

TOWN COUNCIL STAFF REPORT

Title: Fiscal Year 22-23 Preliminary Budget (Department Requested).

Meeting Date: April 27, 2022

Prepared by: Rob Patterson, Administrative Services / Finance Director

RECOMMENDATION:

Staff is requesting Town Council comment and direction on the preliminary budget (Department Requested) that will assist staff in preparing the next phase of our FY22-23 budget. Staff will use direction and additional research to bring a balanced tentative (Manager Recommended) FY22-23 budget to Town Council in May for consideration.

BACKGROUND:

This report provides preliminary information related to the FY22-23 budget. The report primarily focuses on the General Fund but includes other key funds utilized by Town operations. The preliminary budget builds off of the revenue information presented to Town Council on March 16. There will be some additional changes to the budget based on requested Council direction and final budget balancing adjustments. This report provides a basis to set expectations for the budget and to allow Town Council to provide any comments or direction to assist in preparing a tentative budget in May.

This year we are focused on revenue forecasting to start our budget cycle. The methodology and background used for each revenue forecast is consistent with prior years. We remain conservative in our estimates to prevent over reliance on high revenues, unduly growing our annual budget. These revenue estimates were presented to Council on March 16 and confirmation was received as to our recommendations. Staff has been working hard on the expenditure side to provide an accurate picture of department needs for the new fiscal year. Staff's goal is to provide the Council with a balanced operating budget, with only planned use of any reserves. This means the Town's operating revenues will equal or exceed operating expenditures. The preliminary budget is still a work in progress and therefore has a minor, \$10,183 deficit to address. This deficit will be addressed, along with other adjustments as additional information is received and analysis is completed. Based on Council direction and priorities this deficit will be addressed in the tentative budget presented to Town Council on May 18th.

The preliminary budget includes General Fund revenues of \$27,595,890 and expenditures (including transfers out) of \$27,606,073.

FY20-21 General Fund Revenue Projections

In preparing for the FY22-23 budget, several key revenue projections are made to set the stage for the expenditure side of the budget. The primary focus is on the General Fund, which supports the majority of the Town's operations. The following highlights our projection of revenues for the preliminary budget work. The following discussion uses the adopted FY21-22 Budget as a point of comparison as well as trends over the past several years. These projections have been increased by \$254,410 through various updates since the March 16th presentation and are subject to change

as more information is obtained through the budget process. The preliminary revenue projection for FY22-23 is \$27,595,890 and is broken down by major category as follows:

Major Revenue Components

| Item | FY2019-20 Actual | FY20-21 Actual | FY21-22 Adopted Budget | FY22-23 Proposed Budget | Variance to FY21-22 | % of Total Revenue |
|--|---------------------|-------------------|---------------------------|----------------------------|------------------------|-----------------------|
| Transient Occupancy Tax (TOT) | \$ 15,911,859 | \$ 16,599,247 | \$ 14,500,000 | \$ 16,000,000 | \$ 1,500,000 | 58.0% |
| TOT Revenue Violations | \$ 94,039 | \$ 148,977 | \$ 60,000 | \$ 100,000 | \$ 40,000 | 0.4% |
| TOT Penalty and Interest | \$ 267,207 | \$ 167,766 | \$ 130,000 | \$ 150,000 | \$ 20,000 | 0.5% |
| Total TOT Revenue | \$ 16,273,104 | \$ 16,915,990 | \$ 14,690,000 | \$ 16,250,000 | \$ 1,560,000 | 58.9% |
| Property Tax | \$ 4,054,115 | \$ 4,572,245 | \$ 4,214,850 | \$ 4,650,000 | \$ 435,150 | 16.9% |
| Sales Tax | \$ 2,372,657 | \$ 2,513,299 | \$ 2,600,000 | \$ 2,700,000 | \$ 100,000 | 9.8% |
| Franchise Fees | \$ 851,036 | \$ 858,936 | \$ 812,000 | \$ 900,000 | \$ 88,000 | 3.3% |
| Other Revenue | | | | | | |
| Building Permits | \$ 623,387 | \$ 934,970 | \$ 700,000 | \$ 760,000 | \$ 60,000 | 2.8% |
| Business Tax (New, Renewal, and Penalties) | \$ 360,535 | \$ 336,897 | \$ 338,000 | \$ 326,000 | \$ (12,000) | 1.2% |
| Cannabis Tax | \$ 160,539 | \$ 161,553 | \$ 130,000 | \$ 130,000 | \$ - | 0.5% |
| Interest | \$ 353,569 | \$ 150,389 | \$ 49,670 | \$ 60,000 | \$ 10,330 | 0.2% |
| Grant Revenue | \$ 481,925 | \$ 380,379 | \$ 125,000 | \$ 228,800 | \$ 103,800 | 0.8% |
| Transfer In | \$ 1,326,724 | \$ 623,000 | \$ 150,000 | \$ 375,000 | \$ 225,000 | 1.4% |
| Misc Revenue | \$ 183,164 | \$ 1,770,424 | \$ 1,065,229 | \$ 1,216,090 | \$ 150,861 | 4.4% |
| Total Budgeted Revenue (General Func | \$ 27,040,754 | \$ 29,218,082 | \$ 24,874,749 | \$ 27,595,890 | \$ 2,721,141 | 100.0% |

Transient Occupancy Tax

The base Transient Occupancy Tax (TOT) is recommended at \$16.0 million this year, which is \$1,500,000 or 10.3% higher than last year and represents 58.5% of the General Fund budgeted revenue for FY22-23. We believe this base TOT is sustainable based on summer / winter diversification and TBID marketing efforts. Staff does believe this revenue item will exceed the budget within the next year allowing for the implementation of the CIP and other priority investments to support the community (e.g., housing and childcare). This approach allows us to allocate revenue in excess of the operating budget to special projects and one time spending that will further critical community programs. The Town is unique in that we depend so heavily on visitation and this revenue stream, but we are also unique in the fact we have generated additional financial capital to further our projects.

The lodging community has enjoyed a strong demand for visitation and has appropriately adjusted the average daily rental rate on most units. This adjustment has increased the overall revenue for both the operators and Town while still meeting the current visitor demand. Staff does anticipate this practice will continue provided the economy continues to support leisure travel. The current global issues may have an impact on our visitation as the cost of fuel continues to rise and uncertainty of potential escalation of current conflicts weigh on consumers. We do anticipate an increase in foreign travel that was significantly reduced during the pandemic. This return of foreign travel combined with new summer visitors introduced to Mammoth during the pandemic should make for a strong summer season.

Property Tax

All Combined Property Tax revenue streams represent approximately 17.0% of the General Fund revenue or \$4,650,000. This projected revenue is 10.3% higher than prior year adopted budget with the most of this increase coming from secured property tax and property tax-in lieu VLF. While this increase looks like a lot when compared to prior year budget, the increase is just 1.7% higher than last year actual revenue. (\$4,572,245). These estimates will be reviewed in the coming weeks as we anticipate receiving more detailed projections from Mono County. This initial projection assumes approximately 2% increase over last year as base property tax rates are poised to increase by 2% as provided for under Prop 13, plus growth from new development and changes related to property sales. Staff also used trends in individual property tax line items to determine the distribution and those items listed above have seen the most increase in the last two years.

Sales Tax

Sales Tax represents 9.9% of the General Fund or \$2,700,000 for FY22-23. This amount is 3.8% higher than prior year adopted budget. (\$2,600,000) The Town did see an impact to Sales Tax in prior years as visitation was reduced during the pandemic. The amounts recommended for FY22-23 represent a return to pre-pandemic expectation on visitation. In April 2019, AB147 was signed into law requiring every retailer engaged in business in the State to collect the tax from the purchaser, file a return, and remit the tax to the State. This bill also identified “Marketplace facilitator” as one who contracts with marketplace sellers to facilitate the sale of products (a.k.a Online Sales). This required online sales platforms to collect and remit taxes. The return of normal visitation coupled with collection of online sales tax should result in a strong year for this revenue stream.

Franchise Fees

Franchise Fees revenue estimate of \$900,000 represents 3.3% of the General Fund revenue budget for FY22-23. The Town receives franchise fees for Solid Waste, Electricity, Gas, and Cable. The budgeted revenue is 10.8% higher than prior year adopted budget. In the prior year, the Town completed a new Solid Waste franchise agreement with Waste Connections, Inc. (DBA Mammoth Disposal) which included a 2% increase in the franchise fee. The Town has also seen an increase in solid waste collections. Staff has forecasted a 25% increase in the solid waste franchise fees, a 9.5% increase in electricity franchise fees, flat or no increase for Gas franchise fees, and a 2.2% increase for cable franchise fees. Combined these expectations make up the increase of \$88,000 represented in the number forecast for this revenue stream.

