

TOWN COUNCIL STAFF REPORT

Title: Fiscal Year 24-25 – Tentative Budget (Manager Recommended)

Meeting Date: June 5, 2024

Prepared by: Rob Patterson, Town Manager

RECOMMENDATION:

Staff is requesting Council review and comment on tentative budget (Manager Recommended) that will assist staff in preparing the final phase of our FY24-25 budget process. Staff will use direction and additional research to bring a final budget presentation to the Town Council for public hearing and adoption on June 19.

BACKGROUND:

This report provides information related to the FY24-25 tentative budget (Manager Recommended). This phase of the budget is built on recommendations from Department Heads as well as feedback received from Town Council in the preliminary budget presentation on May 1st. There have been minor adjustments to revenue and updates to expenditure based on additional analysis that has been completed. Staff has included a list of changes for review during the tentative budget presentation. The tentative budget for the General Fund currently reflects a positive fund balance of \$70,779 with revenues (\$32,852,365) exceeding expenditures (\$32,781,586) to produce a positive change in fund balance. Staff continue to work on a few key elements of the budget that may have an effect on this balance. Garage Service and Vehicle Replacement still have analysis and modifications which will be completed by the final budget presentation on 6/19.

Fund 100 - General Fund

Revenue

The budget revenue projections presented to Council on May 1st included detailed discussion on methodology used for General Fund revenue. Since the preliminary budget revenue presentation, staff have continued to develop the budget resulting in some minor adjustments to revenue. In particular the review of restricted funds (Measure R and U) identified the fact we will not be operating the Edison Theater for the year and therefore will not have Measure U support that has been transferred in the past. This \$15,000 reduction in “transfer in” for the General Fund is the only revenue adjustment made since the preliminary budget, bringing the General Fund revenue to \$32,852,365 for FY24-25. Below is a summary of General Fund revenue adjustments:

Fund 100 - General Fund

Revenue Adjustments

Preliminary Budget Presentation - May 1st. \$ 32,867,365

Account	Description	Original Amount	New Amount	change amount	Notes
100-000-39999	Interfund Transfers In	\$ 440,000	\$ 425,000	\$ (15,000)	Remove transfer from Measure U (Fund 215) due to theater closed in FY24-25

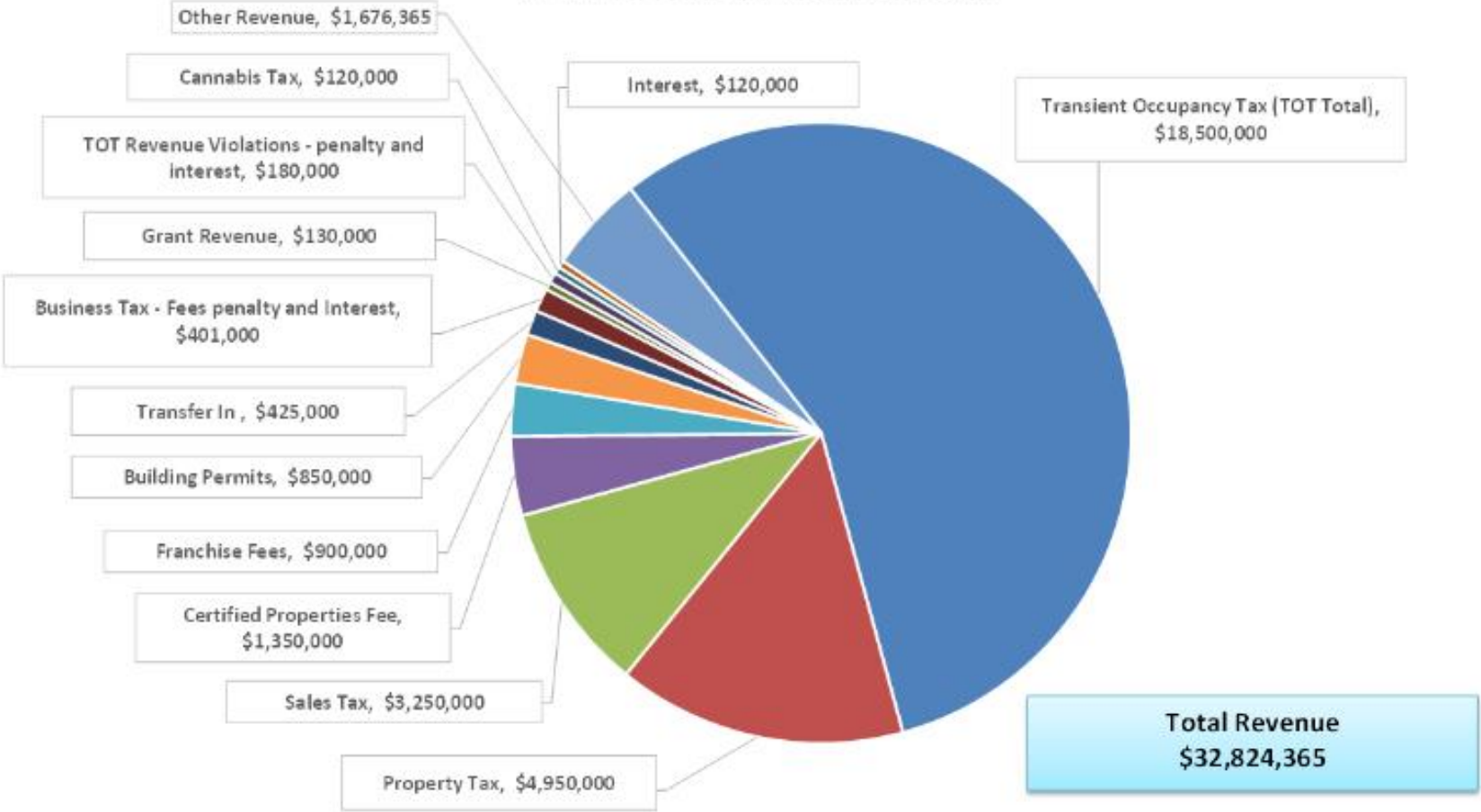
Total Revenue Changes \$ (15,000)

Preliminary Budget - General Fund Revenue \$ 32,852,365

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%	56.9%
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	\$	\$ 425,000	\$	\$ (15,000)		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	\$	\$ 32,852,365	\$	\$ 2,281,200	7.5%	100.0%

