

TOWN COUNCIL STAFF REPORT

Title: Fiscal Year 24-25 Preliminary Budget (Department Requested).

Meeting Date: May 1, 2024

Prepared by: Rob Patterson, Town Manager

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 FY24-25 budget. Staff will use direction and additional research to bring a balanced FY24-25 Tentative Budget (Manager Recommended) to Town Council in June for consideration.

BACKGROUND:

This report provides preliminary information related to the FY24-25 budget. The report primarily focuses on the General Fund but includes other key funds utilized for Town operations. The preliminary budget builds off the revenue information presented to the Town Council on April 3. There will be some additional changes to the budget based on requested Council direction, additional information obtained for both revenue and expenditures, along with fine tuning and final budget balancing adjustments. This report provides a basis to set expectations for the budget and to allow the Town Council to provide any comments or direction to assist in preparing a tentative budget in June.

This year we are focused on addressing certain policy questions with the Town Council that will help shape our budget processes going forward. We remain committed to a process that delivers a controlled growth of our operating budgets, aligned with Town Council priorities. Our revenue forecasting starts our budget cycle. The methodology and background used for each revenue forecast uses methodology consistent with prior years. We remain conservative in our estimates to prevent overreliance on high revenues, unduly increasing our annual operating budget. These revenue estimates were presented to the Town Council on April 4 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. Our 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 additional work to address an almost \$160,331 deficit. Staff will process updates as received and make adjustments to the plans based on Town Council input, resulting in a balanced tentative budget presented to Town Council on June 5th.

The preliminary budget includes General Fund revenues of \$32,867,365 and expenditures (including transfers out) of \$33,027,696.

In the previous year, the Town Council approved a number of policy decisions to refine the budget process in a way that will ensure adherence to our policies as a high priority, funded from the initial budget and not from excess revenues that may become available during the fiscal year. These decisions are outlined below.

Reserve Policy

The adopted reserve policy includes four elements, Reserve for Economic Uncertainty (REU), Operating Reserve (OR), Debt Reserve (DR), and Contingency. Both REU and OR are tied to a percentage of base operating revenue, which, per policy, should approximate the General Fund revenue. This baseline revenue is updated annually, and staff recommends an increase from \$30M to \$33M for FY24-25. The policy rates of 20% and 5% for REU and OR respectively remain unchanged for FY24-25. To be consistent with the Town Council direction, staff have included the required reserve allocation in the preliminary budget. This reserve allocation of \$444,038 is split between the REU (\$294,038) and OR (\$150,000) bringing them both into compliance with the policy. A \$100,000 contingency amount is included in the proposed budget.

The reserve policy also includes a section for debt reserve. This element will provide funding to pay debt service obligations of the General Fund in the event of a funding shortfall. As no adjustments have been made to our debt service, that element remains within policy with \$1,100,000 in reserves. When debt is issued for the Civic Center, staff will need to increase this reserve by approximately \$600,000 to remain within compliance. As this debt issuance has not yet occurred, staff is not recommending these adjustments until mid-year budget review, likely 1st quarter review in October 2024. Total reserve across all elements totals \$9,350,000.

Reserve Policy



Baseline Revenue is established on an annual basis during the budget process. Baseline Revenue must meet or exceed the General Fund Revenue in the Adopted Budget of the Fiscal Year



FY24-25 Baseline Revenue \$33,000,000 to be used in the calculation of both REU and OR



Baseline General Fund Revenue: \$30,000,000

Reserve for Economic Uncertainty (REU) Target:	20% of \$33,000,000 =	\$6,600,000
Operating Reserve (OR) Target:	5% of \$33,000,000 =	\$1,650,000
Targeted Minimum Reserve Balance =		\$8,250,000

Current balance of REU and OR = \$7,805,962

Required Additional Reserves = \$ 444,038



Debt Reserve 50% Annual Payment - Lease Revenue Bond (2015) Police Facility - Refinance COP (Average Annual Payment \$315,073 = \$157,540)



Debt Reserve 50% Annual Payment - Taxable Judgment Obligation Bonds (2017) (Average Annual Payment \$1,869,919 = \$934,960)

Debt Reserves (rounded and fully funded to policy) = \$1,100,000

Total Reserves = \$9,350,000

General Fund Required to fund these Reserves : \$444,038 (reflected in this budget)

Excess Measure A Allocations to Housing NOW! - The Measure A allocations are represented in this budget consistent with prior Town Council expectations. This means we allocate the TOT budget to the specific categories, identifying appropriate expenditures for each category and reflect any change in balance for the reserves. Prior Town Council directed staff to transfer any excess budget from Housing and Tourism to Fund 245 – Housing NOW! initiatives. This is reflected in the budget as presented and illustrated in more detail later in this report.

FY23-24 General Fund Revenue Projections

In preparing for the FY24-25 budget, several key revenue projections are made to set the stage for the expenditure side of the budget. Staff presented the proposed revenue budget to the Town Council on April 3, and only minor adjustments have been made since that presentation. These updates are reconciled below. While there is continual information and analysis expected on this revenue forecast, staff will provide a reconciliation of any adjustments recommended in the next budget presentation. The new revenue forecast for FY24-25 is \$32,867,365.

Fund 100 - General Fund

Revenue Adjustments

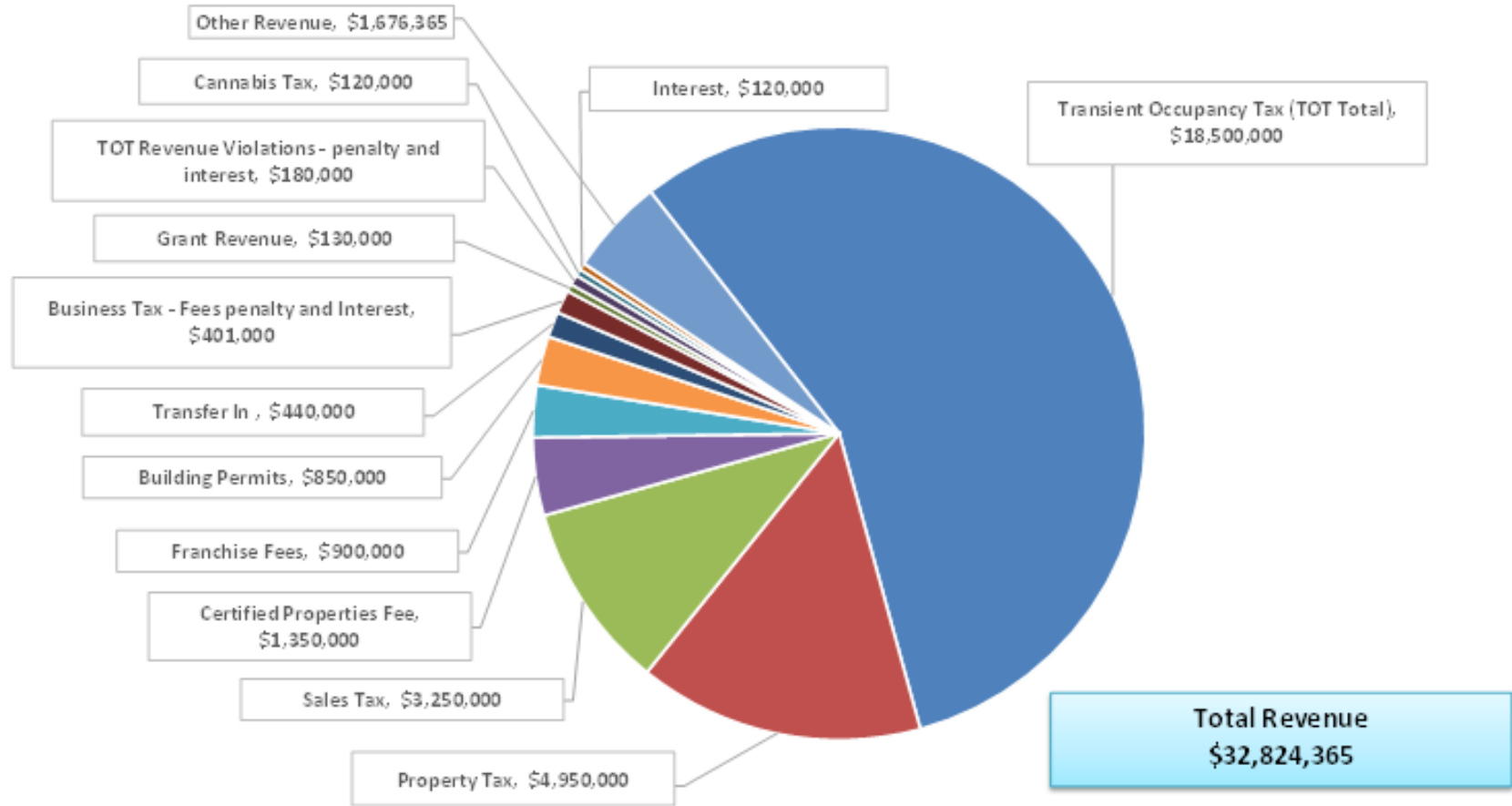
Revenue Budget Presentation - April 4th \$ 32,824,365

