accomplish this pre-funding is to establish and fund a trust account. A trust account is not limited by the investment restrictions that apply to the Town's funds; historically, the investment earnings are higher than those available to the Town. Over the long run, this will result in reduced cost to the Town, as the investment earnings will offset some of the cost of the health premiums. For example, existing pension

funds such as PERS that provide retirement payments to retirees report that 75% of the payments are funded from investment earnings. A second benefit of a separate and fully funded trust account managed by a third party is that the outstanding liability is no longer reported as unfunded on the Town's annual report. It would still be reported as unfunded on the report if the Town only 'set aside' the funding but did not create a trust account.

The Self-Insurance Fund is a long-term savings designation that was created to provide extra insurance coverage if needed. The Town's insurance carrier does not require this 'savings' and Council may direct this reserve for other purposes. The Town did temporarily draw down this fund one time to supplement underground fuel clean-up work while litigation with the responsible party was in process. The proceeds from the litigation replenished the Self-Insurance Fund.

A separate budget policy decision recommends that Council use a portion of the Self-Insurance Fund to fund the Town's portion of the multi-year fire fuel reduction program. The remaining amount of the reserve not needed for the multi-year program could then be used to fund this retiree health premium cost.

Staff estimates that the balance of the Self-Insurance Reserve would be adequate to fund the retiree health premium cost, but GASB does require that an actuarial (completed by a third party) be completed to identify the estimated cost.

**JUSTIFICATION:** In addition to being recommended by the Governor's Public Employee Post Employment Benefits Commission, pre-funding of retiree health premiums offers other advantages to the Town, not the least of which is the reduction of the cost of the benefit itself because of investment earnings. The Town's existing Self Insurance reserve can be redirected to covering the cost of the actuarial, establishing the trust account, and pre-funding a portion or all of the liability associated with retiree health premium costs. This can be accomplished without impacting the proposed costs of the proposed operational budget.

OPTIONS:

Option 1: Approve funding the \$285,000 cost of the actuarial, establishment of a trust account and pre-fund retiree health premium cost, using the balance of the Self-Insurance Reserve; approve the attached resolution that modifies the proposed budget.

Option 2: Do not pre-fund the retiree health insurance premium cost and maintain the existing self-insurance reserve fund.

MANAGER'S  
RECOMMENDED

ACTION:

Option 1: Approve funding the \$285,000 cost of the actuarial, establishment of a trust account and pre-fund retiree health premium cost, using the balance of the Self-Insurance Reserve; approve the attached resolution that modifies the proposed budget.

## BUDGET POLICY DECISION #10

ISSUE: Transient Occupancy Tax Auditing and Enforcement

DESCRIPTION: Transient Occupancy (TOT) is the Town's largest generator of General Fund Revenue. Remitters that have paid \$10,000 or more in a year are required to report and pay TOT on a monthly basis. All other TOT remitters pay on a quarterly basis. The Town's zoning ordinance permits transient use of condominiums, and prohibits transient use of single-family residences (with exceptions for certain units located in areas zoned "resort").

Because of the importance of TOT to the Town, the Town has several methods to both inform the public about and increase compliance with the TOT ordinance. Besides the informational campaign that mailed TOT compliance information to all residential properties, TOT compliance information is also mailed to properties with new ownership. This is done using the County's property database to identify residential properties with new ownership.

Town staff also conducts Internet searches to identify transient rentals. Frequently there is not enough information on the website to immediately confirm if the condominium is registered with the Town. Contact through e-mail or via phone is then initiated to confirm that the condo is properly registered or to inform the owner of TOT compliance issues. Rentals that are identified as single family rentals are sent a letter that details that transient rentals are not a legal use.

Auditing existing TOT remitters is also a very important way to ensure that existing remitters are in compliance with the ordinance. From time to time the Town has contracted with outside audit firms to conduct TOT audits. This year the proposed budget appropriates \$8,000 for this audit service. There is also the possibility that the Town and County could partner in the TOT audit effort to maximize efficiencies with the consulting audit firm.

**JUSTIFICATION:** Auditing as many of the monthly TOT remitters as possible helps insure that not only the audited remitters are properly implementing the TOT ordinance, but those audited remitters usually share their experience with other remitters. This "word of mouth" communication enhances the compliance benefit of the audit.

**OPTIONS:** Option 1: Approve the proposed budget appropriation for TOT audit services and direct staff to explore with Mono County the possibility of coordinating TOT audit contracts.

Option 2: Do not conduct the TOT audit program and 'save' the proposed budget appropriation of \$8,000.

**MANAGER'S  
RECOMMENDED**

**ACTION:** Option 1: Approve the proposed budget appropriation for TOT audit services and direct staff to explore with Mono County the possibility of coordinating TOT audit contracts.

## BUDGET POLICY DECISION #11

**ISSUE:** Funding for the vacant Assistant Planner Position in the Community Development Department.

**DESCRIPTION:** The Town of Mammoth Lakes is working on a large number of major land use development permit applications. These major applications include the preparation of environmental impact reports, neighborhood district planning studies, evaluation of the specific plan/master plan as well as a high level of case management to keep the project applications on track.

The Deputy Community Development Director retired in December 2007. The level of skill and experience of the Deputy Director was very high. In order to maintain the Department's level of service in planning, the CDD staffing strategy was to replace and under fill the Deputy Director position with two new entry level planning positions.

This strategy was intended to shift a higher amount of code compliance and straightforward permitting activities to the Technician, Assistant and Associate Planning positions. This would have resulted in an overall savings in the CDD budget while providing staff to carry out required work.

In response to growing concerns about Town revenues, the Town Council established an informal hiring freeze to protect the Town budget. CDD was allowed to fill one planning position which was essential to handling the still high current planning workload. This position is funded through permit fees.

The second planning position was left unfilled; the total annual cost at the level of Community Development Technician is approximately \$76,000.

**JUSTIFICATION:** Because of the overall downturn in the national economy and the local slowdown in construction activity, filling this position is not essential at this time. CDD is providing a reasonable level of service for current planning activities.

OPTIONS:

Option 1: Do not fund the vacant planning position at this time.

Option 2: Designate approximately \$76,000 from the Reserve for Economic Uncertainty to fill this position and begin recruitment efforts.

MANAGER'S  
RECOMMENDED  
ACTION:

Option 1: Do not fund the vacant planning position at this time.

## BUDGET POLICY DECISION #12

ISSUE: Community Service Officer Position (CSO)

DESCRIPTION: March 28<sup>th</sup> of this year, the Police Department's Community Service Officer resigned. With the state of the current budget, this position has not been filled. Failure to fill this vacancy creates a number of hardships for the department and negatively impacts the department's ability to effectively serve the community.

Since its inception in 1986, the Police Department has operated as a 24/7 law enforcement agency. Part of that commitment has always been to have the front desk of the department open 7 days a week from 8:00 AM until 4:00 PM. There are a number of services that are provided by front desk personnel including: communication with all government agencies during business hours; fingerprinting services for applicants; dog licensing; direct contact with the Mono County District Attorney's Office, Sheriff's Office and all allied law enforcement agencies; answering phones during business hours; property release; greeting the public to provide information and answering questions; taking miscellaneous reports and other general police operations. The responsibility to keep the front desk open has been shared between three employees for the past several years. Each of the positions has a different collateral responsibility when they are not assigned to the front desk, but keeping the front office open has always been priority number one for the department's non-sworn staff. The community service officer has played an integral role in this effort.

With this position not staffed, the police department is presently planning on closing the front desk for several days this coming June, as there is no staff available. We are planning on closing over the weekend as the office must have staffing during the week to handle the communication with the District Attorney and other allied agencies. Significant overtime costs would be incurred were the department to attempt to stay open 7 days a week with only two persons assigned to the front desk.

Another primary assignment handled by the CSO has been parking enforcement. While this responsibility has been shared by patrol personnel, it is clearly not one of their primary assignments. Proactive and consistent parking

enforcement is a critical issue during the peak visitor seasons. There are numerous calls for service handled by the CSO and citations written. The fine for the majority of citations that are written is \$37 (Handicap Zone violations are \$285).

This past winter the department's CSO wrote 596 parking cites and the following amounts were billed for fines associated with those citations:

November 2007	\$1,201
December 2007	\$5,261
January 2008	\$8,901
February 2008	\$12,993
March 2008	\$3,545
<b>TOTAL BILLED FOR PARKING CITES:</b>	<b>\$31,901</b>

The CSO also shares the responsibility of managing the Property Room with the Non-Sworn Investigator. This is a critical task in all police departments. In almost every case handled by the department, evidence is collected and brought into the department for booking. The chain of evidence and proper processing of property is a primary responsibility of the CSO, and of the Non-Sworn Investigator in his/her absence. When officers need evidence for court; or requests are made to prepare evidence for viewing or release to court, this detail is handled by property room employees. The police department has very strict policy on who may access the property room so as to avoid any contamination in the chain of evidence. This service has also been provided 7 days a week, and has recently been compromised by the failure to fill the vacant position.

Were the CSO position not filled over a long period of time, the Police Department would likely need to place both the Records Supervisor and the Non-Sworn Investigator on Monday-Friday schedules to facilitate the demands placed upon the front desk during the week. This includes primarily requests for reports and property, as well as requests for the other services as listed above. During the weekends, the front doors would remain locked, thus eliminating a level of service that the visitors and residents of Mammoth Lakes have come to expect and one that is a standard for most police agencies.