FY24-25 General Fund Revenue



Expenditures

The preliminary budget presented to the Town Council on May 1st had a deficit of \$160,331. One of the key areas of budget work has been in the vehicle replacement program. Staff have been reevaluating the current fleet, making adjustments to streamline the fleet in advance of California Air Resource Board (CARB) mandates impacting most businesses in California. Vehicles that have replacement funds accrued but are slated for removal will retain those accrued funds within the division that was originally charged these replacement costs. In addition to the reduction of the fleet, the high interest earnings for the large fund balance in vehicle replacement has generated significant revenue within the fund. In FY23-24, staff allocated these excess revenues to the oldest vehicles in the fleet, accelerating their accrual or in some cases, fully funding the replacement for those units. As noted in the CARB impacts to Vehicle Replacement presentation on May 15, staff will need to address the changing mandates that may require acquisition of a different type of vehicle in the future, therefore, starting in FY24-25, staff will use the interest revenue for a vehicle conversion reserve within each of the divisions. The combined effects of the fleet reduction as well as interest allocation for FY23-24, has significantly reduced the vehicle replacement charges for FY24-25. These adjustments are noted in certain General Fund departments as well as the required transfer out to support Gas Tax. The General Fund expenses were reduced by \$43,902, Gas Tax by \$298,657, and Airport by \$3,551. The other adjustment to General Fund expenditures is an increase of \$100,000 to debt service. Staff had a \$500,000 transfer to debt service to approximate the accelerated dept payments being made to vehicle replacement in prior years, which is a component in the overall play for debt service on the new Civic Center. The increase of \$100,000 will provide a margin of contingency for FY24-25 payments. In total, these expenditure adjustments decreased expense by \$246,110 for the General Fund bringing the total expenditures to \$32,781,587 for FY24-25. The tentative budget has a surplus of revenue of \$70,779 with minor adjustments expected for the final budget presentation on June 19th. The chart below reconciles these changes:

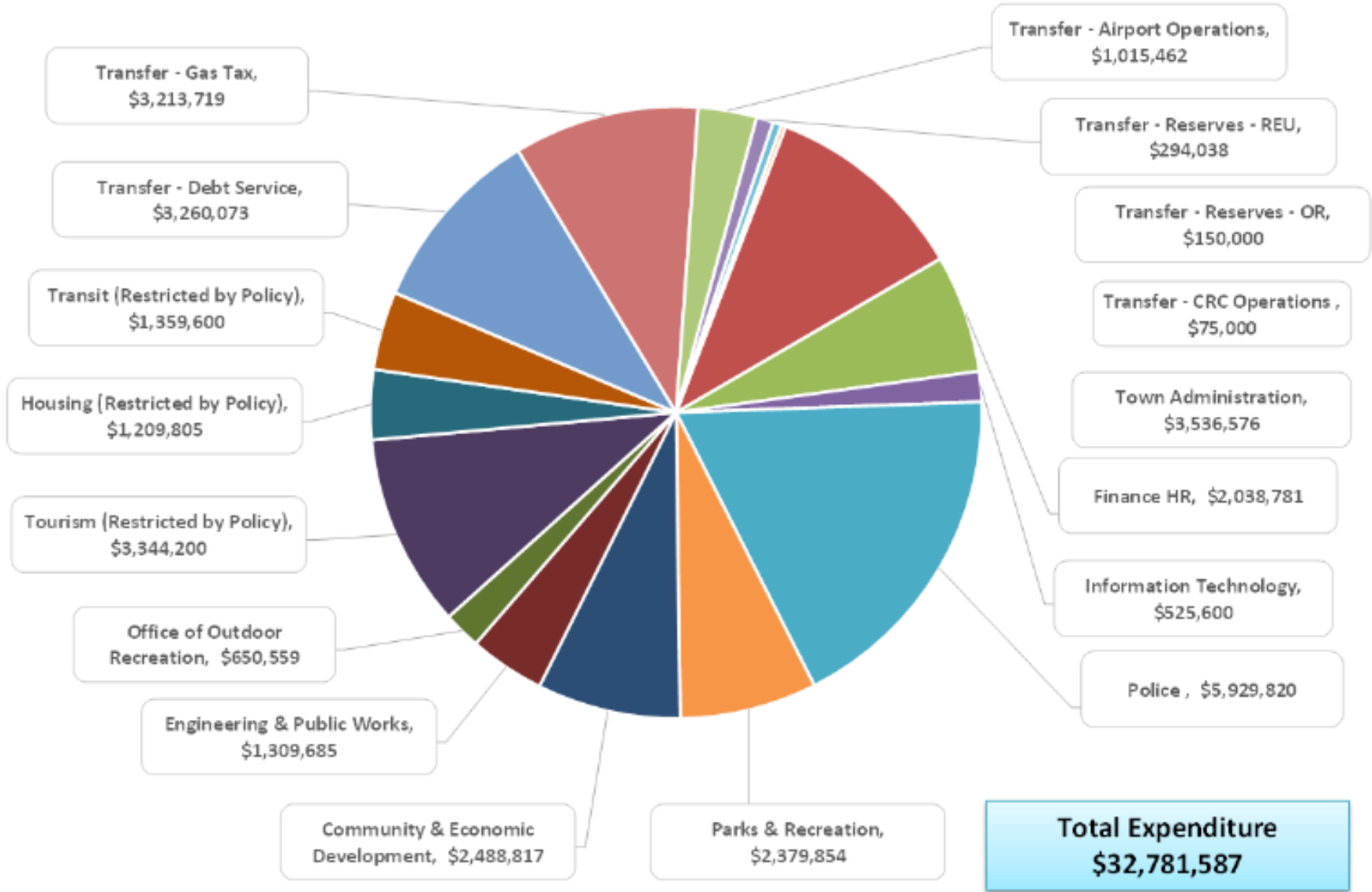
Fund 100 - General Fund

Expense Adjustments since Preliminary

Preliminary Budget Presentation - May 1st. **\$ 33,027,697**

Account	Description	Original Amount	New Amount	change amount	Notes
Various	Vehicle Replacement	\$ 174,670	\$ 130,768	\$ (43,902)	Interest allocation to older vehicles and reduction of fleet.
100-599-49999	Transfers Out	\$ 8,210,500	\$ 8,008,292	\$ (202,208)	Gas Tax (\$298,657), Airport (\$3,551), Debt Service \$100,000
Total Revenue Changes				\$ (246,110)	
Tentative Budget - General Fund Expense				\$ 32,781,587	