Other Revenues

Other Revenues represent 10.4% of the General Fund revenue and include a variety of fees and charges for service, interest, grants, etc. Some of the larger elements include the annual COPs grant (\$100,000) and tobacco grant (\$103,800); cannabis tax (\$130,000); business licenses (\$300,000); building permit fees (\$760,000); planning and zoning applications (\$160,000); TBID Administrative fee (\$128,990); and facility rentals; (\$165,000); recreation program fees (\$160,000); transit fee (\$125,000), and transfer in (\$375,000). In addition to the specific items listed above, other revenues include charges for programs; licenses and permits; interest, and miscellaneous administrative fees.

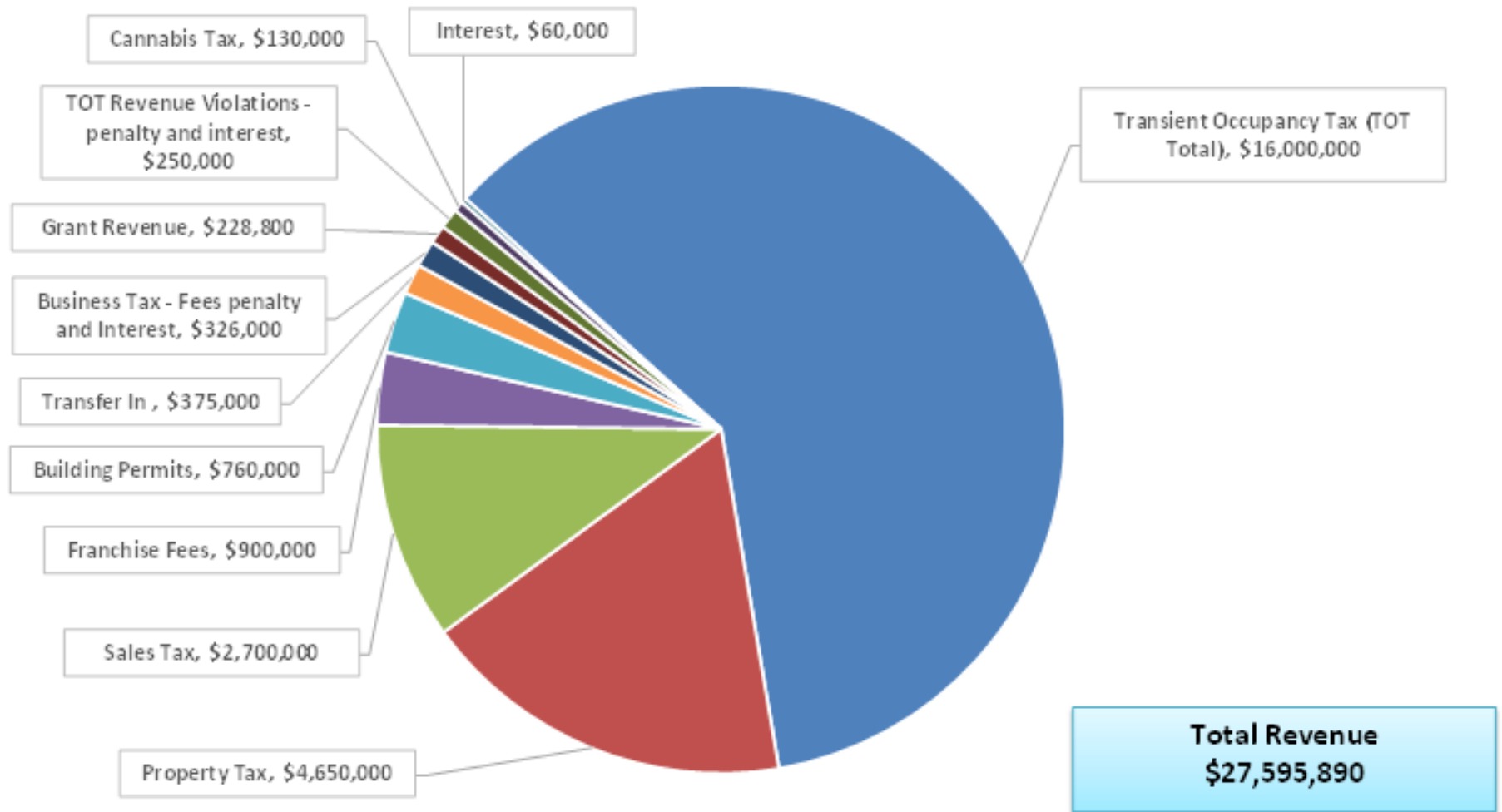
Transfer in, noted above, represents monies allocated from other funds to cover expenditures in the General Fund. The major elements included here are Tourism Reserve support for host program and fish stocking as well as Measure R and U support for the Office of Outdoor Recreation. The allocation of tourism dollars is not a true transfer in, but the Town accounts for all, politically assigned, TOT allocations (Tourism, Housing, and Transit) in one fund and department for each element. To facilitate accurate tracking of expenditures from these departments, we have established a transfer out of each department. In this case, it is a transfer out of the Tourism department to fund our host program and fish stocking expenses which are now located in the Office of Outdoor Recreation. The projected revenue is approximately \$3,095,890.

The minor adjustments made so far are the result of refined planning and application fees and the increase in transfer in. This was the result of additional analysis performed by the departments during their budget preparation and decisions on expenditure placement within the General Fund. It is not uncommon for minor adjustments in revenue as the budget process continues. As more of the fiscal year goes on, we get a clearer picture of current trends and fine tune the budget based on this additional information. Below is a summary of General Fund revenue:

Major Revenue Components - General Fund

| Item | FY22-23 Proposed Budget | % of Total Revenue |
|--|----------------------------|-----------------------|
| Transient Occupancy Tax (TOT Total) | \$ 16,000,000 | 58.0% |
| Property Tax | \$ 4,650,000 | 16.9% |
| Sales Tax | \$ 2,700,000 | 9.8% |
| Franchise Fees | \$ 900,000 | 3.3% |
| Building Permits | \$ 760,000 | 2.8% |
| Transfer In | \$ 375,000 | 1.4% |
| Business Tax - Fees penalty and Interest | \$ 326,000 | 1.2% |
| Grant Revenue | \$ 228,800 | 0.8% |
| TOT Revenue Violations - penalty and interest | \$ 250,000 | 0.9% |
| Cannabis Tax | \$ 130,000 | 0.5% |
| Interest | \$ 60,000 | 0.2% |
| Other Revenue | \$ 1,216,090 | 4.4% |
| Total Budgeted Revenue | \$ 27,595,890 | 100.0% |

FY22-23 General Fund Revenue



FY22-23 General Fund Expenditures

The focus on the General Fund is to prepare a balanced operating budget. This simply means that operating revenues will be equal to or greater than annual operating expenditures. The focus on the General Fund is important as it has the greatest level of flexibility in meeting local government expenditures. A number of other funds that are restricted by law (i.e., revenues may only be expended for certain purposes like Measure R and U, Assessment Districts, or Gas tax or some funds restricted by Council action) will include the planned use of reserves or encumbered funds. This is often the case for capital projects or larger planning items that span multiple fiscal years.

Our approach with General Fund expenditures was to review each department performance to date to identify trends we see emerging that will affect our future needs. There is a focus to develop excess capacity, through efficiency and process improvement, within all Town operations. Staff costs are the largest combined cost to the Town and therefore require good oversight and strategic planning. Departments are focused on adding employees only for critical needs and increased capacities above and beyond what can be achieved through efficiency. Department Heads and the Town Manager begin the annual position review by determining what service level impacts are expected and how proper administration of positions will address those needs. This year the Town is continuing to focus on sustainable recreation through marketing and local messaging; promoting stewardship; engaging residents and visitors; investing in basic services to improve experiences and working with partners to improve local amenities supporting our recreational offerings. These and other efforts are focused on improving the community and creating a positive experience for our community and our guests. This approach aligns with the marketing focus the Town Council asked Mammoth Lakes Tourism to address in its marketing campaigns. The Town will address the logistical needs that support those initiatives along with other major community needs. Below is a list of initiatives for FY22-23 focused on building our community and our visitation-based economy:

Town – Focus – Responsible for on the ground improvements to support marketing focus and sustainable visitation / sustained workforce / Quality of Life for the community.