Account	Description	Original Amount	New Amount	change amount	Notes
100-000-31470	Special Events Permit	\$ 6,000	\$ 8,000	\$ 2,000	Small Event Fee from \$230 to \$250 for 20 events
100-000-31615	P&R Facility Rental	\$ -	\$ 17,000	\$ 17,000	Park and facility rentals by the general public
100-000-31664	Recreation Program Fees	\$ 160,000	\$ 170,000	\$ 10,000	Recreation program, camp and activity fees. Forecasted increase from 2024/25 amended fees
100-000-31668	Amenities Enhancement Prog	\$ -	\$ 10,000	\$ 10,000	New program, adding benches sponsored benches to our program.
100-000-31670	Whitmore Master	\$ 20,000	\$ 24,000	\$ 4,000	Whitmore pool admission, rental, lesson and program fees. Forecasted increase from 2024/25 amended fees.
Total Revenue Changes				\$ 43,000	
Preliminary Budget - General Fund Revenue				\$ 32,867,365	

Major Revenue Components

Item	FY21-22		FY22-23		FY23-24		FY24-25		Variance to		% of Total Revenue
	Actual		Actual		Adopted Budget		Proposed Budget		FY23-24	%	
Transient Occupancy Tax (TOT)	\$ 26,643,209	\$	\$ 29,482,552	\$	\$ 18,000,000	\$	\$ 18,500,000	\$	\$ 500,000	2.8%	56.3%
TOT Revenue Violations	\$ 201,286	\$	\$ 199,485	\$	\$ 100,000	\$	\$ 80,000	\$	\$ (20,000)	-20.0%	0.2%
TOT Penalty and Interest	\$ 257,665	\$	\$ 367,017	\$	\$ 150,000	\$	\$ 100,000	\$	\$ (50,000)	-33.3%	0.3%
Total TOT Revenue	\$ 27,102,161	\$	\$ 30,049,055	\$	\$ 18,250,000	\$	\$ 18,680,000	\$	\$ 430,000	2.4%	56.8%
Property Tax	\$ 4,736,931	\$	\$ 5,374,261	\$	\$ 4,705,000	\$	\$ 4,950,000	\$	\$ 245,000	5.2%	15.1%
Sales Tax	\$ 3,358,773	\$	\$ 3,766,418	\$	\$ 3,000,000	\$	\$ 3,250,000	\$	\$ 250,000	8.3%	9.9%
Franchise Fees	\$ 918,042	\$	\$ 989,217	\$	\$ 900,000	\$	\$ 900,000	\$	\$ -	0.0%	2.7%
Certified Properties Fee	\$ -	\$	\$ -	\$	\$ -	\$	\$ 1,350,000	\$	\$ 1,350,000	100.0%	4.1%
Other Revenue											
Building Permits	\$ 1,219,892	\$	\$ 877,731	\$	\$ 800,000	\$	\$ 850,000	\$	\$ 50,000	6.3%	2.6%
Business Tax (New, Renewal, and Penalties)	\$ 393,892	\$	\$ 427,688	\$	\$ 386,000	\$	\$ 401,000	\$	\$ 15,000	3.9%	1.2%
Cannabis Tax	\$ 158,723	\$	\$ 127,765	\$	\$ 130,000	\$	\$ 120,000	\$	\$ (10,000)	-7.7%	0.4%
Interest	\$ 129,617	\$	\$ 924,642	\$	\$ 120,000	\$	\$ 120,000	\$	\$ -	0.0%	0.4%
Grant Revenue	\$ 297,213	\$	\$ 195,664	\$	\$ 228,800	\$	\$ 130,000	\$	\$ (98,800)	-43.2%	0.4%
Transfer In	\$ 160,027	\$	\$ 3,157,449	\$	\$ 440,000	\$	\$ 440,000	\$	\$ -		1.3%
Misc Revenue	\$ 1,665,182	\$	\$ 2,344,489	\$	\$ 1,611,365	\$	\$ 1,676,365	\$	\$ 65,000	4.0%	5.1%
Total Budgeted Revenue (General Fund)	\$ 40,140,453	\$	\$ 48,234,380	\$	\$ 30,571,165	\$	\$ 32,867,365	\$	\$ 2,296,200	7.5%	100.0%

FY24-25 General Fund Revenue



Revenue Allocation “Measure A”

As transient occupancy tax rate has been increased over time through various ballot measures, Town Council established a set of commitments that outline the rate at which TOT would be distributed to Tourism, Transit and Housing, and Town General Fund. While the ballot measures had various names, they are collectively called “Measure A” allocations. While the various measures made “political” commitments on the use of the funds the measures were passed as general taxes which may be used for general fund purposes. The allocation and use of these revenues have gone through a few different adjustments over time, with the most recent being in 2017 as noted. Below is a brief history of the adjustments to TOT rate:

History of TOT Ballot Measures

The TOT Tax Rate in Mammoth Lakes was increased through 4 Ballot Measures to the current rate of 13%:

- ✓ June 3, 1986 – Measure A (Increased the rate from 6% to 9%)
- ✓ March 26, 1996, Measure 96-A (Increased the rate from 9% to 10%)
- ✓ March 5, 2002 – Measure A (Increased the rate from 10% to 12%)
- ✓ June 6, 2006 – Measure T (Increased the rate from 12% to 13%)

In 2017 the Town Council recalibrated the allocation to better address the current needs of the community and allocate more funds to housing. This recalibration established the current rates we use today which are referenced in points reflected in 13% collected for the tax.

- ✓ **Tourism – 2.35 points or 18.0769% of the collected tax**
- ✓ **Transit – .85 points or 6.5385% of the collected tax**
- ✓ **Housing – .85 points or 6.5385% of the collected tax**

The rates above are used to allocate funding to each category based on the amount of budgeted TOT on an annual basis. These allocations established the amount of revenue available for each category for budget purposes. Within the General Fund, there are specific departments for each category where staff will build budgets specific to this activity. The TOT budget for FY24-25 is \$18.5M resulting in the following allocations:

Measure A - Allocation of Transient Occupancy Tax

Budget for Transient Occupancy Tax \$ 18,500,000

Category	Rate	Amount
Department 100-480 - Tourism	18.076923%	\$ 3,344,200
Department 100-475 - Transit ⁽¹⁾	6.538462%	\$ 1,209,600
Department 100-445 - Housing	6.538462%	\$ 1,209,600
Town General Fund		\$ 12,736,600

Notes:

1. Transit has additional funding source called "Transit Fee" which is \$150,000 for FY24-25

The primary expenditure in each category is usually the annual contract amount for the Non-Governmental Agency (NGO) responsible for providing the work plans in each category.

- ✓ **Housing – Eastern Sierra Community Housing**
- ✓ **Tourism – Mammoth Lakes Tourism and Mammoth Lakes Chamber of Commerce**
- ✓ **Transit – Eastern Sierra Transit Authority**

In addition to the initial allocation, the Town Council established a reserve for each category where actual funds received, above the budgeted TOT, would remain allocated to these categories but not automatically available for use. The reserves require Town Council action to make the funds available for specific projects or funding needs. Over time, these funds have been used for appropriate expenditures specific to the category but more recently, Tourism and Housing have been used almost exclusively for housing programs. Additional funds may be allocated as part of the quarterly budget updates. Staff also provide a reconciliation of these reserve balances annually during the fund balance presentation. The charts below reflect the budget contents for each of the Measure A allocation elements for FY24-25.