FY24 - 25 General Fund Expenditure



Fund 205 Solid Waste

The Solid Waste Fund accounts for restricted revenues related to providing solid waste related services and programs and was established in FY18-19. The majority of the solid waste programs and services are provided by Mammoth Disposal under a Solid Waste Franchise Agreement. The Fund supports recycling and trash services for Town facilities, Town clean up, and staff time associated with managing the Solid Waste Franchise agreement and services. The renewal of the Solid Waste Franchise Agreement in FY 19-20 adjusted the franchise fees by 4.5% from 5% to 9.5%. Two percent of the increase was retained in the General Fund and 2.5% percent is deposited in the Solid Waste Fund. The fees deposited here represent an AB939 fee collected under the new franchise agreement and are estimated at \$150,000 for FY24-25. AB 939 fees are dedicated to meeting recycling mandates by funding facilities and programs to divert waste from landfills and increase recycling efforts. Previously an amount equal to 2% was being received and set aside to assist in the development of new solid waste facilities; this amount was formally incorporated into the franchise fee with the new agreement resulting in a net franchise fee increase of 2.5%. A Solid Waste Parcel fee is levied in Mono County and was shared with the Town by the County under a previous agreement. The parcel fee may be used to fund solid waste related infrastructure and operations, as well as closing costs associated with Benton Crossing Landfill. The Town generates close to \$500,000 for solid waste services from the fee for County solid waste operations. The Town will be working with the County to re-establish shared use of the Solid Waste Parcel fee to assist the Town in meeting State related mandates and other solid waste related operations, as well as ongoing post-closure costs of the Benton Crossing Landfill.

Fund 210 Gas Tax

The Gas Tax Fund 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.

Gas Tax Fund only has minor edits from the preliminary budget, related to transfer out for assessment district snow removal expense and updates to vehicle replacement charges as noted in the General Fund expenditures section of this report. The Gas Tax fund is in balance with total revenue of \$5,264,752 matching expenditures for FY24-25

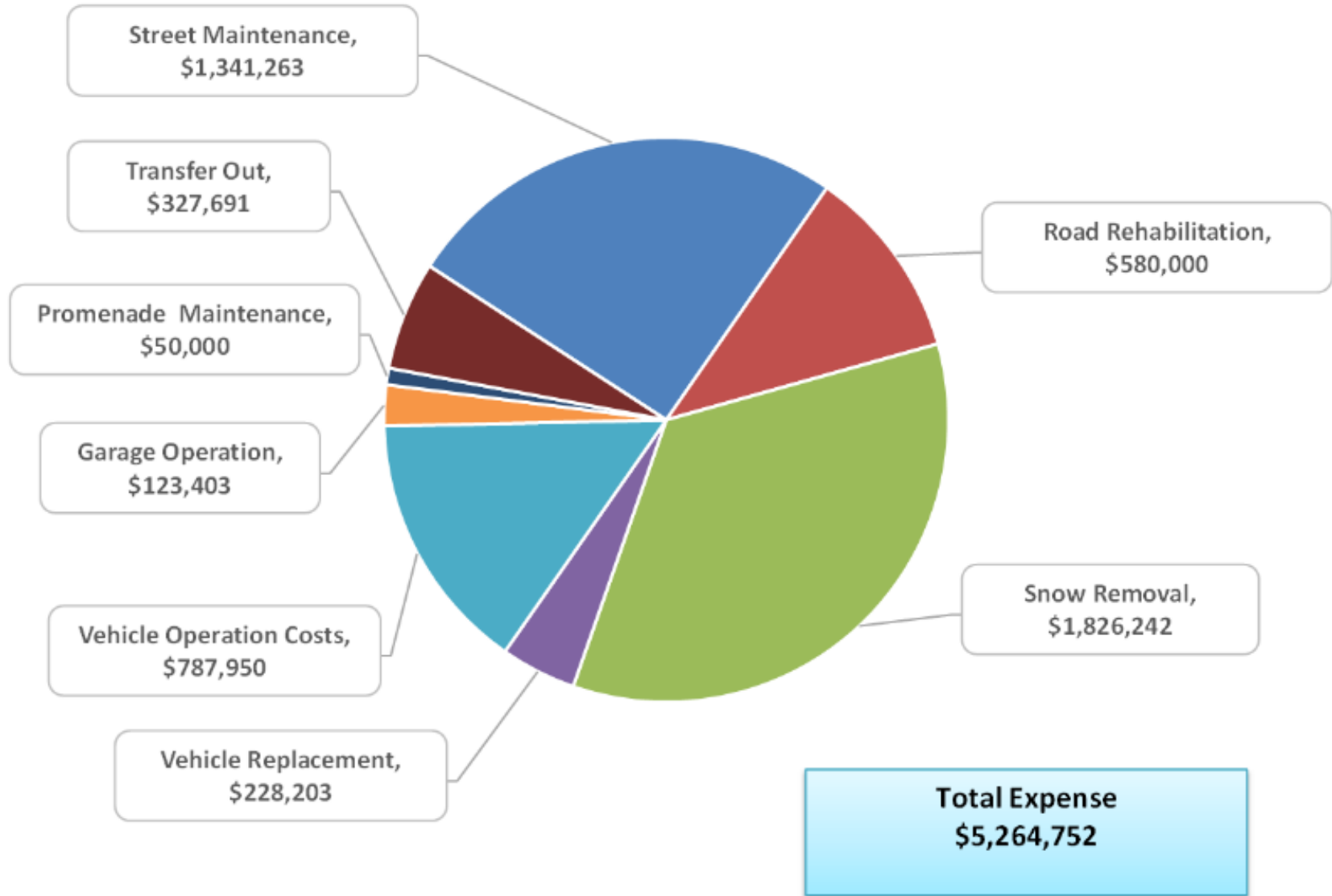
Gas Tax Fund Revenue by Category

Item	FY21-22 Actual	FY22-23 Actual	FY23-24 Actual	FY23-24 Budget	FY24-25 Budget	Variance to Prior Year Budget	
Gas Tax	\$ 223,898	\$ 220,269	\$ 189,511	\$ 230,342	\$ 230,342	\$ -	0.0%
Gas Tax - Snow Removal	\$ 1,531,985	\$ 1,495,924	\$ 1,724,600	\$ 2,400,000	\$ 1,550,000	\$ (850,000)	-35.4%
Gas Tax - SB1	\$ 161,785	\$ 162,561	\$ 135,685	\$ 187,691	\$ 187,691	\$ -	0.0%
Total Gas Tax	\$ 1,917,669	\$ 1,878,754	\$ 2,049,797	\$ 2,818,033	\$ 1,968,033	\$ (850,000)	-30.2%
Services	3,040,926	3,506,199	2,612,520	2,672,520	3,273,719	\$ 601,199	22.5%
Misc Revenue	137,112	168,058	53,682	23,000	23,000	\$ -	0.0%
Total Gas Tax Revenue	\$ 5,095,707	\$ 5,553,011	\$ 4,715,999	\$ 5,513,553	\$ 5,264,752	\$ (248,801)	-4.5%