Occasionally, the police department has utilized Ray Nadwocki, the Town's Animal Control Officer, to sit at the desk, answer phones and greet visitors. However, Ray does not have the training to handle many of the duties required for this position. And obviously, while assigned to front desk duty, he is not able to perform his Animal Control duties. Renee Placensia, the department's Administrative Assistant has also filled in when necessary, to keep the front desk open.

Other miscellaneous services performed by the CSO include: traffic control; minor traffic accident investigations; miscellaneous crime reports; evidence collection at crime scenes; public outreach opportunities, and too many other duties to mention that provide general assistance to the community and the police department.

The annual cost of salary and benefits for an entry-level CSO is \$70,126, and is not included in the proposed FY 2008-09.

**JUSTIFICATION:** Providing professional and comprehensive police services to the Mammoth Lakes community has always been the goal of the Police Department. The services provided by the CSO play an important role in delivering that level of service. A decision to not fill that position over the long term will negatively impact the department's ability to staff the front desk, enforce parking laws and perform other general law enforcement services community-wide. While these are the specific duties that will be affected, many other collateral duties that are the responsibility of the CSO will also suffer should this position remain vacant.

The cost of the position is partially offset by the fines that are collected through parking enforcement. Additionally, the myriad of duties performed by the CSO and the positive impact this position has on the police department and the community cannot be overstated.

**OPTIONS:** Option #1: Approve filling the vacant Community Service Officer position that has not been included in the Police Department's budget, thus bringing the department back to necessary staffing levels to maintain the level of service that the community has come to expect. This will result in an additional impact on the General Fund of \$70,126.

Option #2: Take no action at this time; reconsider this policy decision at mid-year.

Option #3: Do not fill the vacant position.

MANAGER'S  
RECOMMENDED  
ACTION:

Approve option #2, take no action at this time; reconsider this policy decision at mid-year.

## BUDGET POLICY DECISION #13

ISSUE: Funding for the vacant Code Compliance Officer position.

DESCRIPTION: The "Code Compliance Policy," approved by the Town Council in 1998, states "the goal of all code compliance actions shall be to achieve compliance with all applicable codes and ordinances of The Town of Mammoth Lakes."

The Town's code compliance services are provided by one full-time Code Compliance Officer within the Building Division of the Community Development Department. The position has been funded through Community Development revenues.

Code compliance enforces zoning and municipal codes, conditions of approval, and design standards; investigates and initiates procedures to abate violations of a wide range of local ordinances and state and local regulations. Subjects range from property maintenance, unsecured and uncontained garbage, lighting, planning and building violations, graffiti, display of vehicles, and rental of transient units.

Historically, because of the breadth and volume of this work load, one position has not been able to achieve full and complete code compliance. In fact, members of the community have recently asked the Town Council to fund increased lighting ordinance enforcement efforts. Established code compliance priorities are: 1) public safety and health violations; 2) public nuisances, environmental measures, and project conditions of approval; and 3) aesthetic issues.

In February, 2008, the Town's Code Compliance Officer resigned and the position was left vacant due to the Town's current budget condition. In response to this budget and the need to provide services, staff from the Community Development Department, Police Department, Public Works Department, Human Resources & Risk Management Department, and Tourism and Recreation Department developed a staffing strategy to distribute code compliance responsibilities throughout the organization.

Based on that strategy, staff members have "filled in" to fulfill code compliance responsibilities to the extent possible in the absence of a dedicated position (see attached exhibit A). In light of several vacant positions and increased demands on remaining staff, it is not realistic to expect all of the code compliance responsibilities to be addressed without the hiring of a new code compliance officer.

In addition, the Town Council has also considered providing expanded environmental and wildlife management services to the community through the code compliance officer position. Given the broad responsibilities of the code compliance officer position, staff believes that a second code compliance officer position would be necessary to address expanded environmental and wildlife management services along with some of the existing code compliance responsibilities.

**JUSTIFICATION:** Because of the overall downturn in the national economy and the local slowdown in construction activity, filling this position is not essential at this time. Various staff members are providing a reasonable level of service for code compliance responsibilities.

**OPTIONS:** Option 1: Do not fund the vacant Code Compliance Officer position at this time.

Option 2: Designate approximately \$75,000 from the Reserve for Economic Uncertainty to fill this position and begin recruitment efforts.

Option 3: Designate an additional \$75,000 for a second code compliance officer position (\$150,000 total for both positions) from the Reserve for Economic Uncertainty (the second full time position would include expanded environmental and wildlife management duties) and begin recruitment efforts.

**RECOMMENDED ACTION:**

Option 1: Do not fund the vacant code compliance officer position at this time.



COMMUNITY DEVELOPMENT DEPARTMENT  
P.O. BOX 1609 MAMMOTH LAKES, CA 93546  
PHONE 760-934-8989, FAX 760-934-8608

## CODE COMPLIANCE PROCEDURES EFFECTIVE FEBRUARY 22, 2008

### LOGIN AND DISTRIBUTION

- Complaints are to be only accepted on the Town approved Code Compliance form and turned into Supervising Community Development Technician for assignment.
- Complaints are logged in and assigned out through Municipal Tracking Software.

### DOCUMENTATION AND TRACKING

- As assigned, representatives for compliance related issues will be forwarded emails through Municipal Tracking Software tasks for follow-up, comments and file attachment i.e. pictures of compliance related items.
- Supervising Community Development Technician maintains assigned tasks for alignment with current Code Compliance standards.

### CITATION POLICY

- Town employees have authority to issues warning citations in reference to code related offenses.
- Warning citations are to be issued as representatives identify compliance related issues in the field.
- Level Fines are initiated and escalated through the Supervising Community Development Technician for tracking purposes.

### OTHER ISSUES

- As required, other issues are to be turned into the Supervising Community Development Technician for resolution or assignment.

### COMPLAINTS

- Property Maintenance – Building Division/Risk Management
- Garbage Spillage – Risk Management and Field Observations
- Lighting – Planning
- Planning Violations – Planning
- Building Violations – Building
- Graffiti – Risk Management/MLPD
- Vehicles – Risk Management/MLPD
- Signs and Banners – Planning
- Miscellaneous – As Assigned

## BUDGET POLICY DECISION #14

ISSUE: Creation of Resort Programming Manager within Tourism and Recreation Department

DESCRIPTION: The Resort Programming Manager will be responsible for overseeing the recreation supervisors, collaborating with local recreation-based organizations to develop new programs designed to enhance existing recreation activities, coordinating the use of town-managed recreation facilities, and working with event producers (locally and out of area) to process permit applications and assist with event production.

JUSTIFICATION: In mid-2004, Town administration merged the Parks and Recreation Department with the Tourism Department, forming the Tourism and Recreation Department. This eliminated a park and recreation director's position, as well as a recreation manager's position. Later that same year, town administration created a special events manager's position, designed to assist with existing local events, assist out of area event producers with bringing events to Mammoth and coordinate Town-produced events.

Since its formation, the T&R Department has continually looked at its structure with the idea of operating in an efficient and effective manner. As the community has begun to recognize that recreation is the engine that drives our tourism-based economy, it has become apparent that the T&R Department needs to invest resources into helping to enhance and improve the recreation infrastructure of Mammoth. This includes the need to collaborate with local groups such as Mammoth Nordic, Eastern Sierra Cycling, the High Sierra Striders and the Sierra Club to develop new programming opportunities with their activities in mind. Many of our guests arrive to Mammoth without knowledge of the recreational amenities available to them. The Resort Programming Manager will work with the local groups to create unique, affordable and effective recreation programming.

Additionally, the T&R Department's current special events manager is leaving near the end of this current FY 2007-08. With revenue projections and concerns

over budget constraints, an automatic filling of that position is not practical. However, special events continue to be a driver of visitation to Mammoth and the need to introduce new events and facilitate existing events is necessary in order to ensure special events continue to develop. Combining the special event responsibility with recreation programming to create the Resort Programming Manager's position is an effective use of resources, both human and financial.

With the departure of the tourism programming manager and the impending departure of the special events manager, funds are available to support this position. However, at this time, the T&R Department is proposing the funds allocated for this position be shifted to the Tourism Reserve account until such time the Town Council approves the creation of this position. Staff further suggests that the issue be taken before the Tourism and Recreation Commission for their input prior to Council authorization of the position.

OPTIONS:

Option 1. Support the contribution of \$100,000 from the proposed Tourism and Recreation budget for FY 2008-09 to the Tourism Reserve for potential future hiring of a Resort Programming Manager; request input from the Tourism and Recreation Commission prior to authorizing the position.

Option 2. Fund a Resort Programming Manager for the T&R Department at a level other than the allocated \$100,000.

Option 3. Do not fund a Resort Programming Manager at this time.

MANAGER'S  
RECOMMENDED  
ACTION:

Option 1. Support the contribution of \$100,000 from the proposed Tourism and Recreation budget for FY 2008-09 to the Tourism Reserve for potential future hiring of a Resort Programming Manager; request input from the Tourism and Recreation Commission prior to authorizing the position.