Housing Allocation Budget

Item	Amount
Revenue:	
General Fund Contribution	
General Fund TOT Budget = \$18,500,000	
Allocation (revenue) calculated as +\$18.5M * 6.53846% =	\$ 1,209,600
Total FY24-25 Revenue for 100-445 Housing	\$ 1,209,600
Expenditures:	
Eastern Sierra Community Housing (ESCH) - Contract	\$ 336,000
Staff Time - Town	\$ 209,004
Deed Restriction Monitoring Contract (Hastings)	\$ 11,500
Clerk Services - TOML	\$ 10,000
Advertising & Legal Notices	\$ 1,000
Total FY24-25 Expenditure for 100-445 Housing	\$ 567,504
Transfer to Fund 245 - Housing NOW!	\$ 642,096
Planned Change in Reserve Balance	\$ -

Tourism Allocation Budget

Item	Amount
Revenue:	
General Fund Contribution	
General Fund TOT Budget = \$18,500,000	
Allocation (revenue) calculated as +\$18.5M * 18.0769% =	\$ 3,344,200
Total FY24-25 Revenue for 100-480 Tourism	\$ 3,344,200
Expenditures:	
Mammoth Lakes Tourism (MLT) - Contract	\$ 1,725,000
Mammoth Lakes Chamber of Commerce - Contract	\$ 300,000
LA Kings - CRC Contract	\$ 100,000
Litigation Support	\$ 100,000
Host Program - TOML	\$ 100,000
Fish Stocking Program - TOML	\$ 50,000
Clerk Services - TOML	\$ 10,000
Total FY24-25 Expenditure for 100-480 Tourism	\$ 2,385,000
Transfer to Fund 245 - Housing NOW!	\$ 959,200
Planned Change in Reserve Balance	\$ -

The allocation of revenue for activities outside of the base MLT contract provides funding for programs previously funded through MLT. The shift reduced the amount of time and process required to manage these funds between the Town and MLT.

The contribution of any excess budget for both Housing and Tourism in the previous charts totals \$1,601,296. This amount is currently reflected in the budget and will be transferred to Fund 245 Housing NOW! to the unallocated category, available for distribution to any housing initiative within our program.

Transit Allocation Budget

Item	Amount
Revenue:	
General Fund Contribution	
General Fund TOT Budget = \$18,500,000	
Allocation (revenue) calculated as $+\$18.5M * 6.53846\% =$	\$ 1,209,600
Transit Fee	\$ 150,000
Total FY24-25 Revenue for 100-475 Transit	\$ 1,359,600
Expenditures:	
Eastern Sierra Transit Authority (ESTA) - Contract 19,058 hours @ \$57.38 per hours (est.)	\$ 1,093,550
Staff - TOML - Bus Stop Cleaning and Snow Removal	\$ 30,000
Public Utilities	\$ 15,000
Sign Replacement	\$ 3,000
Bus Shelter Maintenance	\$ 3,000
Maintenance Supplies	\$ 500
Total FY24-25 Expenditure for 100-475 Transit	\$ 1,145,050
Planned Change in Reserve Balance	\$ 214,550

Over the past few years, the Transit reserves have been used to fund increased Eastern Sierra Transit Authority (ESTA) operating costs and to set aside funding to serve as a grant match for vehicle replacement.

FY23-24 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). A number of these funds 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. A detailed Capital Improvement Program will also be prepared as the budget process moves forward.

Our approach with General Fund expenditures was to review each department's performance to date to identify trends we see emerging that will affect our future needs. There is a focus to develop added 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. Staff has provided a narrative of each recommended position change or addition for FY24-25.

Public Works – Hybrid Workers

In FY24-25, the Town embarked on a series of reorganizations to optimize the service delivery for our Public Works and Parks and Recreation maintenance departments. While the service delivery model is enhanced, there is still a high dependency on part-time workers. Those work classifications are difficult to find in our region and the Town has always had much better opportunities with full-time employees, albeit at a higher cost. In the FY24-25 budget we have added three full-time employees and eliminated six part-time positions that are assigned to winter roads and summer parks maintenance. These full-time positions will transfer between these departments seasonally to match the shifting workloads. We will retain one part-time position in each area to complete the coverage. The net impact of this solution is \$212,920 with details listed in the chart below.

Facilities Maintenance Manager

This recommendation is an adjustment to existing staff assignments to develop a robust Facility and Asset Management focus for the Town. The elimination of the Engineering Technician position and establishment of a Facilities and Asset Manager is in response to a desire to better manage deferred maintenance and consolidate facility maintenance responsibilities. The opening of the Community Recreation Center and decision to advance the Town Hall and MACC was the catalyst for developing this position. Historically, the responsibility to manage janitorial, building maintenance, and other assets was shared amongst multiple staff members over several departments. The position will develop procedures and schedules for the maintenance of all Town facilities, oversee contracts for services, and develop GIS data sets for all Town owned assets. The position will not need to be back filled as it consolidates the responsibilities previously held by many employees.

Assistant Engineer – Reclassification from Engineering Assistant

The promotion of the current Engineering Assistant to Assistant Engineer is necessary to recognize the increase in responsibility and workload. The engineering department has committed to completing more projects and is managing more work than ever before. This provides opportunities for junior staff to step into more complex roles. In this case the individual has demonstrated competence in managing larger projects and working directly with partner agencies and the public. Management is now assigning this higher-level work to the employee as necessary to meet the overall agency goals and commitments. The work is somewhat similar but is now completed with less oversight and with more decision-making responsibilities resting on the employee. This is a natural progression for engineers working in government and the responsibilities are consistent across the country. This position adjustment will add \$6,000 to the budget.

Revenue Specialist and part-time enforcement - Certified Properties

The work completed by the Short-Term Rental (STR) Advisory Committee included recommendations for funding sources to enhance administration of the Town's STR businesses. Staff developed a structure that enhances services for the business owners, streamlining payment and data collection as well as

augmentation of our audit and enforcement staff. In response, the FY24-25 budget includes one Revenue Specialist to focus on audit functions and one additional part-time enforcement agent. Our experience with part-time enforcement is that we have gaps in correspondence on off days. Often these enforcements cases are highly stressful and require immediate response. With two people in this role, staff will structure the work hours to provide full coverage and share duties on enforcement correspondence. The combination of these two staff adjustments will add \$148,640 to the budget.

Building Inspector / Plans Examiner

The Town currently has one full-time inspector and uses two contract inspectors during the summer months. This method allows the Town to flex staff levels, and still have highly trained skill sets specific to building codes and methods. This has been particularly important as the community has recovered from the winter emergency last year and the damage it incurred. Our current staff is planning retirement in the next few years and our incremental position is intended to provide for succession planning and replacement. This position is slated to start in April of 2025 so has approximately 25% of the year for expenses. This position will add \$41,875 to the budget for FY24-25.

Financial Analyst / Technology Coordinator

The Town currently employs a Financial Analyst who is imbedded in the Engineering department to assist with financial tracking of capital projects. In the last two years, this employee has learned to program the Town's Quick Base database management software. Through this training and experience, the Town is developing software programs in-house, tailored specifically for our needs. Recent accomplishments include a comprehensive fleet management and billing system, updated inventory management, and the certified property management system. We expect to utilize developed programs in the facility maintenance and asset management department as well as some Outdoor Recreation projects. This expansion of duties resulted in a reclassification of the position wage scale to align job responsibilities with compensation. This position adjustment will add \$10,030 to the budget for FY24-25.

Sustainability Coordinator / Program Analyst – part-time

This position will assist in implementation and management of the Town's sustainability initiatives like the plastic water bottle ban, education, and outreach on the Styrofoam ban, as well as work on grant opportunities to expand solid waste innovation. This is a new direction for our community and the position will allow focused efforts and the training we will need with a fledgling program. The position will add \$29,765 to the budget.