Gas Tax Fund Expenditures by Category

Department	FY21-22 Actual	FY22-23 Actual	FY23-24 Actual	FY23-24 Budget	FY24-25 Budget	Variance to Prior Year Budget	
Street Maintenance	\$ 1,499,890	\$ 999,718	\$ 1,184,842	\$ 1,374,151	\$ 1,341,263	\$ (32,887)	-2.4%
Road Rehabilitation	\$ 68,208	\$ 44,363	\$ 5,577	\$ 580,000	\$ 580,000	\$ -	0.0%
Snow Removal	\$ 1,145,689	\$ 2,246,726	\$ 1,798,077	\$ 1,602,878	\$ 1,826,242	\$ 223,364	13.9%
Vehicle Replacement	\$ 738,020	\$ 770,364	\$ 738,396	\$ 738,396	\$ 228,203	\$ (510,193)	-69.1%
Vehicle Operation Costs	\$ 677,500	\$ 1,201,992	\$ 1,080,648	\$ 681,100	\$ 787,950	\$ 106,850	15.7%
Garage Operation	\$ 174,984	\$ 150,225	\$ 120,235	\$ 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	\$ 4,927,774	\$ 5,150,162	\$ 4,937,061	\$ (213,101)	-4.1%
Transfer Out - Assessment District Snow	\$ 77,251	\$ 112,096	\$ -	\$ 279,308	\$ 140,000	\$ (139,308)	-49.9%
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	\$ 327,691	\$ (139,308)	-29.8%
Total Gas Tax Expenditures	\$ 5,639,866	\$ 5,609,211	\$ 4,927,774	\$ 5,617,161	\$ 5,264,752	\$ (352,409)	-6.3%

FY24-25 Gas Tax Budget



Measure R and U – Restricted Funding

Revenues generated from two voter initiatives commonly referred to as Measure R and Measure U are restricted in use by the language of the initiatives. The Town Council has designated Mammoth Lakes Recreation (MLR) to be the body to take public input on the proposed use of these funds and to make recommendations to the Town Council for consideration. The MLR Board met on May 14, 2024, and held a public hearing to receive public comment and review the proposed budget allocations of Measure R and U funds.

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

Measure U – Fund Balance and Capital Support

The development and use of fund balance is an important process in governmental accounting. Fund Balance is like a savings account within a particular fund. Whenever the revenue for that fund exceeds the expenditures, a fund balance is created. For special funds like Measure U, creating a fund balance across a few years is a fundamental way to generate enough funding to accomplish large capital projects. This is the case for Measure U and the contributions that have been made to the Mammoth Arts and Cultural Center (MACC) over the last few years.

Changes in fund balance are calculated after all revenue and expenditures are posted and the year is considered complete. The Town performs these closing procedures after the end of the fiscal year, June 30th of each year. These balances are presented during the first quarter budget presentation, in October of each year. Below is the fund balance reconciliation for Fund 217 – Measure U as of June 30, 2023.

Measure U - Fund 217

As of June 30, 2023

Item	Amount
FY21-22 Measure U Fund Balance	\$ 2,888,782
Revenue	
Utility Tax - Electricity	\$ 917,262
Utility Tax - Gas	\$ 244,282
Utility Tax - Telephone	\$ 139,785
Interest on Investments	\$ 112,248
Total FY22-23 Revenue for Measure U	\$ 1,413,577
Expenditures:	
Capital Project - Performing Arts Auditorium (MACC) Construction	\$ 1,000,000
Programming Allocations	\$ 178,425
Performing Arts Auditorium (MACC) Design Support	\$ 100,000
Audit Services	\$ 4,250
	<u>\$ 1,282,675</u>
Total FY22-23 Expenditure for Measure U	\$ 1,282,675
Projected Measure U Fund Balance	\$ 3,019,684
Carry over or Anticipated Items	
Prior Allocation - Performing Arts Auditorium (MACC) construction	\$ 1,800,000
	<u>\$ -</u>
Available Measure U Fund Balance	\$ 1,219,684

The reconciliation begins with the ending fund balance of the prior year. All revenues received for the year are added to that balance and expenditures are deducted. This process calculates the change in fund balance produced from that fiscal year's activity. Any carryover, previously committed items, are deducted from the projected fund balance to indicate what is available for further allocation. As of June 30, 2023, Measure U had an available fund balance of \$1,219,684.

Staff have done an analysis of the financial performance of Measure U for the current fiscal year, FY23-24, in order to determine what changes, if any, were needed. As this is a mid-year calculation, staff made some assumptions on the unavailable data needed for a full reconciliation. In the case of revenue estimates, staff used the current amounts received in each category and used a 3-year average to estimate the months that have yet to occur. In this case we estimate the revenue for FY23-24 to be \$1,431,700, including \$210,000 in revenue from interest. The expenditures are displayed in detail by each budget line item. In this case, any unexpended budget is placed in the "expected" column to bring the total expense to the original budget amount. This is a safe process in a fund like Measure U where expenditures are controlled with little variability, outside of Town Council action. The process outlined above estimates that Measure U fund balance will decrease by \$60,407 for the year, leaving a balance of \$2,959,277 to start FY24-25.