- Role - Stand up new Office of Outdoor Recreation
- Role - Shift \$350k from MLT funding to Housing Now! initiative
- Role - Continue to focus on housing for the workforce – all levels – Major Investments
- Role - Education/Information Support through Host Program
- Role - Invest in Quality of Life for residents and visitor – community amenities (CRC, MACC, Ballfields/Soccer, family recreation, Childcare, STR Management, etc. – what matters to families)
- Role - Invest in core Town infrastructure & services - Roads, MUPs, Sidewalks, snow removal, beautification, lighting, facilities, parking, transit, connections to public lands
- Role – Winter / Summer transitions for users – ongoing update and repair of signage

- Role - Invest in Federal Partnership: Planning for new amenities and ongoing support (Multi Year Effort) – engage in the following
 - Trails
 - Trail Heads
 - Basic Facilities – trash, restrooms,
 - Road Maintenance/Opening (Lakes Basin/Upper OMR)

- New Efforts:
 - Dog Waste Management
 - Trail Nodes – Plans for type of Node amenities (unfunded projects – planning via Office of Outdoor Recreation
 - Support volunteer efforts for trash clean-up
 - Invest in the new concept of “ongoing Trail Days”
 - Arts & Culture – Mammoth Lakes Foundation Property Improvements

The budget for FY22-23 includes additional staff to support opening of the Community Recreation Center (CRC) for both administration and programs. We have also added a coordinator position within the Office of Outdoor Recreation, this will be a backfill for the work programs that were previously completed by the Sustainable Recreation Coordinator position that was vacated last year. Town is adding staff to enhance services in Public Works and Recreation maintenance departments. A Public Works Maintenance Worker is recommended for full-time employment to cover both summer and winter (snow removal) needs. The Town will reduce the part-time winter staff by one position to offset a portion of the cost for this new position. The Parks and Recreation department expects to expand capacity with a Recreation Supervisor – Facilities. This position will assist in managing the arts and cultural department in support of the theater operations as well as recreation facilities as we bring on the CRC. The theater will also require two part-time recreation facility staff to provide counter coverage and cleaning during the time when the theater will be in operation, including nights and weekends. There are also a number of part-time positions included in the recreation programs. These positions will provide for additional camps and capacity for our summer program. The Community and Economic Development department is expanding customer service with increased counter help, including a part-time counter technician for FY22-23. This strategic expansion of employees has added three full-time positions and 3.8 FTE part-time employees for FY22-23.

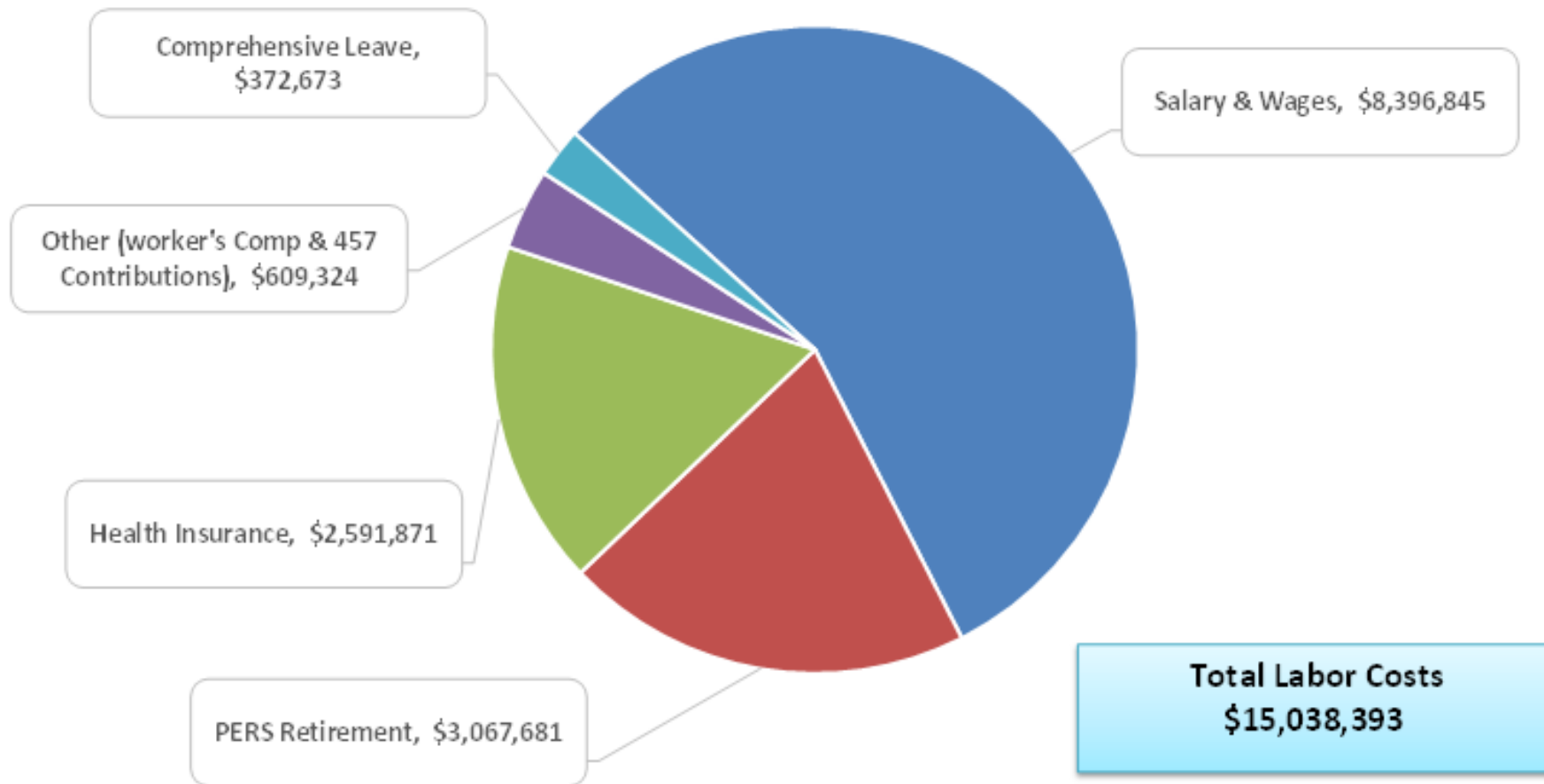
In addition to the staff adjustments noted above, incremental cost for salary adjustments, Health Care increases, and other updates have been made to the budget for FY22-23. Health Care costs reflect 3-5%, depending on region and plan selections, and new positions added are all estimated at the highest cost increments. Actual cost will not be determined until positions are hired.

Labor Costs - All Funds

| Item | FY22-23 Budget Total | | FY21-22 Budget Total | | Variance by Item |
|-----------------------|----------------------|------------|----------------------|------------|------------------|
| Salary & Wages | \$ | 8,396,845 | \$ | 7,649,643 | 9.77% |
| PERS Retirement | \$ | 3,067,681 | \$ | 2,863,462 | 7.13% |
| Health Insurance | \$ | 2,591,871 | \$ | 2,305,296 | 12.43% |
| Other (worker's Comp) | \$ | 609,324 | \$ | 583,426 | 4.44% |
| Comprehensive Leave | \$ | 372,673 | \$ | 282,336 | 32.00% |
| | \$ | 15,038,393 | \$ | 13,684,163 | 9.90% |
| | | Variance | \$ | 1,354,230 | |
| | | % | | 9.90% | |

| Employee Statistics | FY22-23 Budget Count | FY21-22 Budget Count |
|--|-------------------------|-------------------------|
| Full Time Employees | 88.0 | 84.3 |
| Part Time Employees - Measured in Full Time Equivalents (FTE) | | |
| Police | 0.3 | 0.3 |
| Recreation Programs | 8.4 | 6.6 |
| Parks Maintenance | 1.7 | 1.6 |
| Finance | 0.5 | 0.5 |
| Arts & Culture | 1.4 | 0.0 |
| Planning & Building | 0.5 | 0.0 |
| Capital Projects | 0.8 | 0.4 |
| Airport Operations | 0.9 | 0.9 |
| Measure R - Trails | 1.5 | 1.7 |
| Roads & Snow Removal | 1.4 | 1.5 |
| Facilities Maintenance | 0.3 | 0.3 |
| Total Part Time Employees (FTE) | 17.7 | 13.9 |
| Total Employee (FTE) | 105.7 | 98.2 |