Airport Office Staff – part-time

Administration work at the Airport has increased significantly with position changes in the last few years. The core management team includes the Deputy Airport Manager, Airport Operations Manager, and support from the Finance Director. This core team is expanding the effectiveness of Airport operations as well as customer service & experience initiatives. The part-time position will assist in the implementation of new data management platforms as well as freeing up time for staff development of the Deputy Airport Manager. The original plan for staff development included training time with Airport and FAA specialists to obtain the skillsets necessary to be promoted to full Airport Manager. To date, these training efforts have been challenged by the workload and focus on engineering related project management. This part-time staff will help with the success of this overall management plan. The position will add \$23,428 to the budget.

Other effects to Labor Costs

Staff tracks the change in cost for specific labor elements on an annual basis. Health insurance rates are provided on an annual (calendar year) basis by our service provider. This year we realized a rate increase

of approximately 2.8% for the year. This increase, from rate only, is approximately \$87,385 and represents 11.4% of the total labor increases reflected in this budget. Merit increases are a part of the salary structure adopted by the Town to ensure we have competitive starting wages but reflect the expected increase in productivity as additional experience is gained over time. This is reflected as 5% steps for the General Employees' Association (GEA) and Public Works Employees' Association (PWEA). Ranges are also established in the Management Employees' Association (MEA) but are a range and not reflected in specific steps. If the annual progression of each employee is deemed successful by their supervisor in an annual review, they will receive a 5% pay increase annually based on their hire date. When an employee reaches the top of their range, they no longer receive merit increases and the only pay increases are based on negotiated pay adjustments. The increased labor costs associated with merit increases is \$221,056 and represents 28.8% of the total labor increases reflected in this budget. The employment contracts for the employee associations are in the second year of the term and contain a 2 – 3% annual pay adjustment. The cumulative adjustment across all employee associations and contract employees is \$190,044 or 24.7% of the total labor increases reflected in this budget.

In addition to the benefit and pay adjustments for existing employees, our recreation programs have expanded with the expansion of programs and utilization of our new facilities. This additional cost is approximately \$220,000 and is covered by revenue from increased fees.

The budget also includes some salary savings from key position changes. These savings occur when the outgoing employee is paid a higher wage within the income scale or lower retirement costs. We are experiencing these salary savings in the Town Manager, Administrative Services / Finance Director, Community Development Director and with the Public Works re-organization. In total the impact of these salary savings is a \$285,000 reduction in the budget.

The following table reflects the employee adjustments discussed above:

Department	Position	Wage Class	Total Cost	Notes
Admin	PT - Sustainability Coordinator	Skilled II	\$ 29,764.60	Further Initiatives
Finance	Revenue Specialist	G139	\$ 118,875.00	Audit - Certified Properties
	Revenue Lodging Support-PT	Skilled II	\$ 29,765.00	Enforcement - Certified Properties
	Technology & Financial Analysis	G167	\$ 10,031.70	Position Enhancement - New Internal Service
Building	Building Inspector / Plans Examiner	G172	\$ 41,875.55	Expanded Need and Succession Planning
Engineering	Facilities Maint Mgr	M102	\$ 9,039.24	Creation of new internal service
	Assistant Engineer	G167	\$ 5,955.78	Position Enhancement - Expanded Capacity
Public Works	Maintenance Worker - Hybrid		\$ 121,416.00	Parks Summer / Roads Winter
	Maintenance Worker - Hybrid		\$ 121,416.00	Parks Summer / Roads Winter
	Maintenance Worker - Hybrid		\$ 121,416.00	Parks Summer and Winter
	Removal of 4 PT - Parks Maintenance		\$ (91,800.00)	Conversion to FT Hybrid
	Removal of 2 PT - Winter Roads		\$ (59,528.00)	Conversion to FT Hybrid
Parks & Rec	Recreation Programs	Various	\$ 47,369.00	Core Program Adjustments
	Whitmore Recreation Area	Various	\$ 48,398.00	Core Program Adjustments
	CRC Operations	Various	\$ 124,832.00	Core Program Adjustments
Airport	PT - General Worker	Level 4	\$ 23,428.00	New Positon
Salary Savings	Town Manager		\$ (52,152.00)	Salary and Benefit Cost reduction
	Admin Services/Finance Director		\$ (63,780.00)	Salary and Benefit Cost reduction
	Community Development Director		\$ (42,267.00)	Salary and Benefit Cost reduction
	Public Works re-organization		\$ (127,277.00)	Salary and Benefit Cost reduction
			\$ 416,777.87	

Employee Count Comparison

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

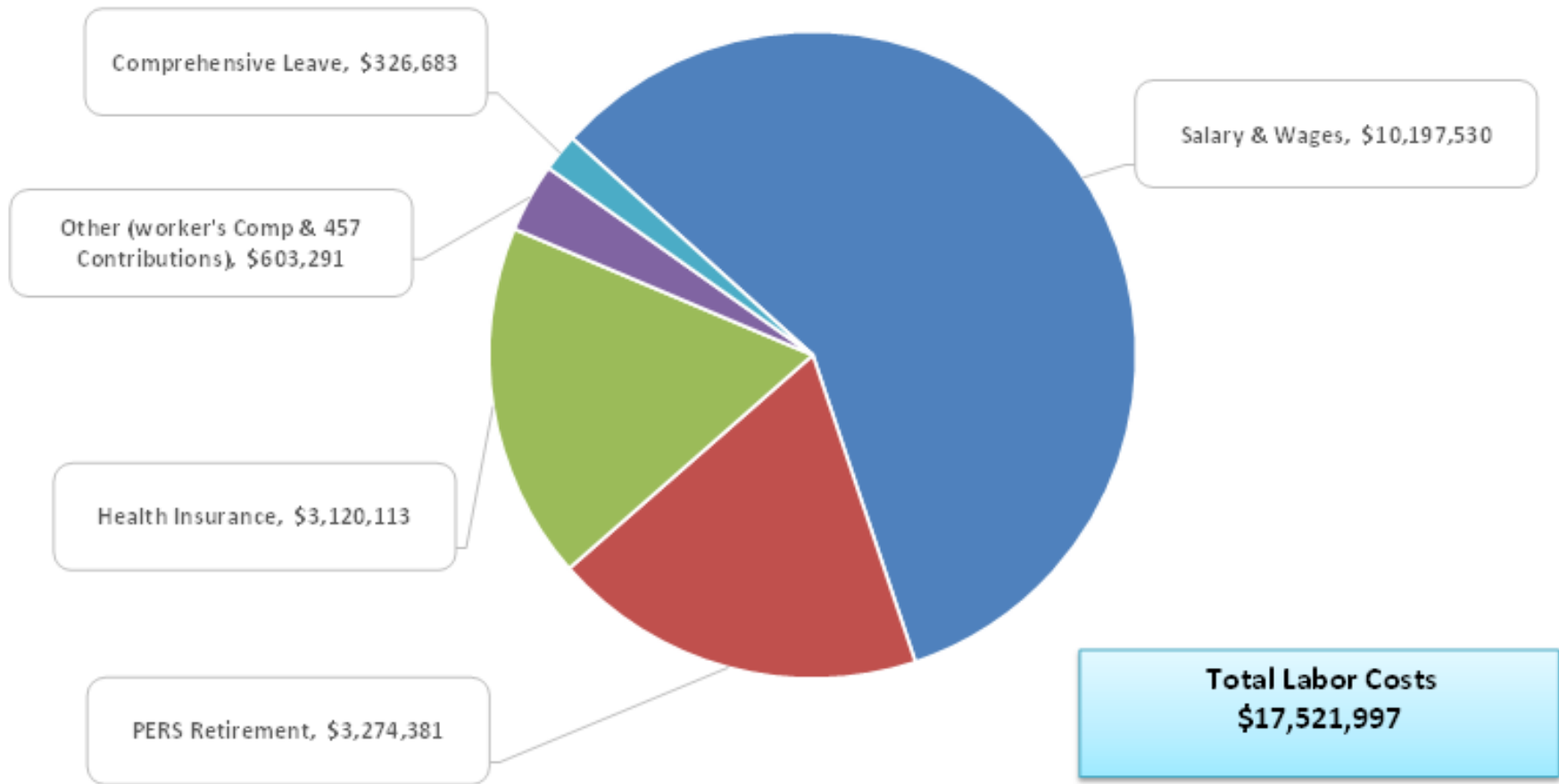
Employee Statistics	FY24-25 Budget Count	FY23-24 Budget Count	Change
Full Time Employees	93.3	92.0	1.3
Part Time Employees - Measured in Full Time Equivalents (FTE)			
Admin	0.5	0.0	0.5
Police	0.8	0.8	0.0
Recreation Programs	9.6	9.0	0.6
Parks Maintenance	0.5	1.7	(1.2)
Finance	0.9	0.5	0.4
Arts & Culture	1.0	1.4	(0.4)
Planning & Building	0.0	0.5	(0.5)
Capital Projects	0.8	0.8	0.0
Airport Operations	1.7	0.9	0.8
Measure R - Trails	2.1	1.5	0.6
Outdoor Recreation	1.9	0.9	1.0
Roads & Snow Removal	0.5	1.4	(0.9)
Facilities Maintenance	0.9	0.3	0.6
Total Part Time Employees (FTE)	21.1	19.7	1.4
Total Employee (FTE)	114.4	111.7	2.7