Measure U - Fund 217

Through 4/30/2024

Item	Amount	Expected	Total	Notes
FY22-23 Measure U Fund Balance	\$ 3,019,684			
Revenue				
Utility Tax - Electricity	\$ 693,146	\$ 210,000	\$ 903,146	
Utility Tax - Gas	\$ 193,570	\$ 95,000	\$ 288,570	
Utility Tax - Telephone	\$ 25,524	\$ 5,000	\$ 30,524	
Interest on Investments	\$ 152,473	\$ 57,000	\$ 209,473	
Total FY23-24 Revenue for Measure U	\$ 1,064,713	\$ 367,000	\$ 1,431,713	
Expenditures:				
Transfer Out - Outdoor Rec Manager	\$ 25,000	\$ -	\$ 25,000	
Transfer Out - Outdoor Rec Coordinator	\$ 75,000	\$ -	\$ 75,000	
Transfer Out - Edison Theater	\$ 15,000	\$ -	\$ 15,000	
Transfer Out - MACC	\$ 300,000	\$ -	\$ 300,000	These funds were transferred to Fund 300 Capital Projects
Transfer Out - Outdoor Amphitheater	\$ 300,000	\$ -	\$ 300,000	This was transferred to the MACC Construction Project
Recreation Supplies	\$ 1,638	\$ 362	\$ 2,000	
Contractual Svcs - Contract Expectation		\$ 5,320	\$ 5,320	
Contractual Svcs - MLR Contract Admin		\$ 10,000	\$ 10,000	
Contractual Svcs - Transit Svcs	\$ -	\$ 25,000	\$ 25,000	
Contractual Svcs - Special Projects	\$ -	\$ 25,000	\$ 25,000	
Contractual Svcs - Programming	\$ 38,000	\$ 187,000	\$ 225,000	Actual was \$208,750
Contractual Svcs - FY22/23 Funding Recommendation	\$ 180,300	\$ -	\$ 180,300	
Contractual Svcs - MACC Operating Support	\$ 300,000	\$ -	\$ 300,000	This was recommended for repurpose in 23-24 to Endowment
Audit Services	\$ 4,500	\$ -	\$ 4,500	
	\$ 1,239,438	\$ 252,682	\$ 1,492,120	
Total FY23-24 Expenditure for Measure U			\$ 1,492,120	
Estimated Current Fund Balance for FY23-24			\$ 2,959,277	
Carryover or Anticipated Items				
Prior Allocation - Mammoth Arts & Cultural Center (MACC) con:	\$ 1,800,000			
	\$ -			
Estimated Available Fund Balance for Measure U			\$ 1,159,277	

In the chart above, the same original allocation of \$1,800,000 is referenced, bringing the available fund balance to \$1,159,277. The first request is a planned use of fund balance to allocate \$700,000 to MACC construction from this available fund balance. At the close of FY23-24, Measure U should have an available fund balance of \$459,277 after this allocation.

As the concept of the MACC has evolved, the Town Council has instructed staff to include an estimate of Measure U contribution to operating costs on an annual basis. The estimate is \$300,000 and for FY24-25, staff is recommending the \$300,000 be committed to the construction project which would continue to meet the intention of the Town Council in securing the funds but provide the final push for onetime cash needed for construction. Staff has provided a table to show the Measure U contributions to the MACC construction, including these two requests, bringing the total contribution to \$4,470,000.

MACC Funding Sources	Location	Amount	
Transfer \$1,000,000 FY22-23	Fund 300	\$ 1,000,000	
\$300,000 - FY23-24	Fund 300	\$ 300,000	Expenditure Noted above
\$70,000 - FY21-22	Fund 300	\$ 70,000	
Reallocation of Funding committed to Outdoor Ampitheater	Fund 300	\$ 300,000	Expenditure Noted above
Current Balance in Fund 300 Allocated to MACC		\$ 1,670,000	
Current Fund Balance Allocated to the MACC		\$ 1,800,000	
Allocation of FY24-25 operational set aside to construction	Fund 217	\$ 300,000	Approved by MLR 3/12 Meeting
Allocation of current fund balance	Fund 217	\$ 700,000	Requested as part of FY24-25 Budget
Measure U funded contribution to MACC Construction - all Transfers		\$ 4,470,000	

Measure U - Debt Service

The purchase of the Mammoth Lakes Foundation property is a critical aspect of building the MACC. The Town is financing this purchase as part of the larger Civic Center project, issuing Certificates of Participation - Lease Structured debt. The total land cost is \$4.5 million, which will be part of the debt issuance, scheduled for July 2024. In this agreement, the Foundation would retain \$1.5 million of the sale proceeds and contribute \$3.0 million to the MACC project. The proposed term of the debt is 25 years. The request for Measure U funds will be to contribute \$180,000 annually to the debt service for the first 13 years. These funds will be principal payments only with interest costs paid out of other Town resources. The 13 years will serve two functions. First to provide payment for the portion of land that will be occupied by the MACC, and second to structure the debt service payments up to the point the Town's other debt requirements are completed and can accommodate full payment of the debt. The request is to approve the allocation of \$180,000 annually for debt service for the next 13 years, which is reflected in the FY24-25 budget.

Measure U – Budget Adjustments

Staff has made a number of adjustments to the FY24-25 budget based on normal analysis and updates. The revenue has increased by \$43,000 based on recent trends. The revenue for Measure U is variable based on visitation and the severity of winter. Total revenue projected for FY24-25 is \$923,000 and does not include any estimate for interest. Interest is determined by available

interest rates from standard investment tools as well as the balance on hand. Both of these components are highly variable and therefore not included as a revenue estimate. Any interest received will contribute to covering expenditure and ultimately will end up contributing to fund balance increases.

The bulk of the expenditures remained unchanged for FY24-25 with the exception of a reduction of some small expenditures in order to reduce the overall impact of request and annual commitment of debt service mentioned above. Staff have reduced the charge for the Office of Outdoor Recreation Coordinator by \$50,000, transferring this cost to Measure R, more closely aligning with the work plan and available funding. Staff also removed some smaller expenditures for event contract processing and equipment replacement. The removal of these items provided savings of approximately \$72,320 to bring total expenses to \$339,500. The total budget includes the items mentioned earlier in this presentation, both onetime funding items and the debt service. Based on the revenue over expenditures for FY24-25 generating a positive fund balance of \$103,500, combined with the planned use of fund balance (\$700,000) provides a net reduction of fund balance of \$596,500. As noted above, at the close of FY23-24, Measure U should have an available fund balance of \$1,159,277, leaving an anticipated fund balance of \$562,777 to close FY24-25.

Measure U - Annual Revenue	
Utility Tax: Telephone	\$ 43,000
Utility Tax: Electricity	\$ 650,000
Utility Tax: Gas	\$ 230,000
Total Annual Revenue	\$ 923,000

Measure U - Annual Expenses	
Programming	\$ 225,000
Office of Outdoor Recreation Coordinator	\$ 25,000
Office of Outdoor Recreation Manager	\$ 25,000
Special Projects	\$ 25,000
Transit Services	\$ 25,000
Edison Hall Operations	\$ -
MLR Town Agreement - Administration	\$ 10,000
Event Contracts Processing	\$ -
Audit Services	\$ 4,500
Equipment Replacement	\$ -
Total Annual Expenses	\$ 339,500

Reduce by \$50k transfer to R

Removed, Closed for year

Remove, Town will absorb

Remove, Town will absorb

Measure U - One-Time Expenses	
MACC Construction - Funded in place of Operating set aside	\$ 300,000
MACC Construction	\$ 700,000
Total Annual Expenses	\$ 1,000,000