Labor Costs - All Funds



Full-Time Staff

| 457 | | | | | | | | | | | |
|--------------------|------------------------|------|--------------|------------|--------------|------------------|--------------|------------------|---------------|---------------|-------|
| Account | Department | FTE | Salary | Comp | Leave | Health Insurance | Contribution | Total Health Ins | Worker's Comp | PERS | Total |
| 100-413 | Town Manager | 2.0 | \$ 328,949 | \$ 18,999 | \$ 66,419 | \$ 2,940 | \$ 69,359 | \$ 22,396 | \$ 129,682 | \$ 569,386 | |
| 100-414 | Town Clerk | 2.0 | \$ 168,153 | \$ 3,311 | \$ 68,320 | \$ 2,400 | \$ 70,720 | \$ 11,093 | \$ 60,797 | \$ 314,074 | |
| 100-415 | Finance | 6.9 | \$ 600,714 | \$ 26,682 | \$ 242,506 | \$ 8,894 | \$ 251,400 | \$ 40,590 | \$ 203,060 | \$ 1,122,446 | |
| 100-417 | Personnel | 2.0 | \$ 169,612 | \$ 12,597 | \$ 55,433 | \$ 3,000 | \$ 58,433 | \$ 11,788 | \$ 57,698 | \$ 310,129 | |
| 100-420 | Police | 19.0 | \$ 2,075,472 | \$ 90,520 | \$ 457,890 | \$ 7,800 | \$ 465,690 | \$ 140,108 | \$ 1,086,721 | \$ 3,858,511 | |
| | Parks & Recreation | | | | | | | | | | |
| 100-432 | Programs | 3.5 | \$ 312,587 | \$ 26,677 | \$ 86,204 | \$ 4,800 | \$ 91,004 | \$ 21,949 | \$ 117,725 | \$ 569,943 | |
| 100-434 | Whitmore Recreation | 1.1 | \$ 78,021 | \$ 5,051 | \$ 29,215 | \$ 1,368 | \$ 30,583 | \$ 5,374 | \$ 27,237 | \$ 146,267 | |
| 100-436 | Arts & Culture | 0.0 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 100-438 | Parks Maintenance | 3.3 | \$ 225,098 | \$ 16,388 | \$ 73,430 | \$ 3,924 | \$ 77,354 | \$ 15,623 | \$ 84,775 | \$ 419,238 | |
| 100-440 | Planning | 4.6 | \$ 440,344 | \$ 25,133 | \$ 143,523 | \$ 6,102 | \$ 149,625 | \$ 30,114 | \$ 158,365 | \$ 803,581 | |
| 100-442 | Building | 4.0 | \$ 310,254 | \$ 15,026 | \$ 132,883 | \$ 4,776 | \$ 137,659 | \$ 21,057 | \$ 115,175 | \$ 599,170 | |
| 100-444 | Code Compliance | 1.0 | \$ 64,309 | \$ 1,403 | \$ 30,298 | \$ 1,200 | \$ 31,498 | \$ 4,251 | \$ 20,808 | \$ 122,269 | |
| 100-445 | Housing | 1.2 | \$ 106,083 | \$ 3,473 | \$ 40,692 | \$ 1,482 | \$ 42,174 | \$ 7,088 | \$ 40,449 | \$ 199,268 | |
| 100-460 | Engineering | 5.3 | \$ 468,072 | \$ 29,462 | \$ 131,168 | \$ 6,862 | \$ 138,030 | \$ 32,188 | \$ 166,384 | \$ 834,137 | |
| 100-464 | Facilities Maintenance | 0.8 | \$ 48,659 | \$ 275 | \$ 13,058 | \$ 900 | \$ 13,958 | \$ 3,166 | \$ 15,495 | \$ 81,553 | |
| | Office of Outdoor | | | | | | | | | | |
| 100-467 | Recreation | 3.0 | \$ 256,497 | \$ 11,882 | \$ 114,068 | \$ 3,600 | \$ 117,668 | \$ 17,363 | \$ 91,294 | \$ 494,705 | |
| 100-475 | Transit | 0.3 | \$ 21,017 | \$ 1,535 | \$ 8,964 | \$ 312 | \$ 9,276 | \$ 1,459 | \$ 7,834 | \$ 41,121 | |
| General Fund Total | | 59.9 | \$ 5,673,842 | \$ 288,415 | \$ 1,694,070 | \$ 60,360 | \$ 1,754,430 | \$ 385,609 | \$ 2,383,501 | \$ 10,485,797 | |

Full-Time Staff - Continued

| 457 | | | | | | | | | | | |
|----------------------|---|------|--------------|------------|------------------|--------------|------------------|---------------|--------------|---------------|--|
| Account | Department | FTE | Salary | Comp Leave | Health Insurance | Contribution | Total Health Ins | Worker's Comp | PERS | Total | |
| 205-490 | Solid Waste | 0.1 | \$ 6,073 | \$ 210 | \$ 1,901 | \$ 60 | \$ 1,961 | \$ 407 | \$ 2,354 | \$ 11,005 | |
| Solid Waste | | 0.1 | \$ 6,073 | \$ 210 | \$ 1,901 | \$ 60 | \$ 1,961 | \$ 407 | \$ 2,354 | \$ 11,005 | |
| 210-450 | Maintenance Streets (May-Sept) | 5.7 | \$ 354,578 | \$ 15,191 | \$ 158,933 | \$ 6,852 | \$ 165,785 | \$ 23,923 | \$ 123,213 | \$ 682,689 | |
| 210-452 | Snow Removal (Oct-) | 7.5 | \$ 463,621 | \$ 20,135 | \$ 199,771 | \$ 8,976 | \$ 208,747 | \$ 31,297 | \$ 161,140 | \$ 884,940 | |
| 210-456 | Facilities Maintenance | 0.1 | \$ 6,488 | \$ 37 | \$ 1,741 | \$ 120 | \$ 1,861 | \$ 422 | \$ 2,066 | \$ 10,874 | |
| Gas Tax | | 13.3 | \$ 824,687 | \$ 35,362 | \$ 360,445 | \$ 15,948 | \$ 376,393 | \$ 55,642 | \$ 286,419 | \$ 1,578,503 | |
| 215-511 | Measure R - Trails | 0.3 | \$ 18,277 | \$ 479 | \$ 5,920 | \$ 408 | \$ 6,328 | \$ 1,213 | \$ 5,939 | \$ 32,236 | |
| Measure R - Trails | | 0.3 | \$ 18,277 | \$ 479 | \$ 5,920 | \$ 408 | \$ 6,328 | \$ 1,213 | \$ 5,939 | \$ 32,236 | |
| 220-471 | Airport | 4.6 | \$ 357,225 | \$ 17,408 | \$ 138,170 | \$ 5,496 | \$ 143,666 | \$ 24,237 | \$ 124,175 | \$ 666,711 | |
| 220-531 | Airport AIP Capital | 0.2 | \$ 15,532 | \$ 1,180 | \$ 4,673 | \$ 180 | \$ 4,853 | \$ 1,081 | \$ 5,985 | \$ 28,630 | |
| Airport | | 4.73 | \$ 372,756 | \$ 18,588 | \$ 142,843 | \$ 5,676 | \$ 148,519 | \$ 25,318 | \$ 130,159 | \$ 695,341 | |
| 250-540 | LTC | 0.0 | \$ 6,596 | \$ 595 | \$ 470 | \$ 72 | \$ 542 | \$ 465 | \$ 2,694 | \$ 10,892 | |
| Local Transportation | | | | | | | | | | | |
| Comission | | 0.04 | \$ 6,596 | \$ 595 | \$ 470 | \$ 72 | \$ 542 | \$ 465 | \$ 2,694 | \$ 10,892 | |
| 300-530 | Capital Projects - Streets | 0.0 | \$ 2,325 | \$ 57 | \$ 1,054 | \$ 41 | \$ 1,095 | \$ 154 | \$ 754 | \$ 4,386 | |
| 300-531 | Capital Projects - Other | 0.9 | \$ 83,741 | \$ 5,279 | \$ 26,907 | \$ 1,171 | \$ 28,078 | \$ 5,759 | \$ 29,356 | \$ 152,214 | |
| Capital Projects | | 0.95 | \$ 86,067 | \$ 5,336 | \$ 27,961 | \$ 1,212 | \$ 29,173 | \$ 5,913 | \$ 30,111 | \$ 156,600 | |
| 856-452 | OMR Assessment Snow Removal | 0.4 | \$ 21,532 | \$ 1,041 | \$ 8,375 | \$ 420 | \$ 8,795 | \$ 1,460 | \$ 7,641 | \$ 40,470 | |
| 856-531 | OMR Capital | 0.0 | \$ 931 | \$ 20 | \$ 174 | \$ 12 | \$ 186 | \$ 62 | \$ 301 | \$ 1,500 | |
| 857-452 | OMR Assessment Snow Removal | 0.3 | \$ 18,831 | \$ 841 | \$ 7,905 | \$ 372 | \$ 8,277 | \$ 1,273 | \$ 6,516 | \$ 35,738 | |
| 858-436 | Fractional MelloRoos | 1.5 | \$ 90,575 | \$ 6,733 | \$ 52,512 | \$ 1,740 | \$ 54,252 | \$ 6,295 | \$ 31,157 | \$ 189,013 | |
| 858-438 | Fractional Mello Roos CFD - Trails End Park | 0.0 | \$ 0 | \$ - | \$ - | \$ - | \$ - | \$ 0 | \$ 0 | \$ 0 | |
| Assessment Districts | | 2.12 | \$ 131,870 | \$ 8,635 | \$ 68,967 | \$ 2,544 | \$ 71,511 | \$ 9,090 | \$ 45,615 | \$ 266,720 | |
| 910-456 | Garage Facility Maintenance | 6.6 | \$ 471,322 | \$ 15,053 | \$ 176,467 | \$ 7,920 | \$ 184,387 | \$ 31,466 | \$ 165,025 | \$ 867,253 | |
| Garage Services | | 6.6 | \$ 471,322 | \$ 15,053 | \$ 176,467 | \$ 7,920 | \$ 184,387 | \$ 31,466 | \$ 165,025 | \$ 867,253 | |
| Worksheet Total | | 88.0 | \$ 7,591,490 | \$ 372,673 | \$ 2,479,044 | \$ 94,200 | \$ 2,573,244 | \$ 515,124 | \$ 3,051,816 | \$ 14,104,347 | |