Labor Costs - All Funds

Item	FY24-25 Budget Total	FY23-24 Budget Total	Variance by Item	% of Total Labor
Salary & Wages	\$ 10,197,530	\$ 9,574,241	6.5%	58.2%
PERS Retirement	\$ 3,274,381	\$ 3,291,963	-0.5%	18.7%
Health Insurance	\$ 3,120,113	\$ 2,836,509	10.0%	17.8%
Other (worker's Comp & 457 Contributions)	\$ 603,291	\$ 672,190	-10.2%	3.4%
Comprehensive Leave	\$ 326,683	\$ 379,024	-13.8%	1.9%
	\$ 17,521,997	\$ 16,753,927	4.6%	100.0%
		Variance \$ 768,070		
		% 4.58%		

Breakdown of Labor Increase	Amount	% total increase	Notes
New Employees (Full Time and Part Time)	\$ 416,778	54.3%	Salary, PERS, Health Insurance, 457 Contributions
Merit Increases (5% step for developing employees)	\$ 221,056	28.8%	Salary and PERS
Employee Contract - Salary Adjustments	\$ 190,044	24.7%	2-3% depending on employee MOU
Health Insurance	\$ 87,385	11.4%	Changes in Health Insurance Cost
Worker's Comp and 457 Contributions	\$ (94,206)	-12.3%	Changes in Worker's Compensation Cost
Comprehensive Leave	\$ (52,988)	-6.9%	Dan's retirement
	\$ 768,070		

Labor Costs - All Funds



Full-Time Staff

Account	Department	0	FTE	Salary	Comp	Leave	Health Insurance	457 Contribution	Total Health Ins	Worker's Comp	PERS	Total
100-413	Town Manager		2.0	\$ 335,916	\$ 24,604	\$ 80,426	\$ 3,510	\$ 83,936	\$ 19,556	\$ 102,576	\$ 566,588	
100-414	Town Clerk		2.0	\$ 186,645	\$ 3,424	\$ 82,734	\$ 2,400	\$ 85,134	\$ 10,375	\$ 63,405	\$ 348,982	
100-415	Finance		7.9	\$ 714,887	\$ 16,945	\$ 335,861	\$ 10,046	\$ 345,907	\$ 39,947	\$ 196,814	\$ 1,314,501	
100-417	Personnel		2.0	\$ 195,359	\$ 10,978	\$ 66,707	\$ 3,000	\$ 69,707	\$ 11,263	\$ 53,842	\$ 341,150	
100-420	Police		21.0	\$ 2,495,593	\$ 85,419	\$ 562,070	\$ 7,800	\$ 569,870	\$ 140,882	\$ 1,382,239	\$ 4,674,003	
100-432	Parks & Recreation Programs		4.2	\$ 407,258	\$ 24,313	\$ 112,338	\$ 5,580	\$ 117,918	\$ 23,532	\$ 127,678	\$ 700,699	
100-434	Whitmore Recreation Area		1.3	\$ 79,884	\$ 2,338	\$ 36,813	\$ 1,524	\$ 38,337	\$ 4,488	\$ 21,455	\$ 146,502	
100-436	Arts & Culture		0.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
100-438	Parks Maintenance		4.0	\$ 302,272	\$ 9,211	\$ 115,894	\$ 4,812	\$ 120,706	\$ 17,002	\$ 90,890	\$ 540,082	
100-440	Planning		4.6	\$ 473,689	\$ 18,207	\$ 155,701	\$ 6,132	\$ 161,833	\$ 26,850	\$ 140,768	\$ 821,347	
100-442	Building		4.2	\$ 365,608	\$ 14,361	\$ 170,797	\$ 5,076	\$ 175,873	\$ 20,834	\$ 109,708	\$ 686,384	
100-444	Code Compliance		1.0	\$ 70,530	\$ -	\$ 46,169	\$ 1,200	\$ 47,369	\$ 3,850	\$ 18,404	\$ 140,153	
100-445	Housing		1.2	\$ 116,810	\$ 908	\$ 52,378	\$ 1,452	\$ 53,830	\$ 6,426	\$ 31,235	\$ 209,209	
100-460	Engineering		4.8	\$ 560,589	\$ 12,519	\$ 151,246	\$ 6,262	\$ 157,507	\$ 31,283	\$ 161,936	\$ 923,834	
100-464	Facilities Maintenance		1.3	\$ 82,541	\$ 3,293	\$ 25,672	\$ 1,500	\$ 27,172	\$ 4,685	\$ 22,398	\$ 140,089	
100-467	Office of Outdoor Recreation		3.0	\$ 253,826	\$ 7,624	\$ 68,863	\$ 3,600	\$ 72,463	\$ 14,271	\$ 68,223	\$ 416,406	
100-475	Transit		0.00	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0	
General Fund			64.3	\$ 6,641,406	\$ 234,145	\$ 2,063,670	\$ 63,894	\$ 2,127,564	\$ 375,243	\$ 2,591,571	\$ 11,969,928	