Funded in place of Operating set aside FY24-25

Prior Year Fund Balance

Measure U - Debt Service	
Land Acquisition MACC (13 Years)	\$ 180,000
Measure U - Total Expense	\$ 1,519,500

MACC Operating - Set aside future expense \$ - Discounted this year due to transfer to construction

Change in Fund Balance (596,500)

Measure R – Fund Balance and Capital Support

The fund balance process for Measure R follows the exact same procedure description provided above for Measure U. Changes in fund balance are calculated after all revenue and expenditures are posted and the year is considered complete. The Town performs these closing procedures after the end of the fiscal year, June 30th of each year. These balances are presented during the first quarter budget presentation, in October of each year. Below is the fund balance reconciliation for Fund 216 – Measure R as of June 30, 2023:

Measure R - Fund 216

As of June 30, 2023

Item	Amount
FY21-22 Measure R Fund Balance	\$ 1,952,035
Revenue	
Sales Tax	\$ 1,961,686
Billing for Work - Mammoth Lakes Recreation	\$ 30,962
Interest on Investments	\$ 93,807
Total FY22-23 Revenue for Measure R	\$ 2,086,455
Expenditures:	
CRC - Debt Service	\$ 615,747
Capital Project - CRC Interior	\$ 350,000
Measure R - Trails	\$ 250,000
CRC - Operations Support	\$ 112,000
Measure R - Office of Outdoor Trails Manager	\$ 100,000
Capital Project - SHARPS Planning	\$ 100,000
Mammoth Lakes Recreation	\$ 90,500
Measure R - Office of Outdoor Recreation Manager	\$ 25,000
Town Clerk Fees	\$ 10,000
Stantec Consulting Services	\$ 7,825
Audit Services	\$ 4,250
Supplies - Recreation Programs	\$ 2,337
Salaries - Parks Maintenance	\$ 1,466
Supplies - Parks Maintenance	\$ (13)
	<u>\$ 1,669,112</u>
Total FY22-23 Expenditure for Measure R	\$ 1,669,112
Projected Measure R Fund Balance	\$ 2,369,378
Carry over or Anticipated Items	
CRC - Capital Project Interior Improvements, committed FY21-22	\$ 350,000
	<u>\$ 350,000</u>
Available Measure R Fund Balance	\$ 2,019,378

The reconciliation begins with the ending fund balance of the prior year. All revenues received for the year are added to that balance and expenditures are deducted. This process calculates the change in fund balance produced from that fiscal year’s activity. Any carryover, previously committed items, are deducted from the projected fund balance to indicate what is available for further allocation. As of June 30, 2023, Measure R had a fund balance of \$2,369,378 with a

carryover commitment of \$350,000. This transfer to capital projects, CRC interior was completed in July 2023 and is therefore reflected in the FY23-24 transactions.

Staff have done an analysis of the financial performance of Measure R for the current fiscal year, FY23-24, in order to determine what changes, if any, were needed. As this is a mid-year calculation, staff made some assumptions on the unavailable data needed for a full reconciliation. In the case of revenue estimates, staff used the current amounts received in each category and used a 3-year average to estimate the months that have yet to occur. In this case we estimate the revenue for FY23-24 to be \$2,658,925, including \$147,570 in revenue from interest, and \$275,000 from project reimbursement. The expenditures are displayed in detail by each budget line item. In this case, any unexpended budget is placed in the “expected” column to bring the total expense to the original budget amount. This is a safe process in a fund like Measure R where expenditures are controlled with little variability, outside of Town Council action. The process outlined above estimates that Measure R fund balance will increase by \$514,424 for the year, leaving a balance of \$2,883,802 to start FY24-25.

Measure R - Fund 216

Through 4/30/2024

Item	YTD Actuals	Expected	Total	Notes
FY22-23 Measure R Fund Balance	\$ 2,369,378			
Revenue				
Sales Tax	\$ 1,493,083	\$ 744,000	\$ 2,237,083	
Billing for Work - Mammoth Lakes Recreation	\$ 199,273	\$ 75,000	\$ 274,273	
Interest on Investments	\$ 107,549	\$ 40,020	\$ 147,569	
Total FY22-23 Revenue for Measure R	\$ 1,799,905	\$ 859,020	\$ 2,658,925	
Expenditures:				
Transfer Out - CRC - Debt Service	\$ 613,482	\$ -	\$ 613,482	
Transfer Out - Capital Project - CRC Interior	\$ 350,000	\$ -	\$ 350,000	Transferred to Fund 300 - Capital Projects
Transfer Out - Measure R - Trails	\$ 300,000	\$ -	\$ 300,000	Annual transfer to fund trails projects
Transfer Out - Future Trails Construction	\$ 250,000	\$ -	\$ 250,000	One-time funding for capital projects
Transfer Out - CRC - Operations Support	\$ 112,000	\$ -	\$ 112,000	
Transfer Out - Measure R - Office of Outdoor Trails Manager	\$ 100,000	\$ -	\$ 100,000	
Transfer Out - Measure R - Office of Outdoor Recreation Manager	\$ 25,000	\$ -	\$ 25,000	
Contractual Svcs - Mammoth Lakes Recreation	\$ 100,500	\$ -	\$ 100,500	
Contractual Svcs - Town Clerk Fees		\$ 10,000	\$ 10,000	
Contractual Svcs - Stantec Consulting Services	\$ 200,019	\$ 75,000	\$ 275,019	Reimbursable SNC Grant - See Revenue above
Audit Services	\$ 4,500	\$ -	\$ 4,500	
Supplies - Recreation Programs	\$ 1,866	\$ 2,134	\$ 4,000	Combined \$2,000 each for equipment replacement and maintenance
	\$ 2,057,367	\$ 87,134	\$ 2,144,501	
Total FY23-24 Expenditure for Measure R			\$ 2,144,501	
Estimated Current Fund Balance for FY23-24			\$ 2,883,802	

There is one project the Town is recommending for the use of Measure R funds. This project is tied specifically to recreation amenities and therefore qualifies for the use of these restricted funds. Measure R has been utilized for a number of phases of the SHARP trailhead project; however, there are currently no carryover items associated with the project.

SHARP Trailhead Construction – \$100,000

This project has been in process for several years now. A grant for construction has been received and there is a gap in funding for the full construction and a need for contingency. The total cost is estimated at \$1,015,000 with a grant award of \$950,000. Staff are recommending \$150,000 in additional funds be secured to complete the construction phase of the project. The Town general fund will contribute \$50,000 and the request from Measure R is \$100,000. As the bulk of this is contingency, the Town will commit to spending the grant and General Fund contribution first and only use Measure R funds as needed up to the cap of \$100,000.