Part-Time Staff

| Account | Department | Salary | FTE | Health Insurance | PARS | Total |
|---------|----------------------------|------------|-------|------------------|-----------|------------|
| 100-410 | Town Council | \$ 44,739 | - | \$ 112,827 | \$ 882 | \$ 158,449 |
| 100-415 | Finance | \$ 27,808 | 0.47 | \$ - | \$ 548 | \$ 28,356 |
| 100-420 | Police | \$ 12,734 | 0.29 | \$ - | \$ 251 | \$ 12,985 |
| 100-432 | Recreation Programs | \$ 128,357 | 3.23 | \$ - | \$ 2,530 | \$ 130,887 |
| 100-434 | Whitmore Recreation Area | \$ 93,431 | 2.29 | \$ - | \$ 1,842 | \$ 95,273 |
| 100-436 | Arts & Culture | \$ 53,683 | 1.41 | \$ - | \$ 1,058 | \$ 54,742 |
| 100-438 | Parks Maintenance | \$ 63,850 | 1.66 | \$ - | \$ 1,259 | \$ 65,109 |
| 100-440 | Planning & Building | \$ 18,085 | 0.47 | \$ - | \$ 357 | \$ 18,441 |
| 100-464 | Facilities | \$ 15,170 | 0.34 | \$ - | \$ 295 | \$ 15,464 |
| | | \$ 457,857 | 10.16 | \$ 112,827 | \$ 9,022 | \$ 579,706 |
| 210-452 | Temp Snow Removal | \$ 82,142 | 1.41 | \$ - | \$ 1,619 | \$ 83,761 |
| 215-438 | Measure R - Trails | \$ 57,718 | 1.49 | \$ - | \$ 1,138 | \$ 58,856 |
| 220-471 | Airport Operations | \$ 59,851 | 0.94 | \$ - | \$ 1,180 | \$ 61,031 |
| 300-530 | Capital Projects - Streets | \$ 15,077 | 0.38 | \$ - | \$ 293 | \$ 15,370 |
| 300-531 | Capital Projects - Other | \$ 15,077 | 0.38 | \$ - | \$ 293 | \$ 15,370 |
| | | \$ 30,153 | 0.77 | \$ - | \$ 586 | \$ 30,739 |
| 858-436 | Fractional MelloRoos | \$ 117,633 | 2.88 | \$ - | \$ 2,319 | \$ 119,952 |
| | | \$ 805,355 | 17.7 | \$ 112,827 | \$ 15,864 | \$ 934,046 |

The departmental expenses for FY22-23 remain consistent with prior years with two exceptions. During the pandemic, most of the Town's training program was reduced due to cancelation of training programs or inability to travel. Departments have added back most of the training and in some cases, there is catch up on critical training in certain positions. There is also increased costs for additional activity expected in our planned capital projects this next fiscal year. The increase in transfer out includes increased support for Gas Tax Fund 210 (\$77,658) and Airport Fund 220 (\$178,951). The later representing reduced dependency on COVID-19 FAA funding that supports Airport operations. In transferring additional General Fund, the Town is extending the time required to draw down these grant funds in order to gradually shift the support for Airport operations back to the General Fund and traditional Airport revenues.

Political Commitments and Housing Now!

Town staff continues to allocate TOT to Tourism, Transit, and Housing based on the rates previously agreed upon by Town Council. This will occur both during the initial budget process and during the quarterly budget review, when additional TOT revenue is realized. Based on the planned revenue of \$16M for FY22-23, these allocations include \$2,892,300 to Tourism, and \$1,046,200 each for Housing and Transit. In January 2022, Town Council set the funding for the marketing contract with Mammoth Lakes Tourism to \$2.0M for FY22-23. By establishing a specific amount for the contract, based on marketing focus and request from Town Council, tourism allocations were available for other Town uses. Specifically, the Town has allocated \$350,000 of these available funds to the Housing Now! Initiative. In addition to the MLT contract and the transfer to housing, the tourism allocation supports \$300,000 to the Chamber of Commerce, \$100,000 to the Town Host program, and \$50,000 to fish stocking. The Housing allocation of \$1,046,200 provides funding for Mammoth Lakes Housing (\$336,000), a portion of Town Staff dedicated to Housing Programs (\$199,268) and direct funding for the Housing Now! Initiative (\$500,000). Transit allocation along with Transit Fee revenue (\$125,000) is utilized to support Eastern Sierra Transit Authority (ESTA) contract and transit services within the Town.

Below is a chart that shows the inclusion of these expenses and additional labor costs noted above by department. This chart shows a comparison of these budgets to prior year expenditures.