## BUDGET POLICY DECISION #15

ISSUE: Public Works Staffing – Temporary Winter Help

DESCRIPTION: The Public Works Department, Maintenance Division is responsible for providing summer and winter maintenance services for town roads. For the winter of 2007-08, the division's staff included 5 temporary employees from November 1 to April 30. Along with the division's 13 full time employees, the 5 temps provided sufficient staff to run 6 Balderson blades and 4 snow blowers at night and 4 Balderson blades and 2 snow blowers on the dayshift. On larger storms the Maintenance Superintendent and Manager run snow blowers on dayshift so that 6 Baldersons can be operated for plowing. The FY 2008-09 budget currently proposes a reduction of winter temporary positions from five to four. Public Works is requesting that the current staffing level be maintained in the FY 2008-09 budget.

JUSTIFICATION: The FY 2007-08 budget approved by Council supported the need for two additional full time road maintenance workers and one additional part time seasonal employee. This action brought the maintenance crew staffing to its current level. Public Works is requesting that the FY 2008-09 budget maintain the current staffing level, including the fifth winter temp.

Certain snow removal operations occurring on Old Mammoth Road, Upper Canyon and the Main Street frontage roads, as well as the North Village, Community Center and the Park and Ride lot can only be done during the night shift. Maintenance currently has the ability to run 6 Baldersons and 4 Blowers at night, leaving 1 Blower and 1 Balderson as backup machines.

Some winter operations will be impacted with the loss of a seasonal employee. One fewer seasonal employee means that two plows would have to be parked during a storm rather than just the one backup.

OPTIONS:

Option #1: Approve the addition of one part-time position to the Public Works Department budget. The winter seasonal position would be staffed around November 1, 2008. Choice of this option will require a \$23,000 contribution from the Reserve for Economic Uncertainty.

Option #2: Do not approve the addition of one part-time position to the Public Works Department budget. Choice of this option will result in a decreased level of service.

MANAGER'S  
RECOMMENDED  
ACTION:

Option #2: Do not approve the addition of one part-time position to the Public Works Department budget. Choice of this option will result in a decreased level of service.

## BUDGET POLICY DECISION #16

ISSUE: Vehicle for Community Emergency Response Team (CERT)

DESCRIPTION: Having a fully functional Emergency Operation Plan (EOP) is vitally important to all communities, as the disaster surrounding Hurricane Katrina made perfectly clear. Those tasked locally with responsibility for public safety as identified in our EOP plan have been diligently working toward improving the Town of Mammoth Lakes' level of emergency preparedness. With this in mind, after several meetings with the Mammoth Lakes Fire Department, a decision was made to form a local Community Emergency Response Team (CERT).

In January of this year, through a combined effort of the Mammoth Lakes Police and Fire departments and the Mono County Health Department, the first CERT volunteers received 24 hours of training. The second group of volunteers completed their 24 hours of training in April. We now have 37 members of the Mammoth Lakes community who are trained to assist emergency personnel with any number of assignments during an actual emergency. To date, all funding for the training and equipment provided for these volunteers has come from the Federal Government's Homeland Security Grant.

With these volunteers now trained, the need for a vehicle for the CERT team use has become evident. As part of the Town's ongoing vehicle replacement program, the Police Department turned in Patrol Unit #PD07, a 2002 Ford Expedition with just over 117,000 miles on it. This vehicle has been modified for the police department as a patrol unit. Sierra Motors of Bishop appraised the vehicle for \$5,870 less parts and labor to prepare the vehicle for public sale, and offered \$800 trade in value.

This vehicle has been identified by Lieutenant Jim Short, the coordinator for the CERT team, as one that would meet the team's immediate needs. Additionally, the CERT volunteers would be utilized to strip the vehicle of that equipment that is not needed; and, through the Homeland Security Grant the cost to paint the vehicle could be covered. Any future repair and fuel costs will be paid through the police

department's garage budget. The possibility exists these costs could be included in future Homeland Security Grant agreements, but that has not been confirmed as of yet.

In order to provide this vehicle for the CERT team's use, Council must make a decision to add this vehicle to the existing police vehicle fleet. This will require the police department to repurchase the vehicle for the exclusive use of the Town's CERT members, for the minimal trade in value of \$800. Randy Schienle has determined that there will not be any funds set aside for future replacement of this vehicle.

The CERT Volunteers will need a vehicle for working special events, road closures, attending training, or for their use in the event of a localized emergency. Insurance for these volunteers will be handled by both the Town and, with the completion of the CERT training, the Federal Disaster Service Worker's Account.

**JUSTIFICATION:** Having a trained, professional, CERT team is a tremendous community asset for Mammoth Lakes. Providing a vehicle for their use is not only prudent, but will certainly make it clear to the team that the Council supports their efforts. In the event of an actual emergency and during many special events, all the vehicles assigned to the police department are in use. Without the acquisition of this vehicle, CERT volunteers could find themselves with important tasks to do and no vehicle with which to carry them out.

The real benefit of this vehicle will not be known until we have an actual emergency; and the consequences associated with the CERT members not having a vehicle, may also be realized in the event of an actual emergency.

**OPTIONS:** Option #1: Approve the purchase of PD07 by the CERT Team for \$800 from the Town, thus increasing the Police Department fleet by one vehicle. Once approved, all initial labor and paint costs may be incurred by the CERT members or possibly through the Homeland Security Grant.

Option #2: Do not approve the purchase of the vehicle and direct town shop personnel to begin to strip the vehicle for public sale.

MANAGER'S  
RECOMMENDED

ACTION: Approve option #1, selling the above described vehicle to the Police Department for CERT team use for \$800, so they may have it for their use for local events.

BUDGET POLICY DECISION #17

ISSUE: Environmental (CEQA) Review Process for Parks and Recreation Master Plan and Trails Master Plan

DESCRIPTION: The work plan for FY 2007-08 called for the completion of a Parks and Recreation Master Plan and an update to the 1991 Trails Master Plan. An environmental (CEQA) review process is required in order for the plans to be adopted by the Town for implementation. It is anticipated that this process may only require a negative declaration, but could conceivably require an EIR.

JUSTIFICATION: With a priority being established for improving our community's recreation infrastructure, the Parks and Recreation Master Plan and the Trails Master Plan processes began last year. Public participation and input has been significant for both plans. In April, 2008, the Parks Master Plan final draft was delivered to the Town. It is anticipated the Trails Master Plan final draft will come forward in July 2008, following review and public input on initial drafts.

Because both plans are intended to be used for implementation guidance, the CEQA process must be completed in order for the plans to be adopted.

For the sake of efficiencies, staff is recommending both plans go through the CEQA process simultaneously. This allows the use of the same consultant, saving travel expenses and the cost of public outreach efforts.

Initial quotes from consultants used for previous environmental review processes vary, based upon the extent required for the process. It is anticipated that the cost for both will be approximately \$200,000. Funds for this project have not been allocated in the proposed budget for FY 2008-09. A project of this nature would qualify for funding through Measure R. If Measure R passes, this project could be brought forward for consideration by the Tourism and Recreation Commission and possible recommendation for allocating funds to cover the cost of the CEQA process. Understanding that revenue from Measure R would not be accessible from the state until January,

2009, the CEQA process would not begin until that time, and only if Measure R passes and the expenditure is approved by Town Council.

OPTIONS:

Option 1. Support the completion of a CEQA process for the Parks and Recreation Master Plan and the Trails Master Plan. Consider bringing forward a funding expenditure allocation if Measure R passes (June 3, 2008).

Option 2. Support the completion of a CEQA process for the Parks and Recreation Master Plan and the Trails Master Plan. Consider bringing forward a funding expenditure allocation as part of the mid-year budget review (January 2009).

Option 3. Do not support the completion of a CEQA process for the Parks and Recreation Master Plan and the Trails Master Plan. Do not fund the process at this time.

MANAGER'S  
RECOMMENDED  
ACTION:

Option 1. Support the completion of a CEQA process for the Parks and Recreation Master Plan and the Trails Master Plan. Consider bringing forward a funding expenditure allocation if Measure R passes (June 3, 2008).

OR

Option 2. Support the completion of a CEQA process for the Parks and Recreation Master Plan and the Trails Master Plan. Consider bringing forward a funding expenditure allocation as part of the mid-year budget review (January 2009).

## BUDGET POLICY DECISION #18

ISSUE: Neighborhood District Planning for the Sierra Valley Sites

DESCRIPTION: In late 2007 and early 2008, some residents of the Sierra Valley Sites appeared before the Town Council and the Planning Commission requesting that the Town prepare a community based planning study to address a wide variety of issues ranging from livability to traffic to community design and land use. As a result of this request, the Town Council requested a budget policy decision for consideration with the 2008-2009 Town Budget.

The Sierra Valley Sites are shown in the 2007 General Plan, Figure 3, page 23, bounded by Main Street, Meridian Boulevard, and the properties west of Joaquin Road and east of Manzanita Road (Exhibit 1). The 2007 General Plan, Neighborhood and District Character, page 29, includes a future action to:

*“Prepare a Focused Special Study for the Sierra Valley sites (Sierra Valley District) to:*

- Assess infill design and development standards, land use and density*
- Evaluate “feet first” mobility measures*
- Assess traffic and determine suitable traffic calming measures*
- Identify appropriate locations for neighborhood parks, pocket parks, open space, and connected trails*
- Assess safety issues and aesthetics*
- Assess the impacts of seasonal residents”*

For this discussion, the purpose and process of neighborhood district planning has the same meaning as a “focused special study.” The General Plan description of the subjects that should be studied in a NDP for Sierra Valley Sites provides a means to determine an overall budget estimate; major budget assumptions include:

- Town selection of a multi-disciplinary team of planning and urban design, transportation planning, civil engineering, and community

outreach expertise to conduct the work. Team selected through a competitive request for qualifications and request for proposal (RFQ/RFP).