Full-Time Staff - continued

Account	Department	0	FTE	Salary	Comp Leave	Health Insurance	457 Contribution	Total Health Ins	Worker's Comp	PERS	Total
205-490	Solid Waste		0.1	\$ 6,197	\$ 388	\$ 2,308	\$ 90	\$ 2,398	\$ 359	\$ 2,197	\$ 11,540
Solid Waste			0.1	\$ 6,197	\$ 388	\$ 2,308	\$ 90	\$ 2,398	\$ 359	\$ 2,197	\$ 11,540
210-450	Maintenance Streets (May-Sept)		4.8	\$ 345,635	\$ 12,200	\$ 155,495	\$ 5,772	\$ 161,267	\$ 19,532	\$ 101,161	\$ 639,796
210-452	Snow Removal (Oct-April)		8.6	\$ 617,957	\$ 20,801	\$ 274,064	\$ 10,320	\$ 284,384	\$ 34,866	\$ 181,213	\$ 1,139,221
210-456	Facilities Maintenance		0.1	\$ 5,816	\$ 439	\$ 2,054	\$ 120	\$ 2,174	\$ 341	\$ 1,632	\$ 10,402
Gas Tax			13.5	\$ 969,407	\$ 33,440	\$ 431,613	\$ 16,212	\$ 447,825	\$ 54,740	\$ 284,006	\$ 1,789,419
215-511	Measure R - Trails		0.3	\$ 22,034	\$ 1,225	\$ 6,983	\$ 408	\$ 7,391	\$ 1,270	\$ 6,069	\$ 37,988
Measure R - Trails			0.3	\$ 22,034	\$ 1,225	\$ 6,983	\$ 408	\$ 7,391	\$ 1,270	\$ 6,069	\$ 37,988
220-471	Airport		4.8	\$ 409,077	\$ 18,729	\$ 139,856	\$ 5,760	\$ 145,616	\$ 23,352	\$ 111,632	\$ 708,406
220-531	Airport AIP Capital Projects		0.2	\$ 21,182	\$ 1,476	\$ 5,793	\$ 240	\$ 6,033	\$ 1,237	\$ 5,912	\$ 35,839
Airport			5.0	\$ 430,259	\$ 20,205	\$ 145,649	\$ 6,000	\$ 151,649	\$ 24,588	\$ 117,544	\$ 744,245
250-540	LTC		0.1	\$ 11,089	\$ 377	\$ 1,933	\$ 120	\$ 2,053	\$ 626	\$ 3,576	\$ 17,722
Local			0.1	\$ 11,089	\$ 377	\$ 1,933	\$ 120	\$ 2,053	\$ 626	\$ 3,576	\$ 17,722
300-530	Capital Projects - Streets		0.0	\$ 3,135	\$ 157	\$ 1,283	\$ 41	\$ 1,323	\$ 180	\$ 859	\$ 5,655
300-531	Capital Projects - Other		0.9	\$ 106,746	\$ 2,872	\$ 36,457	\$ 1,171	\$ 37,628	\$ 5,983	\$ 30,240	\$ 183,469
Capital Projects			1.0	\$ 109,881	\$ 3,029	\$ 37,739	\$ 1,212	\$ 38,951	\$ 6,163	\$ 31,099	\$ 189,123
857-452	OMR Assessment Snow Removal		0.3	\$ 23,404	\$ 664	\$ 9,227	\$ 396	\$ 9,623	\$ 1,314	\$ 6,915	\$ 41,920
856-531	OMR Capital		0.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
857-452	OMR Assessment Snow Removal		0.3	\$ 20,470	\$ 683	\$ 8,757	\$ 348	\$ 9,105	\$ 1,155	\$ 5,882	\$ 37,294
858-436	Fractional MelloRoos		1.8	\$ 141,318	\$ 4,132	\$ 52,163	\$ 2,100	\$ 54,263	\$ 7,939	\$ 37,954	\$ 245,606
Assessment			2.4	\$ 185,191	\$ 5,479	\$ 70,147	\$ 2,844	\$ 72,991	\$ 10,408	\$ 50,751	\$ 324,820
910-456	Garage Facility Maintenance		6.6	\$ 543,069	\$ 28,396	\$ 174,065	\$ 7,920	\$ 181,985	\$ 31,193	\$ 164,585	\$ 949,228
Garage Services			6.6	\$ 543,069	\$ 28,396	\$ 174,065	\$ 7,920	\$ 181,985	\$ 31,193	\$ 164,585	\$ 949,228
Worksheet Total			93.3	\$ 8,918,534	\$ 326,683	\$ 2,934,107	\$ 98,700	\$ 3,032,807	\$ 504,591	\$ 3,251,399	\$ 16,034,014

Part-Time Staff

Account	Department	Salary	FTE	Health Insurance	PARS	Total
100-410	Town Council	\$ 62,635	-	\$ 186,006	\$ 1,235	\$ 249,876
100-413	Town Manager	\$ 29,190	0.47	\$ -	\$ 575	\$ 29,765
100-415	Finance	\$ 58,380	0.94	\$ -	\$ 1,151	\$ 59,531
100-420	Police	\$ 67,960	0.76	\$ -	\$ 1,340	\$ 69,300
100-432	Recreation Programs	\$ 182,081	3.88	\$ -	\$ 3,590	\$ 185,671
100-434	Whitmore Recreation Area	\$ 90,157	1.86	\$ -	\$ 1,777	\$ 91,935
100-436	Arts & Culture	\$ 45,437	0.95	\$ -	\$ 896	\$ 46,332
100-438	Parks Maintenance	\$ 20,462	0.46	\$ -	\$ 403	\$ 20,865
100-464	Facilities	\$ 53,193	0.94	\$ -	\$ 1,049	\$ 54,242
100-467	Office of Outdoor Rec	\$ 82,292	1.89	\$ -	\$ 1,622	\$ 83,915
		<u>\$ 691,787</u>	<u>12.17</u>	<u>\$ 186,006</u>	<u>\$ 13,638</u>	<u>\$ 891,431</u>
210-452	Temp Snow Removal	\$ 30,649	0.47	\$ -	\$ 604	\$ 31,253
215-438	Measure R - Trails	\$ 228,823	2.10	\$ -	\$ 2,288	\$ 231,111
220-471	Airport Operations	\$ 102,457	1.67	\$ -	\$ 2,020	\$ 104,477
300-530	Capital Projects - Streets	\$ 17,294	0.38	\$ -	\$ 336	\$ 17,630
300-531	Capital Projects - Other	\$ 17,294	0.38	\$ -	\$ 336	\$ 17,630
		<u>\$ 396,517</u>	<u>5.01</u>	<u>\$ -</u>	<u>\$ 5,585</u>	<u>\$ 402,101</u>
858-436	Fractional MelloRoos	\$ 190,692	3.85	\$ -	\$ 3,759	\$ 194,451
		<u>\$ 1,278,996</u>	<u>21.0</u>	<u>\$ 186,006</u>	<u>\$ 22,982</u>	<u>\$ 1,487,983</u>

Number of Employees

Full-time employment	93.3
Part-time employment (FTE)	21.0
	<u>114.3</u>

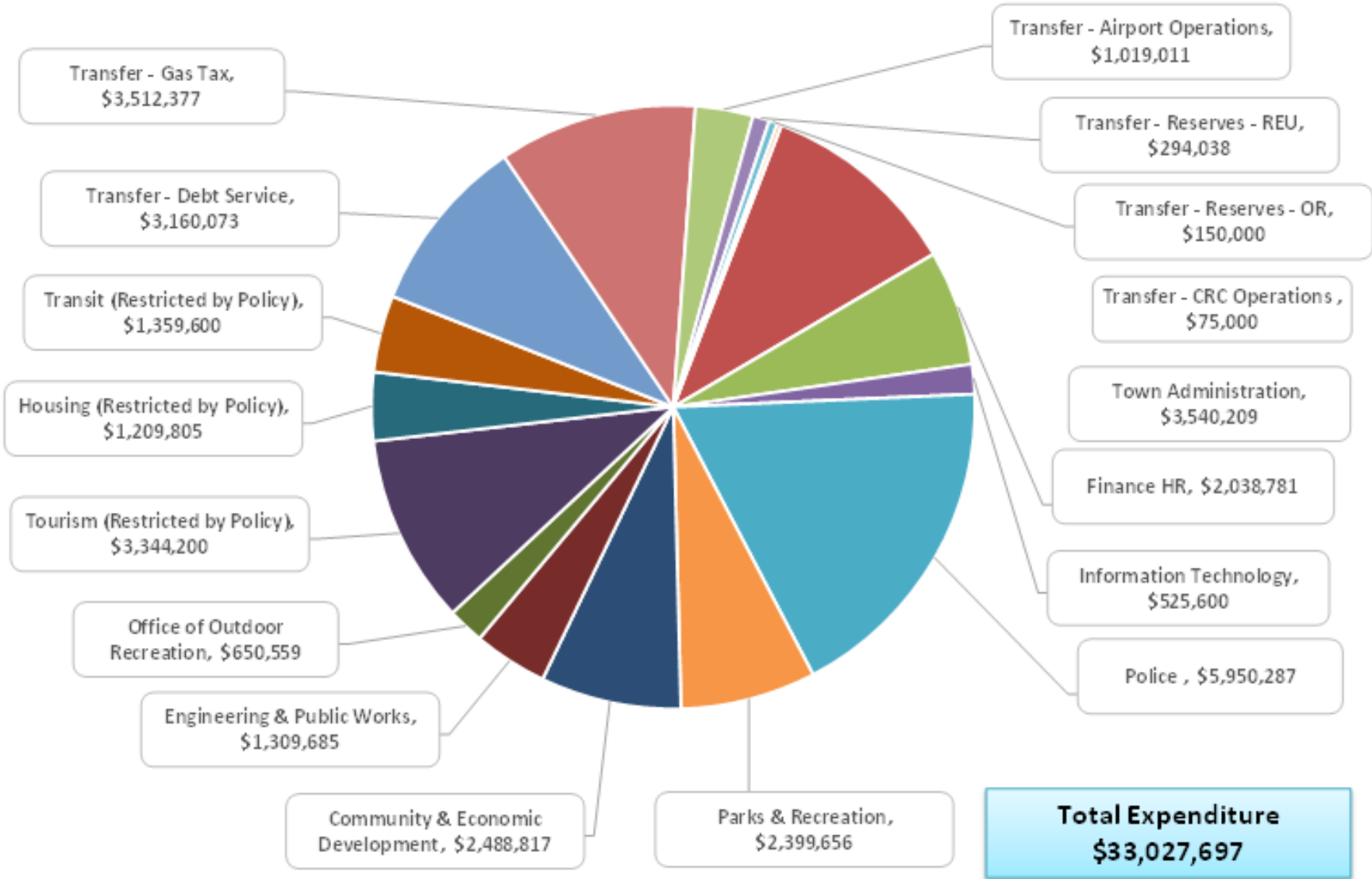
In addition to labor expense, each department has expense lines that match the core services provided by that department. In some instances, there are contracts with third party entities that perform some critical function within that department work plan. For example, in Finance, there is a contract expense for our online short-term rental monitoring programs. Departments will also have expenses related to training, conferences and meetings, uniform costs, misc. supplies, potential overtime wage, and advertising and legal notices. Each department Director has reviewed the needs of the year and completed the preliminary budget. There may be adjustments as we continue review and analysis and at some point, minor reductions may be necessary to balance the budget. These adjustments will determine those that have the least impact on the overall delivery of core services. The departmental expenses for FY24-25 remain consistent with prior years. 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 the previous year's expenditures and adopted FY23-24 budget.