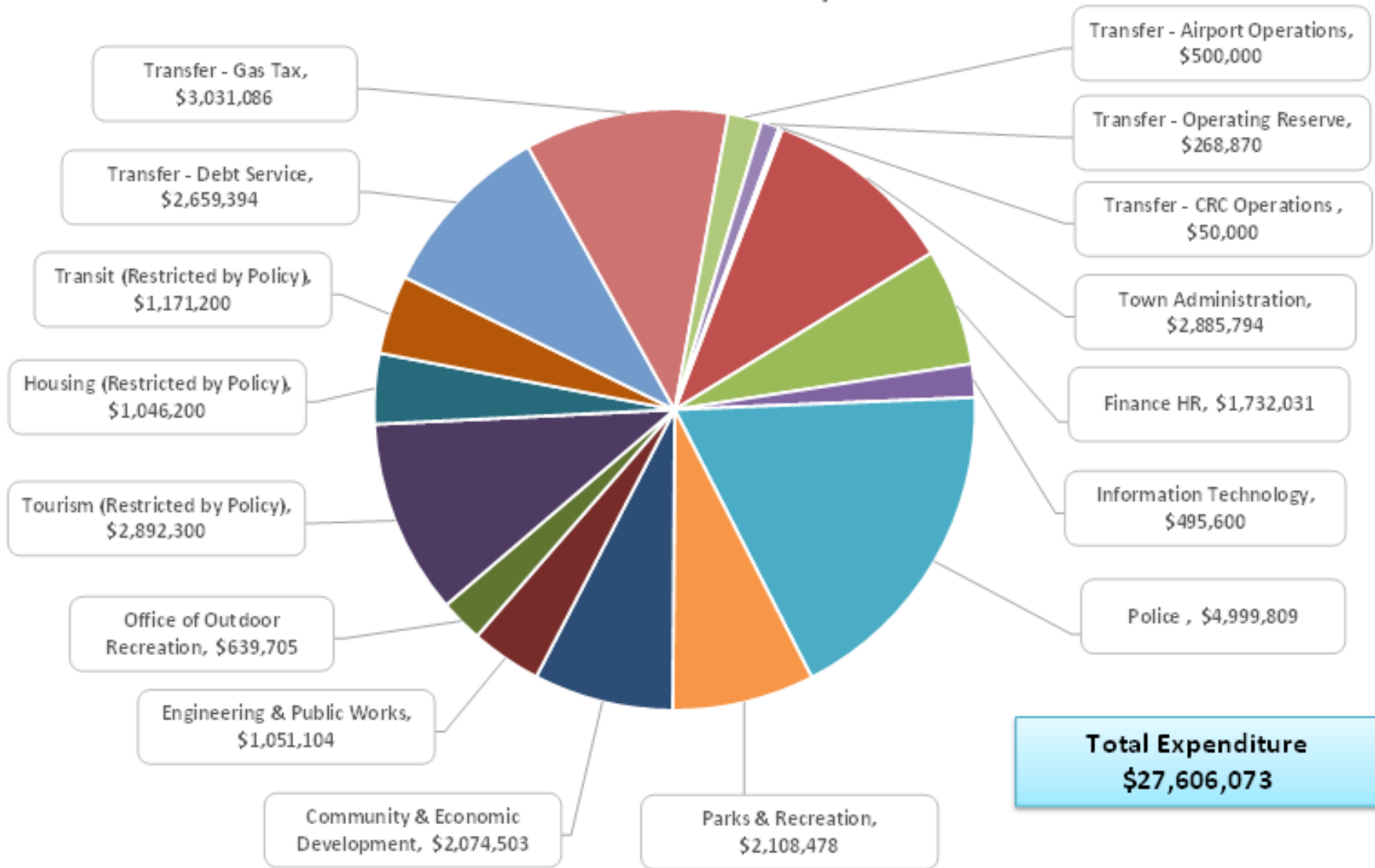
Department Expense Summary

General Fund Expenditures by Department

| Department | FY2019-20 Actual | FY20-21 Actual | FY21-22 Budget | FY22-23 Budget | Variance to Prior Year Budget | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------------------|--------------|
| DEPT 410 - TOWN COUNCIL | \$ 118,017 | \$ 124,737 | \$ 171,613 | \$ 183,449 | \$ 11,836 | 6.9% |
| DEPT 412 - LEGAL SERVICES | \$ 106,568 | \$ 184,795 | \$ 185,000 | \$ 200,000 | \$ 15,000 | 8.1% |
| DEPT 413 - TOWN ADMINISTRATION | \$ 563,323 | \$ 509,131 | \$ 603,874 | \$ 636,886 | \$ 33,012 | 5.5% |
| DEPT 414 - TOWN CLERK | \$ 294,432 | \$ 314,754 | \$ 321,853 | \$ 381,324 | \$ 59,471 | 18.5% |
| DEPT 415 - FINANCE | \$ 1,092,313 | \$ 1,160,340 | \$ 1,285,930 | \$ 1,384,902 | \$ 98,972 | 7.7% |
| DEPT 416 - GENERAL SERVICES | \$ 1,877,094 | \$ 1,318,118 | \$ 1,479,975 | \$ 1,484,135 | \$ 4,160 | 0.3% |
| DEPT 417 - HUMAN RESOURCES | \$ 319,968 | \$ 341,290 | \$ 348,185 | \$ 347,129 | \$ (1,056) | -0.3% |
| DEPT 418 - INFORMATION SERVICES | \$ 474,367 | \$ 549,065 | \$ 475,400 | \$ 495,600 | \$ 20,200 | 4.2% |
| DEPT 420 - POLICE SERVICES | \$ 4,522,510 | \$ 4,881,253 | \$ 4,778,579 | \$ 4,999,809 | \$ 221,230 | 4.6% |
| DEPT 432 - RECREATION PROGRAMS | \$ 624,730 | \$ 574,119 | \$ 829,791 | \$ 960,710 | \$ 149,919 | 18.1% |
| DEPT 434 - WHITMORE POOL & REC AREA | \$ 205,918 | \$ 209,019 | \$ 327,703 | \$ 378,207 | \$ 50,504 | 15.4% |
| DEPT 436 - ARTS & CULTURE | \$ - | \$ - | \$ - | \$ 92,242 | \$ 92,242 | 100.0% |
| DEPT 438 - PARKS, BLDGS & TRAIL MAINT | \$ 603,037 | \$ 644,301 | \$ 636,313 | \$ 769,561 | \$ 133,248 | 20.9% |
| DEPT 440 - PLANNING DIVISION | \$ 924,409 | \$ 975,956 | \$ 812,719 | \$ 1,032,722 | \$ 284,767 | 35.0% |
| DEPT 442 - BUILDING DIVISION | \$ 654,846 | \$ 541,755 | \$ 622,061 | \$ 823,170 | \$ 201,109 | 32.3% |
| DEPT 444 - CODE COMPLIANCE | \$ 79,841 | \$ 109,078 | \$ 115,795 | \$ 126,369 | \$ 10,574 | 9.1% |
| DEPT 445 - HOUSING PROGRAMS & PLANNING | \$ 969,091 | \$ 678,308 | \$ 554,751 | \$ 1,046,200 | \$ 491,449 | 88.6% |
| DEPT 460 - ENG, PUBLIC WORKS & ADMIN | \$ 689,694 | \$ 478,660 | \$ 609,785 | \$ 919,087 | \$ 309,302 | 50.7% |
| DEPT 464 - FACILITIES MAINTENANCE | \$ 99,841 | \$ 130,539 | \$ 120,094 | \$ 132,017 | \$ 11,923 | 9.9% |
| DEPT 467 - OFFICE OF OUTDOOR RECREATION | \$ - | \$ - | \$ 396,042 | \$ 639,705 | \$ 243,663 | 100.0% |
| DEPT 475 - TRANSIT SERVICES | \$ 897,668 | \$ 923,219 | \$ 1,132,918 | \$ 1,171,200 | \$ 38,282 | 3.4% |
| DEPT 480 - TOURISM & BUSINESS DEVELOPMENT | \$ 2,855,864 | \$ 2,054,333 | \$ 2,671,200 | \$ 2,892,300 | \$ 221,100 | 8.3% |
| Sub-Total | \$ 17,973,534 | \$ 16,702,771 | \$ 18,479,581 | \$ 21,096,723 | \$ 2,700,906 | 14.6% |
| Transfer Out | \$ 10,789,898 | \$ 9,264,681 | \$ 5,954,085 | \$ 6,509,350 | \$ 555,265 | 9.3% |
| Total General Fund | \$ 28,763,431 | \$ 25,967,452 | \$ 24,433,666 | \$ 27,606,073 | \$ 3,256,171 | 13.3% |

The graph below shows the relative size of department expenditures within the General Fund.

FY22 - 23 General Fund Expenditure



Gas Tax Fund (210)

The Gas Tax Fund is the second largest operating fund following the General Fund. The fund provides for road infrastructure maintenance and snow removal. The revenue for FY22-23 includes \$2,168,033 in State Gas Tax funds. This includes the reimbursement for snow removal estimated at \$1,750,000. This reimbursement is based on prior year snow removal costs and a portion of this reimbursement is transferred to the various assessment districts, estimated at \$100,000 in total. Since this revenue is based on prior year actual snow removal cost, Fund 210 will see an increase of 16.7% from prior year snow removal revenue. This annual fluctuation in current year expense and subsequent year revenue requires the Town to fund the excess cost of snow removal in heavy snow years. While this is always the dynamic of this fund, it has not been more evident than in the last three years where we have had near record high and low snowfall totals. The Fund is supported by a General Fund and Garage Services transfer of \$3,091,086 which is 2.6% higher than prior year.