- Early community cafes to develop a responsive scope of work.
- Three to four community and focus group meetings to provide public input though out the process.
- One presentation to the Planning Commission and two presentations to the Town Council.
- The preparation of any required environmental analysis would be determined at or near the completion of the NDP and is not part of this budget.

After consultant selection, staff estimates that it will take a minimum of four to five months to prepare the NDP. Depending on the final content of the detailed scope of work, the cost of preparing the NDP could range from \$150,000 to \$180,000.

**JUSTIFICATION:** The General Plan states the “Special studies will be conducted for certain areas and sites within the community to aid in future planning.” The intent of conducting these studies is to address neighborhood issues to improve the community’s overall quality of life.

**OPTIONS:** Option 1: Fund and undertake the Sierra Valley Sites NDP when adequate uncommitted General Funds are available.

Option 2: Designate funds from the Reserve for Economic Uncertainty to undertake the Sierra Valley Sites NDP.

Option 3: Present this subject to the Town Council during the 2008-2009 Mid-Year Budget Review to determine if funding or in-house resources have become available to undertake the Sierra Valley Sites NDP.

**MANAGER’S  
RECOMMENDED**

**ACTION:** Option 1: Fund and undertake the Sierra Valley Sites NDP when adequate uncommitted General Funds are available.

## BUDGET POLICY DECISION #19

ISSUE: Erosion, Drainage, and Flooding Project Implementation

DESCRIPTION: In August 2007, the Town Council authorized staff to finalize a work program with Nichols Consulting Engineers (NCE) and enter into a contract to prepare a storm water management plan. The Town of Mammoth Lakes Erosion, Drainage, and Flooding Project has been completed and NCE has submitted their Final Recommendations Report (FRR). The report outlines the methodology for prioritization of problem areas, recommended management strategies to address existing erosion, drainage and or flooding problems, project considerations, and recommended improvements. The work performed with this project does not replace work previously conducted as part of the 2005 Storm Drain Master Plan Update. The intent of the FRR is to supplement and enhance the 2005 report. The FRR includes the following work: Town of Mammoth Lakes Erosion, Drainage and Flooding Project Existing Conditions Report, December 2007, and the Preliminary Geotechnical Erosion Control Study for John Muir Road, February 2008.

Based on the Final Recommendations Report, staff is proposing a comprehensive work plan that could put the town in position to initiate a storm water improvement program in the next two years. NCE was asked to submit a proposal to assist the town in the next phase of the program. Next steps include development of a storm water master plan framework, an implementation strategy for managing the town's storm water. Implementation of the following management strategies: 1) work with MMSA and USFS on erosion control and storm water management strategies on the ski area property; 2) mitigating storm water runoff from large private properties; 3) managing unpaved driveways, access roads and parking lots, and; 4) developing a storm water financial strategy and funding plan. Specific erosion control and drainage improvement projects will be identified and prioritized to allow the town to identify and obtain funding and move forward with individual project planning, design

and implementation. The proposed work plan also includes a field tour of the Tahoe Basin and meetings with the Nevada Tahoe Conservation District, Tahoe Regional Planning Agency and local Public Works Departments. NCE will also work with town GIS staff to develop a GIS based maintenance plan for the Town's storm water infrastructure.

The engineering fees to complete the work plan are \$186,500. The total cost including staff time is \$206,000.

Work could be spread over the next two fiscal years by concentrating first on the storm water master plan framework, implementing the first three management strategies (delaying the storm water financial strategy and funding plan), and identifying, delineating and prioritizing specific erosion control and drainage improvement projects so the town can begin to identify and obtain funding and move forward with individual project planning, design and implementation.

The engineering fees to complete this part of the work plan are \$88,000. The total cost including staff time is \$97,000. The storm water financial strategy and funding plan is important, but could be delayed until the 2009-10 budget cycle.

There are policy and legal issues at both the state and federal levels that currently place constraints on some the funding opportunities for local jurisdictions. These issues are being reviewed by a number of municipalities that are struggling with funding issues related to storm water improvement programs, in some cases mandated programs. NCE believes the League of California Cities may get involved in these issues in the near future. The town will potentially benefit if the constraints are relaxed through legislative action. Some of the work to be performed as part the storm water financial strategy and funding plan task will help the town take advantage of these future funding opportunities.

JUSTIFICATION: The Town of Mammoth Lakes is working on proactively managing its existing erosion, drainage and or flooding problems. Recent major storm events have revealed the weaknesses and gaps that exist in the town infrastructure and the town's ability to control storm water flows and erosion. With the completion of the Town of Mammoth Lakes Erosion, Drainage, and Flooding Project, the town has taken a significant step towards proactive management of these issues. The process of developing a storm water improvement program really begins with implementation of the recommendations contained in NCE's Final Recommendations Report. The work plan discussed above will position the town to proactively manage its existing, and future, erosion, drainage and flooding problems.

OPTIONS: Option #1: Approve an additional budget amount of \$206,000 from storm drain DIF to continue development of the storm water improvement program based on the Town of Mammoth Lakes Erosion, Drainage, and Flooding Project, Final Recommendations Report prepared by NCE. The overall DIF funds are projected to be \$400,000 in debt at the end of FY 2008-09; choice of this option will increase the negative balance to just over \$600,000.

Option #2: Approve an additional budget amount of \$97,000 from storm drain DIF to continue development of the storm water improvement program based on the Town of Mammoth Lakes Erosion, Drainage, and Flooding Project, Final Recommendations Report prepared by NCE.

Option #3: Do not fund development of the storm water improvement program.

MANAGER'S  
RECOMMENDED  
ACTION:

Option #3: Do not fund development of the storm water improvement program.

## BUDGET POLICY DECISION #20

ISSUE: Codification of Neighborhood District Plans

DESCRIPTION: During the Town Council's discussion of Neighborhood District Planning (NDP), community members emphasized the importance of implementing or codifying the resultant accepted NDP studies. As a result of these community comments, the Town Council requested a budget policy decision for consideration with the 2008-2009 Town Budget. For this budget discussion, the codification of the NDP is also referred to as a district zoning amendment (DZA).

The NDP policy requires the applicants requesting a major land use permit application to fund a neighborhood district planning study. These studies provide more community participation and information that support the evaluation of each permit application.

The Town is working on six major land use permit applications that fall under the Town's neighborhood district planning policy. These are: The Clearwater, Mammoth Crossings, The Sherwin, Hidden Creek Crossings, Sierra Star, and Snowcreek VIII.

For the Hidden Creek Crossings, Snowcreek VIII, and Sierra Star master plans, the accepted NDP study information by the Town Council will be included in the adopted plan documents. (Follow up to the East OSSC District Study is a more long term work program item more related to conducting the special study for the Mammoth Creek Corridor described in the General Plan.)

However, NDP study information associated with The Clearwater and Mammoth Crossings specific plans will not be codified because the project applications do not correspond with the much larger NDP study areas. The assumptions to codify these NDPs are described below:

- Synthesis of the NDP text and illustrations into an ordinance format. Prepare additional information as needed.

- Two public Planning Commission study sessions to present zoning code content and obtain input.
- Two public hearings with the Planning Commission and two public hearings with the Town Council.
- Environmental analysis is tiered from the General Plan FEIR and relevant project application FEIRs.

Once initiated, staff estimates that it will take a minimum of three to four months to prepare the DZA and three to four months to complete public hearings. Staff resources are estimated at 2.5 staff members allocating one quarter of their time during the length of the program. Tiered environmental analysis is estimated at \$50,000. Depending on the final scope of work, the cost of codifying the DZA could range from \$100,000 to \$150,000 for each NDP.

Because major land use permit and district planning efforts will wind down by mid fiscal year, CDD staff will become available to conduct some or all of this work. (This is the preferred budget option). Outsourcing this work to consultants is also an option.

**JUSTIFICATION:** The codification of NDPs would provide clear and consistent standards and policies to applicants, staff and decision makers. The 2007 General Plan emphasizes the importance of establishing current and appropriate development standards and completing district plans (see L.1.A.1, L.1.C.1, L.1.D., L1.D.1-4, L.3.B.2., and so on). Codification of accepted NDPs is an important means of implementing these General Plan goals, policies, and actions.

**OPTIONS:** Option 1: Fund and undertake the codification of NDPs when adequate uncommitted General Funds are available.

Option 2: Designate funds from the Reserve for Economic Uncertainty to codify NDPs.

Option 3: Present this subject to the Town Council during the 2008-2009 Mid-Year Budget Review to determine if funding or in-house resources have become available to codify NDPs.

MANAGER'S  
RECOMMENDED

ACTION:           Option 1: Fund and undertake the codification of  
NDPs when adequate uncommitted General Funds are  
available.

## BUDGET POLICY DECISION #21

ISSUE: Transient Rental of Single Family Dwellings

DESCRIPTION: The Town Council has received community comments regarding transient rental of single family dwellings and condominiums within areas not currently zoned for transient rental. As a result of these community comments, the Town Council requested a budget policy decision for consideration with the 2008-2009 Town Budget.