Department Expense Summary
General Fund Expenditures by Department

Department	FY21-22 Actual	FY22-23 Actual	FY23-24 Budget	FY24-25 Budget	Variance to Prior Year Budget	
DEPT 410 - TOWN COUNCIL	\$ 138,125	\$ 194,586	\$ 255,694	\$ 261,876	\$ 6,182	2.4%
DEPT 412 - LEGAL SERVICES	\$ 277,591	\$ 212,397	\$ 225,000	\$ 225,000	\$ -	0.0%
DEPT 413 - TOWN ADMINISTRATION	\$ 573,130	\$ 619,708	\$ 698,575	\$ 644,588	\$ (53,988)	-7.7%
DEPT 414 - TOWN CLERK	\$ 335,621	\$ 358,019	\$ 387,806	\$ 391,732	\$ 3,926	1.0%
DEPT 415 - FINANCE	\$ 1,386,671	\$ 1,418,079	\$ 1,506,857	\$ 1,660,631	\$ 153,774	10.2%
DEPT 416 - GENERAL SERVICES	\$ 1,616,879	\$ 1,253,026	\$ 1,830,956	\$ 2,017,013	\$ 186,057	10.2%
DEPT 417 - HUMAN RESOURCES	\$ 291,336	\$ 383,127	\$ 376,453	\$ 378,150	\$ 1,697	0.5%
DEPT 418 - INFORMATION SERVICES	\$ 525,705	\$ 557,601	\$ 525,600	\$ 525,600	\$ -	0.0%
DEPT 420 - POLICE SERVICES	\$ 4,527,650	\$ 5,096,686	\$ 5,716,289	\$ 5,950,287	\$ 233,998	4.1%
DEPT 432 - RECREATION PROGRAMS	\$ 811,031	\$ 921,970	\$ 1,124,759	\$ 1,169,519	\$ 63,761	5.7%
DEPT 434 - WHITMORE POOL & REC AREA	\$ 331,217	\$ 388,517	\$ 402,542	\$ 387,547	\$ (14,995)	-3.7%
DEPT 436 - ARTS & CULTURE	\$ -	\$ 55,608	\$ 98,160	\$ 102,332	\$ 4,172	100.0%
DEPT 438 - PARKS, BLDGS & TRAIL MAINT	\$ 716,727	\$ 726,606	\$ 826,844	\$ 842,590	\$ 15,746	1.9%
DEPT 440 - PLANNING DIVISION	\$ 1,240,216	\$ 1,335,462	\$ 1,276,951	\$ 1,265,847	\$ 53,659	4.2%
DEPT 442 - BUILDING DIVISION	\$ 703,303	\$ 809,806	\$ 869,116	\$ 977,584	\$ 108,469	12.5%
DEPT 444 - CODE COMPLIANCE	\$ 114,605	\$ 121,946	\$ 140,289	\$ 143,053	\$ 2,764	2.0%
DEPT 445 - HOUSING PROGRAMS & PLANNING	\$ 1,859,209	\$ 1,819,554	\$ 1,176,895	\$ 1,209,805	\$ 32,910	2.8%
DEPT 460 - ENG, PUBLIC WORKS & ADMIN	\$ 540,015	\$ 893,163	\$ 1,011,869	\$ 996,354	\$ (15,515)	-1.5%
DEPT 464 - FACILITIES MAINTENANCE	\$ 123,505	\$ 156,762	\$ 170,759	\$ 313,331	\$ 142,572	83.5%
DEPT 467 - OFFICE OF OUTDOOR RECREATION	\$ 250,400	\$ -	\$ 621,380	\$ 650,559	\$ 29,179	100.0%
DEPT 475 - TRANSIT SERVICES	\$ 2,017,091	\$ 1,184,605	\$ 1,311,900	\$ 1,359,600	\$ 47,700	3.6%
DEPT 480 - TOURISM & BUSINESS DEVELOPMENT	\$ 5,801,303	\$ 5,222,506	\$ 3,253,800	\$ 3,344,200	\$ 90,400	2.8%
INTERFUND TRANSFER	\$ 17,762,279	\$ 18,928,668	\$ 6,737,307	\$ 8,210,499	\$ 1,473,192	21.9%
Sub-Total	\$ 24,181,330	\$ 23,729,732	\$ 23,808,493	\$ 24,817,199	\$ 1,092,469	4.6%
Transfer Out	\$ 17,762,279	\$ 18,928,668	\$ 6,737,307	\$ 8,210,499	\$ 1,473,192	21.9%
Total General Fund	\$ 41,943,609	\$ 42,658,399	\$ 30,545,800	\$ 33,027,697	\$ 2,565,661	8.4%

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

FY24 - 25 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. Staff are recommending a change in the Gas Tax – Snow removal revenue estimate starting this fiscal year. This revenue item is highly variable depending on the cost of snow removal in the previous year. Since the General Fund must transfer funds to cover expenses in the Gas Tax fund, this variability causes a whipsaw effect in the General Fund. By budgeting an average revenue, similar to the way we estimate snow removal costs for the current year, with undetermined levels of snow, there is a predictable impact to the General Fund. The revenue for FY24-25 includes \$1,968,033 in State Gas Tax fund and \$3,572,377 in General Fund support.