Measure R – Budget Adjustments

The budget for Measure R has only minor adjustments for FY24-25. The revenue was increased by \$500,000 based on recent trends for the last few years. With Measure R revenue tied to sales tax, there has been a natural increase through higher prices and expanded visitation. Total Revenue is estimated at \$2.0 million for FY24-25.

Expenditures remain consistent with prior year estimates with the exception of the \$50,000 staff contribution to the Recreation Coordinator. The recommended capital project support and the adjustments to revenue and expenditures will generate a positive fund balance of \$574,006 for FY24-25.

Measure R - Annual Revenue		
Sales Tax: Measure R *	\$	2,000,000
Total Annual Revenue	\$	2,000,000

Measure R - Annual Expenses		
Transfer to Fund 215 - Trails	\$	300,000
Community Recreation Center Support	\$	112,000
Transfer to Fund 100 - Trails Manager	\$	100,000
MLR Town Agreement - Administration	\$	94,500
Office of Outdoor Recreation Coordinator *	\$	50,000
Special Projects	\$	25,000
Office of Outdoor Recreation Manager	\$	25,000
Audit Services	\$	4,500
Equipment Replacement	\$	2,000
Equipment Maintenance	\$	2,000
Total Annual Expenses	\$	715,000

Measure R - Fund Balance Allocation (One-Time)		
SHARP Trailhead - Construction	\$	100,000
Measure R - One-Time Funding	\$	100,000

Measure R - Debt Service		
CRC Financing	\$	610,994
Measure R - Total Expense	\$	1,425,994

Change in Fund Balance	574,006
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* Transfer from Fund 217

Staff Funding Office of Outdoor Recreation

Included in both Measure U and Measure R budget is a contribution to the General Fund that covers a portion of the cost for each position in the Office of Outdoor Recreation. These positions are all paid as part of the Fund 100 – General Fund and are not represented in any labor costs reflected in Measure R and U but in fact are a part of the transfer out to the General Fund. These positions are posted roughly 50% of total costs based on the charts below.

Office of Outdoor Recreation

Position	Salary & Benefits	Restricted Funding	Town Funds	Note
Office of Outdoor Recreation - Manager	\$ 179,806	\$ 50,000	\$ 129,806	Lawson Reif (Measure R - \$25,000, Measure U \$25,000)
Recreation Coordinator	\$ 107,428	\$ 75,000	\$ 32,428	Gretchen Haselbauer (Measure R - \$50,000, Measure U \$25,000)
Trails Manager	\$ 128,706	\$ 100,000	\$ 28,706	Andrew Mulford (Measure R \$100,000)
	\$ 415,940	\$ 225,000	\$ 190,940	

Measure R Trails Budget

The majority of the expenditure in Fund 215 Measure R trails is the trail crew force and contractual services for contract work on the trails. The Town employs six people to work on the trail system maintenance, allocating 4,375 hours at an average rate of \$25.64 / hour.

Measure R Trails

Revenue	Amount	Notes
Transfer In - Fund 216	\$ 300,000	Measure R - Trails Construction support
	\$ 300,000	
Expenditures		
Staff and Labor	\$ 269,058	Trail Construction Labor
Contractual Services	\$ 14,342	Funds available for contract trails production
Misc Expenses	\$ 16,600	
Total Expenditures	\$ 300,000	

Change in Fund Balance	\$ 0
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* Capital Funding for Future Trails Construction

Staff has provided a summary list of requested adjustments to FY24-25, Measure R and U budgets that have been approved by the MLR board and incorporated into the budget.

Summary of Requests

FY24-25 Budget

Measure	Item		Amount
Measure U	MACC Construction - Planned Use of Fund Balance	\$	700,000
Measure U	Annual Debt Service - MLF Land Purchase	\$	180,000
Measure U	Comprehensive Budget Approval		
Measure R	SHARP Trailhead construction	\$	100,000
Measure R	Recreation Coordinator	\$	50,000
Measure R	Comprehensive Budget Approval		

Airport Operational Fund (220)

The Airport crew continue to evolve the function and utilization of the Airport, aligned perfectly with the scheduled charter service and high value general aviation customers. The crew constantly strive for operational improvements that will have a positive influence on all Airport customers while seeking efficiencies to keep the size of the operation nimble. The staff level is consistent to prior years for the operations team with one additional part-time employee added to support administrative functions in the Deputy Airport Manager's office. For FY24-25, the Town continues to rely on FAA CARES grant funding to support operations, with a shift to greater contribution from the General Fund in order to reduce reliance on these operational grants in the near future. By contributing more from the General Fund, staff will extend the grant period while slowly reintroducing the support needs to the General Fund budget. This operational grant should be exhausted in FY24-25.