The transient rental of single family homes and condominiums within areas not currently zoned for transient rental may be controversial with the community. Staff suggests that extensive research be conducted, including research on how our peer resorts handle this issue, and workshops be conducted with the Planning Commission, Tourism and Recreation Commission, as well as a public workshop to educate the public on staff's research and hear issues and recommendation from the public.

Once initiated, staff estimates that it will take a minimum of four months to prepare the DZA and three to four months to complete public hearings. Staff resources are estimated at 1.5 staff members allocating one quarter of their time during the length of the program. Environmental analysis (negative declaration) is estimated at \$20,000 if outsourced to a consultant. Depending on the final scope of work, the cost of preparing the zoning ordinance amendment could take 90 hours of staff time and the cost could from \$57,000 to \$70,000 (including environmental review).

If directed to proceed, the majority of this work effort would be performed internally by Community Development Department staff. Work could begin in late fall or winter of 2008.

JUSTIFICATION: The research and preparation of an amendment to the zoning ordinance to allow transient rental of single family dwellings would allow the Town Council to consider the amendment of the ordinance with sufficient research and public input.

OPTIONS:

Option 1: Fund and undertake the research and preparation of an amendment to the zoning ordinance to allow transient rental of single family dwellings and condominiums within areas not currently zoned for transient rental. Work could begin in late fall or winter of 2008.

Option 2: Request further review by the Tourism and Recreation Commission and the Planning Commission; present this subject to the Town Council during the 2008-2009 Mid-Year Budget Review to determine if funding or in-house resources have become available to prepare the amendment.

MANAGER'S  
RECOMMENDED  
ACTION:

Option 2: Request further review by the Tourism and Recreation Commission and the Planning Commission; present this subject to the Town Council during the 2008-2009 Mid-Year Budget Review to determine if funding or in-house resources have become available to prepare the amendment.

## BUDGET POLICY DECISION #22

ISSUE: Main Street Promenade

DESCRIPTION: Creation of a successful retail entertainment district in the North Village connected by an appropriately designed and maintained promenade to a second "Town Center" in the Main Street/Old Mammoth Road area is one of the highest order goals of the Town Council. There have been ongoing discussions about how to achieve these goals, and whether relinquishment of a portion of State Route 203 to the Town is possible, desirable and/or necessary to achieve these goals.

Planning Issues: Although there have been a number of studies regarding the desired design and configuration of Main Street, there is no universally accepted or approved master plan. Currently MMSA and Chadmar have indicated that they are funding the early stage of a community-based plan. It is estimated that a credible planning effort would require funding in the range of \$200,000 to \$400,000.

Maintenance Issues: Some preliminary estimates of the annual cost associated with maintenance, snow removal and periodic overlay and reconstructions for just this portion of State Route 203 came to \$730,000 per year. Snow removal alone is estimated to cost \$294,000 per year at the current level, and significantly more if upgraded to the normal Town standard. It is not clearly understood whether or not these costs could in part be built into STIP funding cycles without sacrificing other important projects. Caltrans has not been interested in contracting with the Town for snow removal services.

Regulatory Issues: It is difficult, but not impossible, to get permission from Caltrans to modify the design under State ownership. For example, it took seven years to get approval of the roundabout at Forest Trail

and Minaret, and the associated configuration of Minaret through the Village. Although CalTrans has a "Main Street Design Policy" which appears compatible with the Town's goals, in practice it has not shown any openness to these types of ideas. In 2006 Government Strategies, Inc. stated that it would take in excess of a year to secure policy, contractual and budgetary approval of a relinquishment. The first phase would be of six to eight months duration at a rate of \$11,000 per month. We would jointly evaluate what is needed to complete the task. Thus the cost would be in excess of \$108,000 with an uncertain outcome.

Reconfiguration Analysis: There has been speculation that a reconfiguration of Main Street would yield surplus land that could be sold to cover the costs of reconfiguration (and generate a profit). It is impossible to assess whether this is true or not until there is a master plan to guide the analysis.

JUSTIFICATION: Relinquishment is a potential means to achieve the goal of creating a pedestrian-oriented promenade. However, it may also be possible to implement a master plan under Caltrans ownership. It is therefore recommended that planning be undertaken as the first step which will lay the groundwork for analysis of relinquishment.

OPTIONS: Option 1: Appropriate \$200,000 to \$400,000 for master planning of the section of State Route 203 from the North Village to the Civic Center area.

Option 2: Appropriate \$108,000 for a lobbying effort to attain relinquishment of a section of State Route 203 from the North Village to the Civic Center Area.

Option 3: Hold the decision in abeyance until the results of the MMSA/Chadmar-funded community based planning efforts are known.

MANAGER'S  
RECOMMENDED

ACTION:           Option 3: Hold the decision in abeyance until the results of the MMSA/Chadmar-funded community based planning efforts are known.

## BUDGET POLICY DECISION #23

ISSUE: Formation of Non-Government Destination Marketing Organization and Funding for Executive Director

DESCRIPTION: One of the goals to assist with developing economic sustainability, as identified by The Tourism and Recreation Commission, is the formation of a non-government Destination Marketing Organization (DMO) as a means of providing greater flexibility and effectiveness with marketing Mammoth Lakes as a year-round destination resort.

A non-government DMO allows for greater leverage of public funds (TOT) with participation of private funds through enhanced co-op programs and marketing efforts, as well as potential membership revenue.

JUSTIFICATION: According to Destination Marketing Association International (DMAI), one of the tourism industry's leading associations, DMOs promote the long-term economic development, product growth and marketing of a destination, focusing on convention sales, tourism marketing and guest services. DMOs are responsible for the campaigns marketing an "entire" destination to meeting professionals, business travelers, tour operators and individual visitors. DMOs represent the hotels, facilities, attractions, restaurants, retail outlets and other providers serving all segments of travelers.

The role of a DMO has been played by the Town of Mammoth Lakes municipal government since the late 1980's, through what was once called the Tourism Department and is now called the Tourism and Recreation Department. Prior to that, most of the tourism responsibilities for the destination were handled independently by Mammoth Mountain Ski Area, the Mammoth Lakes Resort Association and the Chamber of Commerce.

In the past two years, both the UCSB Economic Forecast (2006) and the ERA Market Study Analysis (2007) introduced the concept of forming a non-governmental DMO. Throughout the tourism industry around the world, 64% of the DMOs operating are some type of non-profit organization, 19% are

government agencies and 5% are a chamber of commerce or a division of a chamber.

The process to form a non-governmental DMO follows many of the same rules and policies for forming a non-profit organization. A steering committee is established to define the purpose, mission and vision for the organization. Bylaws are written and the organizational structure established which includes board of directors, officers and staffing levels. The staffing levels and needs will be determined by the purpose, mission and vision of the organization.

Funding sources need to be secured, including the decision whether this DMO will be membership based or not. In addition to membership dues, other revenue sources include Mammoth Mountain Ski Area, the Mammoth Lakes Chamber of Commerce, the Lodging Association and potential seed money from grant sources. Financial support from these non-government entities will leverage Measure A funds for the formation of a new DMO.

OPTIONS:

One of the first steps towards forming the non-government DMO is to dedicate funds for the hiring of an executive director to support the efforts of the Tourism and Recreation Director and staff, as well as those of the community-based steering committee, in finalizing the by-laws, business and operating plans for the new DMO. It is anticipated this hire would take place in the middle of the upcoming fiscal year, 2008-09.

Option 1. Allocate \$40,000 from the Tourism and Recreation Reserve to use for hiring an executive director (for the second half of FY 2008-09) for a new DMO. This \$40,000 would be leveraged with funds generated from the private sector to support the development of this position within the new DMO.

Option 2. Decrease the Measure A allocation to the Tourism and Recreation Department by \$40,000. This would negatively impact the Town's proposed tourism budget with potential to result in inability to complete the brand strategy process, reduction in advertising

and promotions and reduction in support of local special event funding.

Option 3. Allocate \$40,000 from the Town's General Fund. This increases the projected operational shortfall for the GF in the new FY 2008-09.

Option 4. Fund an executive director for the new DMO at an annual level other than the recommended \$80,000.

Option 5. Do not fund an executive director for the new DMO at this time.

MANAGER'S  
RECOMMENDED  
ACTION:

Option 1. Allocate \$40,000 from the Tourism and Recreation Reserve to use for hiring an executive director (for the second half of FY 2008-09) for a new DMO. This \$40,000 would be leveraged with funds generated from the private sector to support the development of this position within the new DMO.

## BUDGET POLICY DECISION #24

ISSUE: Technology Improvements for better electronic public access:  
1) streaming of Town Council meetings with enhanced document availability, and 2) Town website upgrade

DESCRIPTION: The Town has been working over the past several years to increase the quantity and quality of information available to the public. For example, there has been a significant increase in the number and type of documents that are available on-line. During last year's budget discussions, staff proposed a significant enhancement to these services: a contract for streaming media services, allowing the public the ability to see and hear live or archived Council meetings, indexed by agenda item and with live links to staff reports, on demand via the web. Because of budgetary constraints, Council elected not to fund the enhancement. Attached to this document is an updated proposal for this year; the cost of the technology has actually decreased since last year.