Gas Tax Fund Revenue by Category

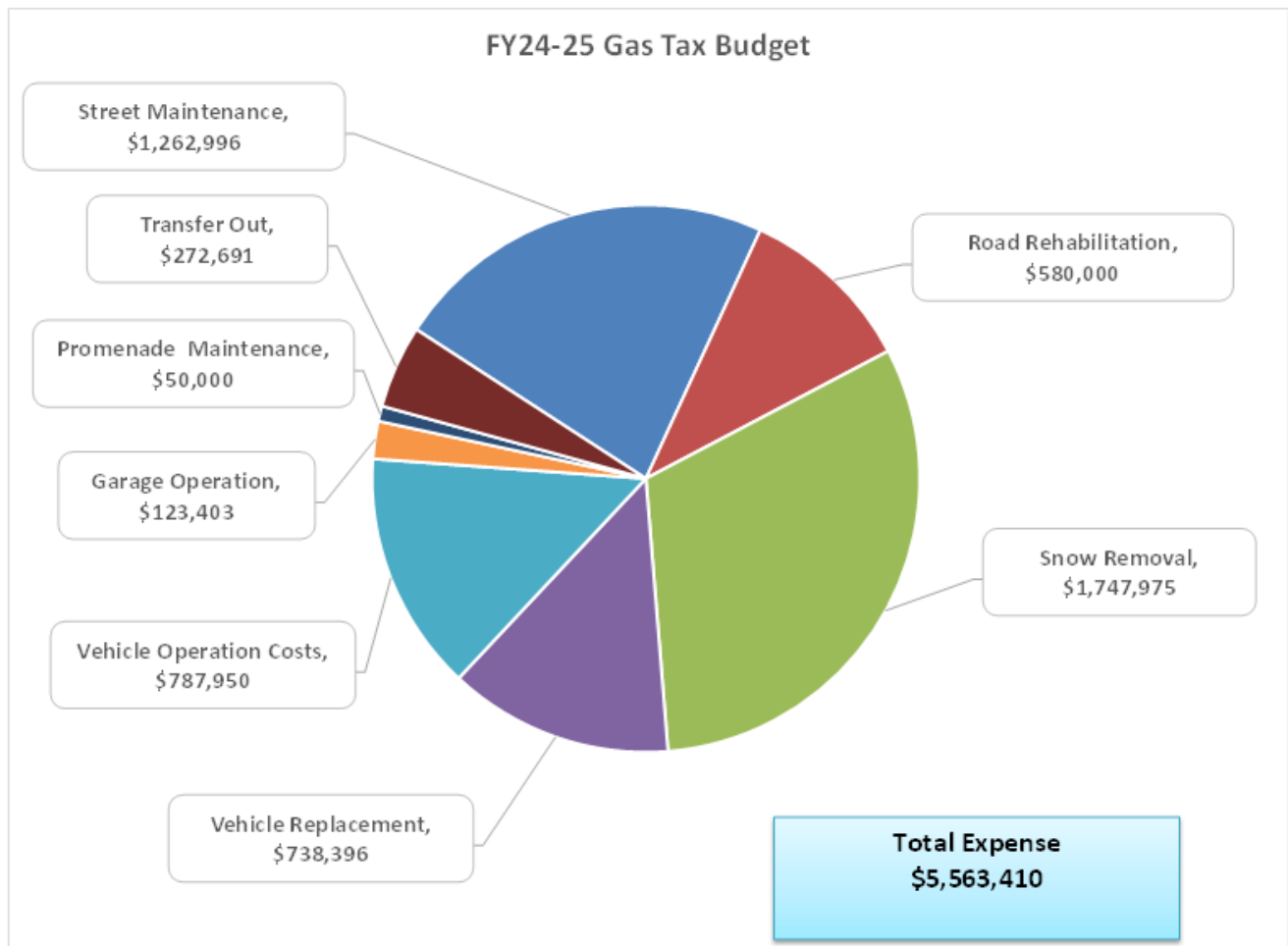
Item	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Budget	FY24-25 Budget	Variance to Prior Year Budget	
Gas Tax	\$ 223,898	\$ 220,269	\$ 1,879,508	\$ 230,342	\$ 230,342	\$ -	0.0%
Gas Tax - Snow Removal	\$ 1,531,985	\$ 1,495,924	\$ -	\$ 2,400,000	\$ 1,550,000	\$ (850,000)	-35.4%
Gas Tax - SB1	\$ 161,785	\$ 162,561	\$ 120,338	\$ 187,691	\$ 187,691	\$ -	0.0%
Total Gas Tax	\$ 1,917,669	\$ 1,878,754	\$ 1,999,845	\$ 2,818,033	\$ 1,968,033	\$ (850,000)	-30.2%
Transfer In - General Fund & Garage	3,040,926	3,506,199	2,612,520	2,672,520	3,572,377	\$ 899,857	33.7%
Misc Revenue	137,112	168,058	57	23,000	23,000	\$ -	0.0%
Total Gas Tax Revenue	\$ 5,095,707	\$ 5,553,011	\$ 4,612,422	\$ 5,513,553	\$ 5,563,410	\$ 49,857	0.9%

SB1 Funds listed in the revenue numbers above must be spent on specified 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 expenditure adjustment is reflective of a shift in labor costs between the departments. Transfer out is reduced by the transfer to assessment districts, resulting in an overall decline in expenditures by \$53,751. These transfers are tied to the snow removal gas tax adjustments listed above, so they are similarly averaged.

Gas Tax Fund Expenditures by Category

Department	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Budget	FY24-25 Budget	Variance to Prior Year Budget	
Street Maintenance	\$ 1,499,890	\$ 999,718	\$ 1,071,593	\$ 1,374,151	\$ 1,262,996	\$ (111,155)	-8.1%
Road Rehabilitation	\$ 68,208	\$ 44,363	\$ 5,577	\$ 580,000	\$ 580,000	\$ -	0.0%
Snow Removal	\$ 1,145,689	\$ 2,246,726	\$ 1,550,909	\$ 1,602,878	\$ 1,747,975	\$ 145,097	9.1%
Vehicle Replacement	\$ 738,020	\$ 770,364	\$ 738,396	\$ 738,396	\$ 738,396	\$ (0)	0.0%
Vehicle Operation Costs	\$ 677,500	\$ 1,201,992	\$ 1,073,789	\$ 681,100	\$ 787,950	\$ 106,850	15.7%
Garage Operation	\$ 174,984	\$ 150,225	\$ 76,684	\$ 122,637	\$ 123,403	\$ 766	0.6%
Promenade Maintenance	\$ 48,323	\$ 33,727	\$ -	\$ 51,000	\$ 50,000	\$ (1,000)	-2.0%
Operational Costs	\$ 4,352,615	\$ 5,447,115	\$ 4,516,948	\$ 5,150,162	\$ 5,290,719	\$ 140,557	2.7%
Transfer Out - Assessment District Snow	\$ 77,251	\$ 112,096	\$ -	\$ 279,308	\$ 85,000	\$ (194,308)	-69.6%
Transfer Out - SB1 & Road funds for Capital	\$ 1,210,000	\$ 50,000	\$ -	\$ 187,691	\$ 187,691	\$ -	0.0%
Total Transfers Outs	\$ 1,287,251	\$ 162,096	\$ -	\$ 466,999	\$ 272,691	\$ (194,308)	-41.6%
Total Gas Tax Expenditures	\$ 5,639,866	\$ 5,609,211	\$ 4,516,948	\$ 5,617,161	\$ 5,563,410	\$ (53,751)	-1.0%



Snow removal is the key expense in this fund that drives operating changes year over year. This not only affects 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 are shown in the above numbers.

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 no later than FY24-25 with a current outstanding balance of \$931,207. The chart below reflects the debt payments made to external entities. The 2004 Bluffs 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 FY24-25	TERM	END DATE	INTEREST RATE	SOURCE OF PAYMENT
Lease Revenue Bond (2015)	Refinance COP and Police Facility Funding	\$ 3,550,000	\$ 2,179,000	\$ 315,073	15 Years	FY2029-30	3.51%	General Fund Fund 100
Installment Sales Agreement (2017)	Multi Use Facility	\$ 5,500,000	\$ 3,445,000	\$ 610,994	10 Years	FY2027-28	2.23%	Measure R Fund 216
Taxable Judgment Obligation Bonds (2017)	MILLA Debt	\$ 23,995,000	\$ 19,830,000	\$ 1,869,919	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 economic 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	\$ 510,448	17 Years	FY2033-34	3.31%	North Village Assessment District Fund 854
Total		\$ 44,041,126		\$ 3,646,434				
	General Fund Debt			\$ 2,524,991				
	Measure R Debt			\$ 610,994				
	Assessment District Debt			\$ 510,448				

This fund also includes future capital components for technology improvement or minor facility improvements that are undesignated but available for any capital project. Staff recommends continuing the 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 \$128,887 in funding for a future capital project.

CONCLUSION

Balancing the FY24-25 preliminary budget deficit will be accomplished working through the various departmental budgets and revenue updates. We anticipate some changes in both revenue 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 the Town Council, staff will proceed with developing 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). The Town Council will be provided with the tentative budget for review on June 5th, prior to the proposed final budget hearing and adoption scheduled for June 19, 2024.