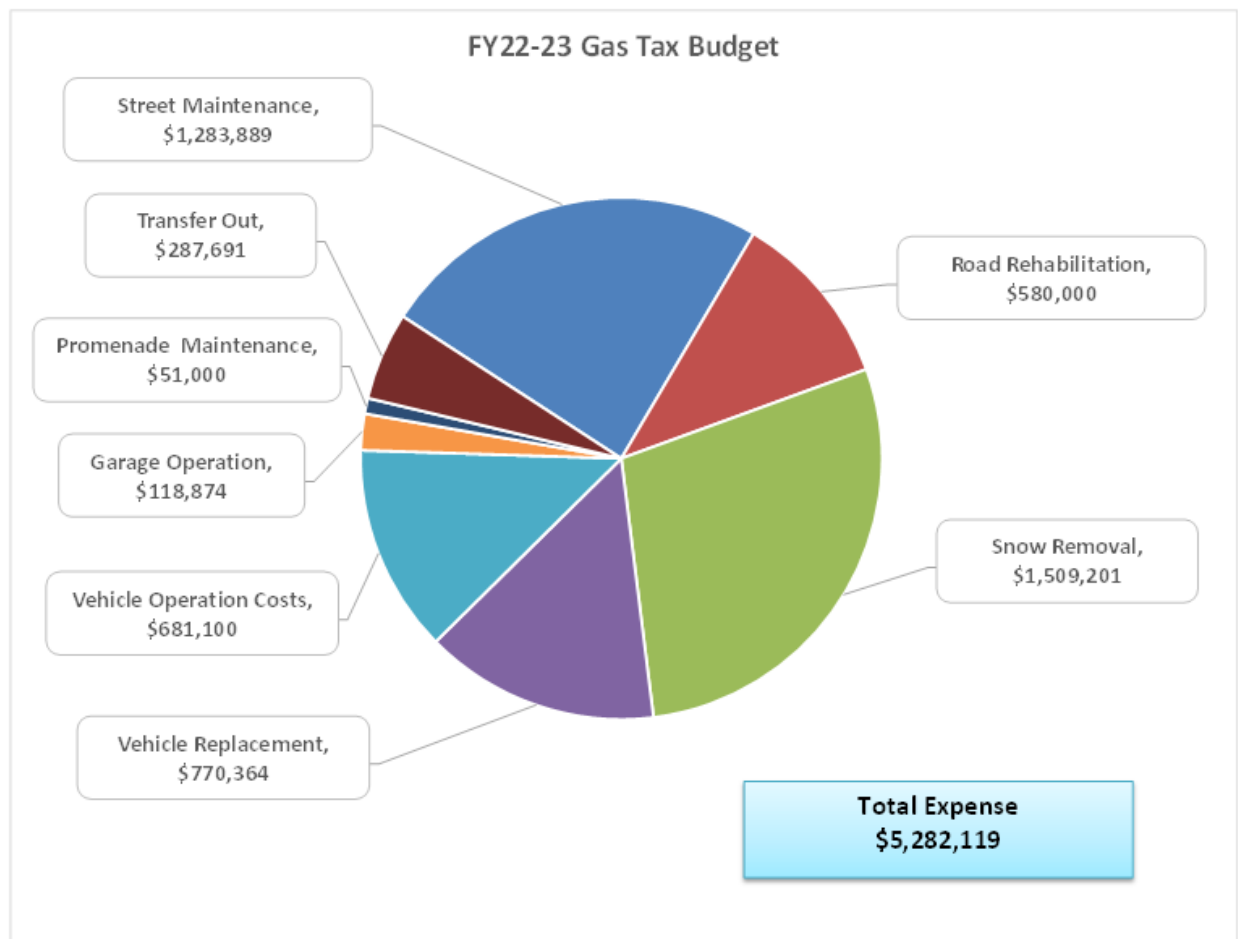
Gas Tax Fund Revenue by Category

| Item | FY2019-20 Actual | FY20-21 Actual | FY21-22 Budget | FY22-23 Budget | Variance to Prior Year Budget | |
|---|---------------------|---------------------|---------------------|---------------------|----------------------------------|--------------|
| Gas Tax | \$ 206,948 | \$ 208,821 | \$ 230,342 | \$ 230,342 | \$ - | 0.0% |
| Gas Tax - Snow Removal | \$ 1,999,871 | \$ 2,186,069 | \$ 1,500,000 | \$ 1,750,000 | \$ 250,000 | 16.7% |
| Gas Tax - SB1 | \$ 142,612 | \$ 139,710 | \$ 155,514 | \$ 187,691 | \$ 32,177 | 20.7% |
| Total Gas Tax | \$ 2,349,431 | \$ 2,534,600 | \$ 1,885,856 | \$ 2,168,033 | \$ 282,177 | 15.0% |
| Transfer In - General Fund & Garage Services | 2,232,652 | 2,695,390 | 3,013,428 | 3,091,086 | \$ 77,658 | 2.6% |
| Misc Revenue | 26,567 | 50,838 | 23,000 | 23,000 | \$ - | 0.0% |
| Total Revenue Gas Tax | \$ 4,608,650 | \$ 5,280,828 | \$ 4,922,284 | \$ 5,282,119 | \$ 359,835 | 7.3% |

SB1 Funds listed in the revenue numbers above must be spent on capital projects. For the purpose of this budget, the projected revenue from SB1 is also listed as a transfer out to capital projects. Any unexpended funds remain in capital projects and not Gas Tax Fund 210.

The majority of the increase in street maintenance expenditures is the operation of the snow storage facility. This item is accounted for outside of the snow removal costs as it is not reimbursable by the State gas tax funding. The following chart provides a summary of expenditures by section of Gas Tax.

| Department | FY2018-19 Actual | FY2019-20 Actual | FY20-21 Budget | FY21-22 Budget | Variance to Prior Year Budget | |
|---|---------------------|---------------------|---------------------|---------------------|----------------------------------|--------------|
| Street Maintenance | \$ 551,201 | \$ 899,943 | \$ 718,136 | \$ 1,198,941 | \$ 480,805 | 67.0% |
| Road Rehabilitation | \$ 18,508 | \$ 69,595 | \$ 580,000 | \$ 580,000 | \$ - | 0.0% |
| Snow Removal | \$ 1,220,132 | \$ 1,120,282 | \$ 1,282,461 | \$ 1,389,767 | \$ 107,306 | 8.4% |
| Vehicle Replacement | \$ 571,339 | \$ 668,246 | \$ 815,227 | \$ 815,227 | \$ - | 0.0% |
| Vehicle Operation Costs | \$ 826,198 | \$ 650,143 | \$ 612,600 | \$ 618,100 | \$ 5,500 | 0.9% |
| Garage Operation | \$ 118,241 | \$ 135,770 | \$ 113,862 | \$ 117,518 | \$ 3,656 | 3.2% |
| Promenade Maintenance | \$ 76,319 | \$ 50,796 | \$ 28,000 | \$ 28,000 | \$ - | 0.0% |
| Operational Costs | \$ 3,381,938 | \$ 3,594,775 | \$ 4,150,286 | \$ 4,747,553 | \$ 597,267 | 14.4% |
| Transfer Out - Assessment District Snow | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 75,000 | \$ (50,000) | -40.0% |
| Transfer Out - SB1 & Road funds for Capital | \$ 147,021 | \$ 147,021 | \$ 147,021 | \$ 155,514 | \$ 8,493 | 5.8% |
| Total Transfers Outs | \$ 2,203,078 | \$ 2,003,461 | \$ 225,609 | \$ 230,514 | \$ 4,905 | 2.2% |
| Total Gas Tax Expenditures | \$ 5,585,016 | \$ 5,598,236 | \$ 4,375,895 | \$ 4,978,067 | \$ 602,172 | 13.8% |



Snow is the key expense in this fund that drives changes year over year. This not only effects the snow removal line item but vehicle operation costs. Other line items can vary year over year depending on road rehabilitation projects. These projects can be handled within this fund or may

show significant transfers out for larger capital projects. All of these elements can be seen in the above numbers.

Airport Operational Fund (220)

The Airport continues to work on expansion of charter service and other expansion opportunities after the commercial service was moved to Bishop in December of 2021. Advanced Air had a successful initial season of charter flights, and the Town looks to expand on these services through strategic planning on routes and coverage. The charter service does not provide as much revenue opportunities for the Airport and the core Airport leadership team is working on expanded revenue opportunities. For FY22-23, the Town continues to rely on FAA CARES grant funding to support operations, with a shift to a greater contribution from the General Fund in order to reduce reliance on these operational grants in the near future. By contributing more from General Fund, staff will extend the grant period while slowly reintroducing the support needs to the General Fund budget. To date the capital project plan has not been finalized so expect updates to both expenditures and revenue once those are provided and grant funding secured. Below is the revenue comparison to prior years:

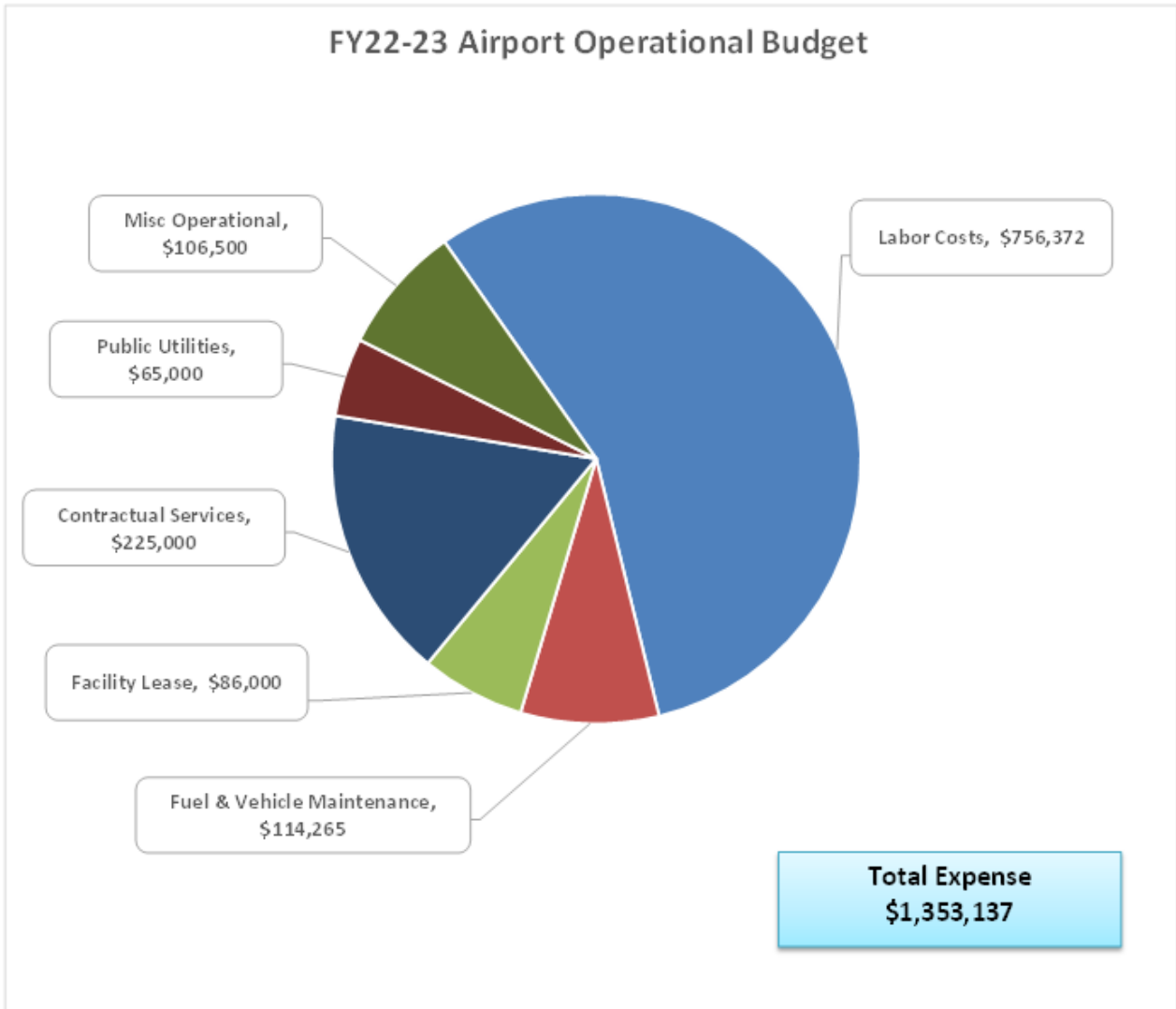
Airport Fund Revenue by Category

| Item | FY2019-20 Actual | FY20-21 Actual | FY21-22 Budget | FY22-23 Budget | Variance to Prior Year Budget | |
|--------------------------------|---------------------|-------------------|---------------------|---------------------|----------------------------------|--------------|
| Airport Passenger Facility Fee | \$ 9,060 | \$ - | \$ - | \$ - | \$ - | 0.0% |
| Car Rental Fee | \$ 110,510 | \$ 25,226 | \$ 20,000 | \$ 45,000 | \$ 25,000 | 125.0% |
| Commercial Terminal Rent | \$ 113,749 | \$ - | \$ - | \$ - | \$ - | 0.0% |
| Hanger Ground Lease | \$ 97,524 | \$ 100,914 | \$ 85,000 | \$ 110,000 | \$ 25,000 | 29.4% |
| FAA: ACIP Grant Entitlements | \$ - | \$ - | \$ - | \$ 475,000 | \$ 475,000 | 100.0% |
| FAA: CARES Act | | | \$ 600,000 | \$ 650,000 | \$ 50,000 | 8.3% |
| Other Revenues | \$ 44,607 | \$ 32,828 | \$ 39,900 | \$ 52,900 | \$ 13,000 | 32.6% |
| Total Airport Revenue | \$ 375,450 | \$ 158,968 | \$ 744,900 | \$ 1,332,900 | \$ 588,000 | 78.9% |
| Transfer In - General Fund | 291,274 | 100,000 | 321,049 | 500,000 | \$ 178,951 | 100.0% |
| Total Revenue Airport | \$ 666,724 | \$ 258,968 | \$ 1,065,949 | \$ 1,832,900 | \$ 766,951 | 72.0% |

The expenditure budget for FY22-23 has some increases based on core management team and changes to leadership structure. The Airport now has a Deputy Airport Manager full time which is an increase over our previous management charging 50% of time to the Airport and 50% to capital projects. In addition to the labor costs, the core team is working with a consultant to develop staff and improve operational excellence in meeting FAA requirements. This consultant will help in the strategy and vision of the Airport as it transitions into the next phase of programming and development. Below is the planned expenditure which should increase as capital projects costs are applied.

Airport Fund Expenditures by Category

| Department | FY2019-20 Actual | FY20-21 Actual | FY21-22 Budget | FY22-23 Budget | Variance to Prior Year Budget | |
|---|---------------------|---------------------|---------------------|---------------------|----------------------------------|---------------|
| Labor Costs - Operations | \$ 496,757 | \$ 782,185 | \$ 571,913 | \$ 756,372 | \$ 184,459 | 32.3% |
| Fuel & Vehicle Maintenance | \$ 75,048 | \$ 67,667 | \$ 99,126 | \$ 114,265 | \$ 15,139 | 15.3% |
| Facility Lease | \$ 46,579 | \$ 54,665 | \$ 84,000 | \$ 86,000 | \$ 2,000 | 2.4% |
| Contractual Services | \$ 109,587 | \$ 195,960 | \$ 175,000 | \$ 225,000 | \$ 50,000 | 28.6% |
| Public Utilities | \$ 59,583 | \$ 60,580 | \$ 60,000 | \$ 65,000 | \$ 5,000 | 8.3% |
| Misc Operational Costs | \$ 82,027 | \$ 65,399 | \$ 63,750 | \$ 106,500 | \$ 42,750 | 67.1% |
| Operational Costs | \$ 869,582 | \$ 1,226,457 | \$ 1,053,789 | \$ 1,353,137 | \$ 299,348 | 28.4% |
| Labor Costs - Capital Projects | \$ 23,401 | \$ 27,064 | \$ 136,344 | \$ 28,630 | \$ (107,714) | 100.0% |
| Contractual Services - Capital Projects | \$ 442,487 | \$ 191,302 | \$ 4,118,741 | \$ 445,000 | \$ (3,673,741) | -89.2% |
| Capital Project Costs | \$ 465,888 | \$ 218,366 | \$ 4,255,085 | \$ 473,630 | \$ (3,781,455) | -88.9% |
| Total Airport Expenditures | \$ 1,335,470 | \$ 1,444,824 | \$ 5,308,874 | \$ 1,826,767 | \$ (3,482,107) | -65.6% |

FY22-23 Airport Operational Budget


The expenditures fluctuate most commonly through capital project expenses. The operations of the Airport do not vary much year over year except for heavy snow impacts or changes in employees.

Debt Service / Future Capital Fund (990)

The Town has a variety of debt including the bond for the police station, the bond payment for the MLLA settlement, and inter-fund loan between the General Fund and the Vehicle Replacement Fund. The Town has been accelerating the repayment of the internal loan and expects to have this debt paid off in FY23-24 with a current outstanding balance of \$1,271,207. The chart below reflects the debt payments made to external entities. The 2004 Bluff's development funding paid for by assessments on property tax in the Bluffs was fully paid in FY21-22 and is no longer a part of our debt schedule. This adjustment is noted in Fund 990 for debt payments as well as Fund 852 where the assessment revenue and expenditures are noted. A summary of the Town's operating debt service is as follows:

Town of Mammoth Lakes - Debt Schedule

| DEBT | PURPOSE | INITIAL DEBT AMOUNT | Current Balance | ANNUAL PAYMENT FY22-23 | TERM | END DATE | INTEREST RATE | SOURCE OF PAYMENT |
|--|--|------------------------|-----------------|--|----------|--------------|--|--|
| Lease Revenue Bond (2015) | Refinance COP and Police Facility Funding | \$ 3,550,000 | \$ 2,179,000 | \$ 314,394 | 15 Years | FY2029-30 | 3.51% | General Fund Fund 100 |
| Installment Sales Agreement (2017) | Multi Use Facility | \$ 5,500,000 | \$ 3,445,000 | \$ 615,747 | 10 Years | FY2027-28 | 2.23% | Measure R Fund 216 |
| Taxable Judgment Obligation Bonds (2017) | MLLA Debt | \$ 23,995,000 | \$ 19,830,000 | \$ 1,868,406 | 18 Years | FY2035-36 | 1.750% increasing 0.25% each Year to a maximum interest rate of 4.375% | General Fund Fund 100 |
| Vehicle Replacement - Internal Loan | Operating Cash during econocmic crisis 2012 | \$ 4,369,207 | \$ 1,271,207 | \$340,000 accelerated to \$820,000 | No Term | Est. FY23-24 | 0.00% | General Fund Fund 100 |
| CFD 2001-1 Refunding Bonds, (2016) | North Village Development | \$ 6,626,919 | \$ 5,066,352 | \$ 514,136 | 17 Years | FY2033-34 | 3.31% | North Village Assessment District Fund 854 |
| Total | | \$ 44,041,126 | | \$ 3,652,684 | | | | |
| General Fund Debt | | | | \$ 2,522,801 | | | | |
| Measure R Debt | | | | \$ 615,747 | | | | |
| Assessment District Debt | | | | \$ 514,136 | | | | |

This fund also includes a future capital component for technology improvement or minor facility improvements. Staff is also recommending a return to prior practice of transferring the full \$2M payment for MLLA settlement and allowing excess funds to accumulate for future capital projects. The difference between the \$2M allocation and actual debt payment will provide \$131,594 in funding for a future capital project.

CONCLUSION

Balancing the FY22-23 preliminary budget deficit of \$10,183 will be accomplished with minimal impacts on the various departmental budgets. We anticipate some minor revenue adjustments and some expense reductions. Staff is committed to working within the Town's financial limits and the policy direction provided by Town Council as we provide services to our community. We are also requesting specific policy direction in a few areas that will assist in both budget development and work program implementation. Based on any requested adjustments by Town Council, staff will proceed to develop the tentative budget.

As the tentative budget is developed, staff will provide additional budget details, comparisons, and other relevant information that serves to inform the overall budget development. The tentative budget will include additional areas of the Town overall budget, (Restricted Funds, Assessment Districts, DIF, Capital Projects, and others). Council will be provided the tentative budget for review on May 18th, prior to the proposed final budget hearing and adoption scheduled for June 15, 2022.