Council meetings will be made available to the public via live-streaming over the web through a contract with Granicus, a firm that specializes in streaming and archiving meeting content for government agencies. This will provide a much more responsive system for those wishing to observe some portion of a Council meeting, and the content will be available 24/7, greatly enhancing convenience of users. Though a web-based interface, minutes will be created during the meeting, and agenda items indexed to the recording so that users may click on an agenda item to have immediate access to video of the item.

The Town's website, as currently configured, is hugely time consuming to keep up to date. While functional, the website tends to be confusing and frustrating for users. A complete website revision has been part of the information systems five year strategic plan. Given that the Town website is one of the primary sources of information to the community, staff is of the opinion that the website revision should be undertaken in the next fiscal year. Staff has received a proposal from CivicPlus, a firm which specializes in the creation and hosting of government websites. The proposal (see attached) from CivicPlus includes "back-end" work that would make the new website more functional for the Town and users.

JUSTIFICATION: Contracting for of the webcasting service will provide a huge increase in access on demand to immediate video and audio recordings of Town Council meetings. It will provide access for the first time to individuals who do not subscribe to the local cable network, as well as to second homeowners. It will result in greater efficiency and convenience to users both in and outside of the organization. With information readily available via the web, there will be much less staff time involved in retrieval of documents for staff and the public.

A similar case can be made for contracting for improvements to the Town's website. The current website, while functional, is old and needs to be updated to make it more user friendly. It will result in greater efficiency and convenience to users both in and outside of the organization. With information more readily available via the web, there will be much less staff time involved in retrieval of documents for staff and the public.

OPTIONS: Option #1: Approve the proposed budget for a contract with Granicus for live-streaming of Council meeting content. This new program has not been included in the proposed budget and is an added cost to the General Fund in Fiscal Year 2008-09 of \$21,266. This expenditure would need to be funded from the Reserve for Economic Uncertainty. Ongoing annual costs are estimated to be \$6,690. Approve the proposed budget for a contract with CivicPlus for a new website upgrade. The total cost for the website upgrade is \$14,000 plus an annual cost of \$4,200. Approximately \$10,000 towards the development of a new website is already budgeted for in the 2008-09 Information Systems fiscal year budget. Total funding from the Reserve for Economic Uncertainty for 2008-09 would thus be \$8,200. The net impact on the Reserve for Economic Uncertainty in FY 2008-09 for both contacts, therefore, would be about \$30,000.

Option #2: Delay consideration of this project until the mid-year budget review; staff to review IS five year plan to potentially shift project priorities to allow the technology improvements to go forward.

Option #: Do not fund the proposed contracts and provide a lower level of customer service.

MANAGER'S  
RECOMMENDED  
ACTION:

Option 2. Delay consideration of this project until the mid-year budget review; staff to review IS five year plan to potentially shift project priorities to allow the technology improvements to go forward.

## PROPOSED BUDGET, WEB-CASTING

### One time costs:

Media Manager Software	\$4,950
Hardware, encoder card/config	\$450
Training	\$5,700
Installation	\$750
Website and Template	
Integration	\$900
Shipping	\$50
Tax	\$391
Total One-time costs	\$13,191

Net one-time General Fund increase	\$13,191
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### 08-09 Maintenance/Service Costs

Monthly Managed Services	
10 mos	
@\$807.50/mo	\$8,075

Total additional costs, 08-09	\$21,266
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Total Cost, 2008-09	\$9,690
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## BUDGET POLICY DECISION #25

ISSUE: Walkable Community Plan (WCP)

DESCRIPTION: Well-maintained and attractive promenades, sidewalks and trails are key elements to creating a connected, accessible and walkable community. There are other elements that are important to developing a walkable community: convenient, inviting, efficient transportation services, walkable scale in land use planning, appropriate lighting, traffic signal placement and pedestrian-friendly intersections.

Initially, the purpose of WCP is to develop a regular maintenance schedule for existing walkway infrastructure so that public access to key routes is available on a year-round basis. Ultimately, the goal is to complete a comprehensive strategy to build and maintain a linked system of walkways within the community. Much of the information needed currently exists in the Town's Mobility Diagram and Sidewalk and Trail Master Plans.

Projects currently underway or planned that will add walkways in Town include: Meridian Boulevard reconstruction, the Lake Mary Road Trail project, Main Street South Frontage Road Improvements, Main Street North Frontage Road Improvements and the Canyon Boulevard Rehabilitation project (phase 2).

If a comprehensive WCP is to be developed it would best be done in collaboration among Mammoth Lakes Trails and Public Access (MLTPA), the Town's Public Works Department, the Tourism and Recreation Department (T&R) and the Community Development Department.

In the near term, the purpose of the WCP is to get pedestrians off of the streets during winter months. In the FY 2007-08 budget, the Council allocated \$16,000 for clearing the sidewalk on the north side of Meridian between Old Mammoth Road (OMR) and Sierra Park. Main Street and Meridian west of OMR were also identified as being important winter walking routes.

The next logical segment is Meridian west of OMR. Children going to school use the Meridian route on a regular basis, as do area residents that want access to the shopping/commercial areas along OMR. The sidewalk along the north side of Meridian from Sierra Park to Azimuth could be cleared during the 2008-09 winter season for approximately \$25,000.

The idea of extending winter use of the Meridian sidewalk west of OMR to Azimuth, in addition to the section from Sierra Park to OMR, was discussed with the Mobility Commission on March 18, 2008. The Commission supported the idea and recommended that Council consider extending sidewalk snow removal on the north side of Meridian to include the section from OMR to Azimuth. The unit costs to provide this service are estimated as follows, including labor and periodic trucking:

Trackless sidewalk blower \$192/hr, loader,  
blower and traffic control \$540/hr, \$100/hr  
for trucking.

Other routes that have been discussed include Main Street, the Lake Mary Road trail from Whiskey Creek to Davison and Canyon from the North Village to Mammoth Slopes. Winter maintenance and safe pedestrian access along Main Street is an ongoing topic of discussion with Caltrans. It's possible that the Town could develop a winter maintenance agreement with Caltrans; the cost of which could potentially be covered through a benefit assessment district with some contribution from Caltrans. The Meridian Boulevard rehabilitation project will be moving forward next year and will include sidewalk along Meridian from OMR to Eagle Lodge.

**JUSTIFICATION:** Walkability is a critical aspect of a healthy, vibrant and sustainable community. As a mode of transportation, using feet first should be an available, safe option in the Town of Mammoth Lakes. It's fairly common to see pedestrians walking in roadways during winter months because the walkway, if it exists, is covered with snow. During non-winter months, gaps or missing walkways force people into streets or another mode of transportation. To facilitate

the feet-first option, sidewalk and trail plans need to be completed, implemented and maintained.

OPTIONS:

Option 1: Approve an additional budget amount of \$25,000 (70% Public Works, 30% Parks Maintenance) from the Reserve for Economic Uncertainty to extend year-round use of the Meridian Boulevard sidewalks (north side) between Sierra Park and Azimuth and direct staff to provide Council with further information regarding the cost to include additional routes for winter pedestrian use.

Option 2: Approve an additional budget amount of \$8,500 (70% Public Works, 30% Parks Maintenance) from the Reserve for Economic Uncertainty to continue year-round use of the Meridian Boulevard sidewalks (north side) between Sierra Park and OMR and direct staff to provide Council with further information regarding the cost to include additional routes for winter pedestrian use.

Option 3: Do not approve a budget amount for sidewalk snow removal that is not currently funded through a benefit assessment district.

MANAGER'S  
RECOMMENDED

ACTION:

Option 3: Do not approve a budget amount for sidewalk snow removal that is not currently funded through a benefit assessment district.

## BUDGET POLICY DECISION #26

ISSUE: Transit Assistance Program

DESCRIPTION: Per the General Employees Association (GEA) and the Public Works Association (PWEA) Memoranda of Understanding effective July 19, 2007, there are commitments from the Town of Mammoth Lakes to work with the Associations in regards to a Transit Assistance Program (see attached MOU articles).

Transit assistance programs are very common among private and public employers throughout the country. In the Eastern Sierra, the following entities have a viable transit assistance program in place: SCE, MCWD, Turner Propane, and MMSA.

Initially, the Town considered working with ESTA to provide subsidized transit assistance services for the staff. Unfortunately, ESTA was not in a position to provide comprehensive transit services. Thus, a signed agreement was worked out between the Town and the associations in which staff would carpool with each other utilizing Town vehicles for a six-month trial program through September 30, 2008. At the end of this six-month trial program, the Town and the Associations will sit down with each other to see if the same program should continue or if a better opportunity exists.

JUSTIFICATION: The benefits of a transit assistance program are numerous, and demonstrate the Town's willingness to address energy conservation issues and the US Conference of Mayor's Climate agreement. With the GEA's participation, it is estimated that six to seven vehicles on the road daily are reduced to two vehicles daily. With the PWEA's participation, it is estimated that fifteen to sixteen vehicles on the road daily are reduced to four vehicles daily.

The annualized cost of this program is roughly \$101,700 per year with the employees contributing to this initial program in the amount of \$31.25 per month and receiving \$31.25 monthly imputed income. The Town has committed \$25,425 towards this program through September 30, 2008. To fund this program through June 30, 2009, \$76,275 must be allocated from measure T.

OPTIONS:

Option #1: Fund the Town's Transit Assistance trial program from the period of October 1, 2008 through June 30, 2009 at a cost of \$76,275 to be allocated from measure T.

Option #2: Meet and confer with the GEA and PWEA Associations to consider the trial program and other alternatives regarding employee transit assistance following the expiration of the trial program on September 30, 2008.

MANAGER'S  
RECOMMENDED  
ACTION:

Approve option 2: Meet and confer with the GEA and PWEA representatives to consider the trial program and other alternatives regarding employee transit assistance following the expiration of the trial program on September 30, 2008.

**ARTICLE 28**  
**Special Function Pay**

The Town and the Association agree that a unit member's possession of certain appropriate certifications, licenses, degrees and skills which are not a part of the required qualifications for a position (as outlined in the position's job description) may be of value to the Town, and, when utilized, increase the unit member's value. Department Heads and/or unit members may identify such certifications, licenses, degrees, and skills that could merit Special Function Pay. Unit members must actively and regularly utilize certifications, licenses, degrees, and skills that benefit the Town in order to qualify and maintain Special Function Pay status. Special Function Pay shall be two and one-half percent (2.5%) of a unit member's base salary. Final approval of Special Function Pay status shall solely be determined by the unit member's Department Head and Personnel Director.

**ARTICLE 29**  
**Transit Assistance**

Within thirty days (30) of the date this MOU is signed, the Town and GEA agree to begin talks regarding transit assistance for unit members. Within one-hundred eighty days (180) of the date this MOU is signed, the agreed upon transit assistance plan shall be implemented. Any agreed upon transit plan shall change upon the mutual consent of the Town and GEA.

**ARTICLE 30**  
**Effect of Agreement**

30.1 **Complete Understanding**

The terms and conditions set forth in this Agreement represent the full and complete understanding between the parties hereto. The terms and conditions may be altered, changed, added to, deleted from, or modified only through the voluntary, mutual consent of the parties in a written amendment executed according to the provisions of the Agreement.

30.2 **Improvements in Benefits**

Improvements in member benefits contained in this Agreement which are brought about by the amendment or addition of statutory mandated guarantees now provided in California law shall be incorporated into this Agreement.

30.3 **Savings**

If any provision of this Agreement or any application thereof to any member is held by a court of competent jurisdiction to be contrary to law, then such provision or application shall be deemed invalid, to the extent required by such court decision, but all other provisions or applications shall continue in full force and effect.

Vests (Twin Peaks or equivalent);  
Warm-up pants (Wearguard or equivalent);  
Cold weather boots (Sorels or equivalent);  
Extra boot liners, as needed;  
Gaiters;  
Other safety related equipment such as reflective vests, hats, etc., as needed.

Unit members shall receive a combined winter boot and sunglass allowance of \$225 per year. Unit members shall receive this amount subsequent to the submittal of receipts and/or other verification of purchase to the Finance Department.

The following equipment shall be stored at the Corporation Yard and made available to unit members on an as needed basis: rain jacket with hood, rain pants, and waders.

Safety and weather protection equipment shall remain the property of the Town and all such equipment issued by the Town shall be inventoried on an annual basis. Said inventory shall reflect the name of the unit member to whom the equipment is assigned. Unit members shall be required to return assigned equipment upon termination from Town employment. Safety and weather protection equipment shall be issued only to those persons routinely required to work under weather and/or other conditions necessitating the issuance of a particular item of safety or weather protection equipment. Worn out or damaged equipment must be returned by a unit member prior to the issuance of replacement equipment. Unit members shall be responsible for the care and maintenance of all issued safety equipment and for the cost of replacement of all lost equipment issued to individual unit members.

29.2 Summer Boot Allowance

Each unit member shall annually receive up to \$125 for the purchase of summer safety boots. The unit member will receive this amount subsequent to the submittal of receipts and/or other verification of purchase of safety shoes. Safety shoes must meet the standards of the department as defined by the department Superintendent.

29.3 Tool Allowance

Unit members in the classification "Equipment Mechanic" shall receive an allowance of \$250 per fiscal year quarter, not to exceed \$1,000 per fiscal year, for the purchase of hand tools. This allowance shall be provided quarterly.

**ARTICLE 30**  
**Transit Assistance**

Within thirty days (30) of the date this MOU is signed, the Town and PWEA agree to begin talks regarding transit assistance for unit members. Within one-hundred eighty days (180) of the date this MOU is signed, the agreed upon transit assistance plan shall be implemented. Any agreed upon transit plan shall change upon the mutual consent of the Town and PWEA.

## BUDGET POLICY DECISION #27

ISSUE: Appropriation of Contractual Dollars for Consulting Services

DESCRIPTION: From time to time the Town requires professional services from such consultants as engineers, architects, and others in order to evaluate and make recommendations regarding various development projects. The Town of Mammoth Lakes Municipal Code Section 3.20.140 states that "the purchasing officer shall not issue any purchase order for equipment, vehicles, furnishing, supplies, and materials unless there exists an unencumbered appropriation in the department against which the purchase is to be charged". (Ord. 03-30, 2003)

Currently, Community Development staff estimates the total dollar amount that should be appropriated for all contractual services prior to the entry into any contractual services agreement. For example, in the Department's 2007-2008 budget, the estimated amount for contractual services was \$984,150. This artificially inflates the Department's budget and creates the appearance of unencumbered funds when, in fact, a deposit for services has not necessarily been received from the applicant. These contractual funds are also called "pass through" funds.

Community Development staff recommends that the contractual service fund within the overall budget be reduced to reflect only departmental needs, and not those of applicants. Receipt of applicant funds for the purpose of contractual services will be administered per Town MC 3.20.290 Sub Section 8 which states "The Town Manager is authorized to enter into contracts...provided, the service is required by a development application and the necessity of the service has been agreed to by the applicant, and the applicant has deposited with the Town adequate monies to pay the cost of the services."

The Town will require an "Authorization to Enter into a Consulting Services Contract in Order to Continue the Application Process" prior to finalizing any third party contract. This form authorizes the Town to enter into third party contracts and requires a deposit to pay for the anticipated costs. Because contractual funds would be received on an "as needed" basis the CDD budget will require a six month and final adjustment to account for additional contractual revenue and expenditures.

This method will allow for the submittal of a budget that more closely reflects the actual revenues and expenditures of the CDD. It will ensure that contractual services are fully funded prior to finalization of Town contracts, and provide full disclosure to applicants.

JUSTIFICATION: The Town from time to time may find it necessary to obtain the services of outside consultants in order to process development applications. Requiring the applicant to authorize the work and provide the required deposit in advance is compliant with MC 3.20.140. In addition, this process makes the applicant aware of the services being provided and ensures payment to the Town prior to the contract being signed.

CDD will submit a budget reflective of their actual revenues and expenditures. When contractual services are required for development applications, the budget will be adjusted with actual, not estimated, dollars. The Town Manager or Town Council will be aware that the contracted services are approved by the applicant and the deposit received by the Finance Department.

OPTIONS: Option 1: Affirm the Community Development Department budget to reflect direct revenues and expenditures and do not include contractual pass-through funds.

Require the submission of an "Authorization to Enter into a Consulting Services Contract in Order to Continue the Application Process". This authorization should be signed and returned by the applicant with the appropriate deposit. Upon receipt of the deposit

the Director of Finance will sign the authorization so that the contract and authorization can be submitted to the Town Manager.

The Town Manager will determine that authorization and financial conditions have been met and the contract can be signed. No contractual work should begin until after the contract has been signed by all parties. The CDD will reconcile their contractual services budget twice a year to reflect additional revenue and expenditures precipitated by third party contracts.

Option 2: Do not require the CDD to change its method of budget allocation or contractual services procurement.

**MANAGER'S  
RECOMMENDED**

**ACTION:**

Option 1: Affirm the Community Development Department budget to reflect direct revenues and expenditures and do not include contractual pass-through funds. Require that all contracts be authorized by the applicant and monies received and acknowledged by the Finance Department prior to finalization. Require that the CDD budget be reconciled twice yearly to reflect actual contractual revenues and expenditures.

## BUDGET POLICY DECISION 28

ISSUE: Workforce Housing

DESCRIPTION: The Workforce Housing Department contains expenditures funded by the 1% set aside of TOT for Workforce Housing. At its May 6, 2008 meeting the Board of Directors of Mammoth Lakes Housing held a preliminary discussion of the items in this budget. Further discussion and recommendations will be discussed at the June Board meeting.

JUSTIFICATION: The Board reviewed a preliminary budget for Mammoth Lakes Housing. The budget was very tight, and showed a potential deficit of \$26,550. A couple of things may impact that budget. State action is expected on a grant application by June that includes \$75,000 for administration. Also, Mono County is considering a major increase in the services they fund through Mammoth Lakes Housing. In addition a series of questions were raised for further discussion:

- Should the MLH contract with the Town be increased by 15%?
- Should MLH bill private developers for review of Housing Mitigation plans (estimated revenue is over \$20,000 per year)?
- Should the Town continue to charge staff time dedicated to workforce housing to this budget?
- Should the common area maintenance fees and utilities associated with the L'Abri Apartments continue to be charged to this budget?
- Should this budget continue to be used to fund housing loans for Town employees who are first time responders?
- Should the update to the Housing Element be charged to this fund again, and if so is the amount proposed excessive?

OPTIONS: Option #1: Approve the workforce housing budget as proposed.

Option #2: Modify the expenditures within the workforce housing budget, but do not transfer any of the expenses to the General Fund.

Option #3: Modify the expenditures within the workforce housing budget, and fund some items through the General Fund and fund with the Reserve for Economic Uncertainty, or choose not to fund some of the expenditures at all.

MANAGER'S  
RECOMMENDED

ACTION: Defer action on the proposed Workforce Housing budget until final recommendations are received from the Mammoth Lakes Housing Board of Directors.

## BUDGET POLICY DECISION #29

ISSUE: Town of Mammoth Lakes General Plan 2009 Housing Element Update Preliminary Work Program and Costs

DESCRIPTION: The 2007 General Plan includes clear and strong policy direction about the importance of providing well planned and designed affordable workforce housing. General Plan Goal L.2 states "Substantially increase housing supply available to the workforce."

According to State law, each city and county must update their Housing Element (one of the seven required elements of the General Plan) approximately every five to seven years, with specific deadlines established by the California Department of Housing and Community Development. The Housing Element is considered to be the primary policy document to guide the development, rehabilitation, and preservation of housing for all sectors of the population. HCD has established strict guidelines for the content of the Housing Element, which is required to analyze the existing and projected housing needs of the Town, including goals, policies, and objectives, along with implementation programs, for the preservation, improvement and development of housing. The updated Housing Element will be expected to identify sites for housing development that are adequate to accommodate the Town's allocation of the regional housing need. This amounts to 297 housing units for the period between January 2007 and June 2014.

Given the complexity of the HCD requirements, level of community input and coordination with HCD, technical nature of the research and analysis, and CEQA review component, it is recommended that the Town engage a qualified consultant firm to complete the Housing Element Update and CEQA review. Any consultant would be required to work closely with staff and Mammoth Lakes Housing to prepare the Housing Element Update.

Staff has reviewed the requirements established by the California Department of Housing and Community Development, and had preliminary discussions with

consultant firms experienced in preparation of Housing Element Updates pursuant to State regulations, to establish the range of tasks, timeline and potential budget for this scope of work.

#### Outline Scope of Work

The Housing Element Update would include the following major tasks:

1. Project Initiation
  - a. Project Initiation Staff Meeting
  - b. Data Collection and Review
  - c. Housing stakeholder interviews
  
2. Population and Housing Analysis
  - a. Evaluation of Existing Housing Element
  - b. Housing Needs Assessment
    - i. Demographic Assessment
    - ii. Seasonal Workforce Survey
  
  - c. Housing Constraints Analysis
  - d. Housing Sites Inventory\*
    - i. Update Existing Land Use Database/GIS Inventory
    - ii. Site Analysis and Capacity Determinations
  - e. Public Workshop
  
3. Housing Policy Alternatives
  - a. Develop Housing Policy Alternatives
  - b. Planning Commission/Town Council Workshop: Housing Policy Alternatives
  
4. Draft Housing Element Update
  - a. Policy and Program Revisions
  - b. Draft Policy and Implementation Programs Review
  - c. Administrative Draft Housing Element
  - d. Public Review Draft Housing Element
  - e. Planning Commission Review Meeting
  
5. CEQA Review
  - a. Technical Studies (Traffic, Air Quality, Noise, Other)
  - b. Initial Study
  - c. Mitigated Negative Declaration
  - d. Mitigated Monitoring Program

- e. Town Review and Revision
- f. Public Review and Response to Comments

6. HCD Review and Final Housing Element

- a. Submittal to HCD
- b. Review HCD Comments
- c. Revisions to Public Review Draft Housing Element
- d. Final Housing Element resubmittal to HCD
- e. Adoption Hearings
- f. HCD Certification

\*The inventory of housing sites is a critical step; if adequate sites can not be identified, and re-zoning would be required to accommodate affordable housing needs, the State suggests that the jurisdiction proceed with rezoning prior to completion of the Housing Element Update. If the Housing Element includes rezoning as an implementation measure, HCD requires that high density affordable housing be allowed as a right on those sites.

Schedule

The complete timeline for preparation of the Housing Element, including certification by HCD is 12 to 14 months. Therefore, it is recommended that the consultant work be initiated by the end of June 2008 to achieve a certified Housing Element by August 31, 2009, as required by HCD. The Town is required to have a certified Housing Element to avoid losing funding eligibility for a number of key programs.

Costs

The costs to complete the Housing Element Update and CEQA review are estimated at between \$150,000 and \$200,000. This would allow for technical analysis to support the CEQA document, a robust community outreach program, supplemental GIS analysis to update the existing land use database and provide for accurate assessment of housing sites, and follow-up work to codify policy recommendations of the Housing Element.

JUSTIFICATION: The State requires the Town to update its General Plan Housing Element in 2009. In order to meet this requirement, the Town must start this work program early in the 2008-2009 fiscal year.

OPTIONS:           Option 1:   Allocate \$160,000 from Housing Transient  
Occupancy Tax funds and by a suspension of the  
down payment program for first responders.

Option 2:   Designate funds from the Reserve for  
Economic Uncertainty to update the Housing Element.

Option 3:   Consider the funding of the Housing  
Element as part of the overall discussion of Workforce  
Housing.

MANAGER'S  
RECOMMENDED  
ACTION:

Option 3:   Consider the funding of the Housing  
Element as part of the overall discussion of Workforce  
Housing.

BUDGET POLICY DECISION #30

ISSUE: Utility Users Tax Extension (UUT)

DESCRIPTION: The Utility Users Tax (UUT) was first implemented by the Town Council in January of 1995 at the rate of 3.5% to for a two year period. In 1996 the voters approved by 58% a measure extending the tax at a rate of 2.5% until June 30, 2011, at which time debt for Shady Rest Park and other facilities will be retired. The tax can be extended as a general tax in June of 2010, or as a special tax at any time.

JUSTIFICATION: About two thirds of the cost of the Public Safety Facility will be paid by debt supported by a portion of TOT reserved for community facilities. The balance is to be paid with Development Impact Fees. The intended groundbreaking date is spring of 2009. Because of the slowdown in development activity, that groundbreaking date is in jeopardy. If the voters were to approve an extension of the tax as a special tax at the reduced rate of 2.0%, it will be possible to proceed in spring 2009 as planned. A special election can be held in conjunction with the November presidential election.

The discussion of this idea should be deferred until we know the results of Measure "R" on the June ballot, and should take into consideration the development activity at that time and other ballot issues that may be put forward by other jurisdictions.

OPTIONS: Option #1: Direct staff to prepare a detailed policy discussion on the potential for a Utility Users Tax extension.

Option #2: Take no action.

MANAGER'S  
RECOMMENDED  
ACTION:

Option #1: Direct staff to prepare a detailed policy discussion on the potential for a Utility Users Tax extension.

## BUDGET POLICY DECISION #31

ISSUE: Fiscal Year 2007-08 Year End funding direction

DESCRIPTION: Beginning in January 2008, Council has had discussions regarding the slowdown of construction activity in Mammoth Lakes and resulting impacts on fee revenue generation. We continue to expect fee revenues to fall well short of budget projections at the end of the fiscal year. Although the final recording of the financial activity will continue until the beginning of September, we expect that Community Development Fee revenue will be \$1.2 million below the FY 2007-08 projection.

In addition, Mammoth Lakes Land Acquisition, LLP (Hot Creek) sued the Town for alleged breach of the Development Agreement for development of a condominium or hotel at Mammoth Yosemite Airport. In April 2008, a jury found that the Town had breached the DA and awarded \$30 million in damages. That decision is being appealed, and is not expected to be heard until FY 2009-10. However, the Town experienced significant costs associated with preparation for the April trial. The FY 2007-08 budget did not anticipate these litigation costs and appropriations for funding those costs are needed. The costs associated with the Hot Creek litigation as of March 31, 2008 were \$843,380. This does not include the trial cost.

On the positive side of the ledger, the Town will exceed General Fund Revenue projections and will generate a surplus. The final amount of the surplus will not be known until the final transactions are recorded in the beginning of September, but current estimates for the revenue surplus ranges from \$900,000 to \$1,400,000.

Although the total impact of all this financial activity is not known, it is certain that some amount of the R.E.U. will be needed to make up the budget shortfall.

JUSTIFICATION: The Town's R.E.U. can be viewed as the Town's savings account and has been 'set aside' by Council to be used when the Town experiences an economic

downturn, such as the slowdown of construction activity the community is experiencing now.

OPTIONS:

Option 1: Direct that for Fiscal Year 2007-08 the General Fund Revenue surplus would 1) maintain Measure A and Measure T formula funding; 2) fund any and all department budget shortfalls and then 3) fund litigation costs. The R.E.U. would only then be drawn down to cover any funding needs not funded by the General Fund Revenue surplus.

Option 2: Do not act.

MANAGER'S  
RECOMMENDED  
ACTION:

Option 1: Direct that for Fiscal Year 2007-08 the General Fund Revenue surplus would 1) maintain Measure A and Measure T formula funding; 2) fund any and all department budget shortfall and then 3) fund litigation costs. The R.E.U. would only then be drawn down to cover any funding needs not funded by the General Fund Revenue surplus.