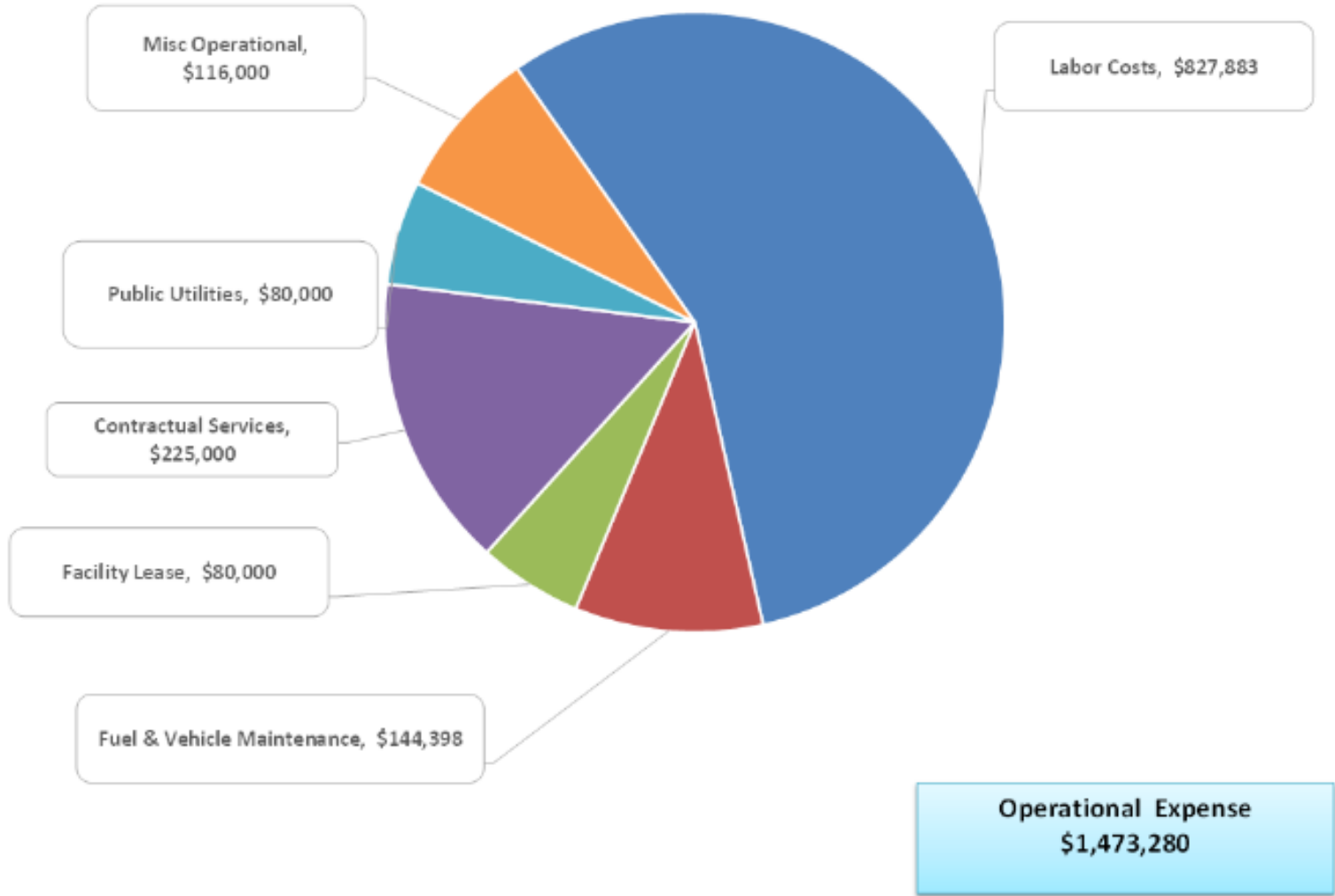
Airport Fund Revenue by Category

Item	FY20-21 Actual	FY21-22 Actual	FY23-24 Budget	FY24-25 Budget	Variance to Prior Year Budget	
Airport Passenger Facility Fee	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Car Rental Fee	\$ 63,581	\$ 90,341	\$ 55,000	\$ 55,803	\$ 803	1.5%
Commercial Terminal Rent	\$ 1,750	\$ 4,200	\$ -	\$ -	\$ -	0.0%
Hanger Ground Lease	\$ 117,254	\$ 113,185	\$ 110,000	\$ 110,000	\$ -	0.0%
FAA: Operations Grant CARES Act	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
FAA: Operations Grant (AIP 45 - ACRGP)	\$ 766,413	\$ 239,472	\$ -	\$ -	\$ -	0.0%
FAA: Operations Grant (AIP 47 - ACRGP)	\$ -	\$ 461,802	\$ 300,000	\$ 300,000	\$ -	0.0%
FAA: Capital Project Grants	\$ 3,586,379	\$ 60,783	\$ -	\$ 746,347	\$ 746,347	100.0%
Other Revenues	\$ 51,919	\$ 177,830	\$ 112,980	\$ 112,980	\$ -	0.0%
Total Airport Revenue	\$ 4,587,296	\$ 1,147,612	\$ 577,980	\$ 1,325,130	\$ 747,150	129.3%
Transfer In - General Fund	493,089	1,225,000	875,551	1,015,462	\$ 139,911	16.0%
Total Airport Revenues	\$ 5,080,385	\$ 2,372,612	\$ 1,453,531	\$ 2,340,591	\$ 887,060	61.0%

Airport Fund Expenditures by Category

Department	FY20-21 Actual	FY21-22 Actual	FY23-24 Budget	FY24-25 Budget	Variance to Prior Year Budget	
Labor Costs	\$ 405,196	\$ 783,808	\$ 766,206	\$ 827,883	\$ 61,676	8.0%
Fuel & Vehicle Maintenance	\$ 103,493	\$ 119,335	\$ 144,429	\$ 144,398	\$ (31)	0.0%
Facility Lease	\$ 112,008	\$ 74,036	\$ 80,000	\$ 80,000	\$ -	0.0%
Contractual Services	\$ 150,231	\$ 185,756	\$ 225,000	\$ 225,000	\$ -	0.0%
Public Utilities	\$ 76,470	\$ 97,989	\$ 80,000	\$ 80,000	\$ -	0.0%
Misc Operational	\$ 329,483	\$ 302,197	\$ 119,500	\$ 116,000	\$ (3,500)	-2.9%
Operational Costs	\$ 1,176,881	\$ 1,563,121	\$ 1,415,135	\$ 1,473,280	\$ 58,145	4.1%
Labor Costs - Capital Projects	\$ 36,837	\$ 16,040	\$ 33,755	\$ 35,839	\$ 2,084	100.0%
Contractual Services - Capital Projects	\$ 231,905	\$ 549,761	\$ 831,472	\$ 831,472	\$ -	0.0%
Capital Project Costs	\$ 268,742	\$ 565,801	\$ 865,227	\$ 867,311	\$ 2,084	0.2%
Total Airport Expenditures	\$ 1,445,622	\$ 2,128,922	\$ 2,280,362	\$ 2,340,591	\$ 60,229	2.6%

FY24-25 Airport Operational Budget



Fund 240 – Long Valley

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

Development Impact Fees Fund (830 - 841)

The fees are restricted to capital projects and as fees come in and an appropriate project is moving forward, the budget will be amended based on actual funds received and passed through upon request from the proper agencies. The Town retains 4% of all funds received for administrative purposes. The fees in previous years have had significant increases based on large projects permitted within the Town. For FY24-25, staff expects to reflect a normal construction cycle for both building permit revenue and revenue for these DIF Accounts. Currently 10 of the funds have anticipated revenues and expenditures. See chart below.

Fund Balance - DIF Accounts

As of June 30, 2024

The Development Impact Fees have been adopted to defray the cost of new development impacts on existing infrastructure that cannot be accommodated by the existing community. The fees are only for the reasonable incremental cost of new facilities that are required as the result of new development.			
Estimated Fund Balance			
Developmental Impact Fees	(Year End)		FY24-25 Budgeted Revenue
Fund 830 - DIF Town Admin Overhead	\$	158,850	\$ 25,440
Purpose - This fee covers the cost of general administration of the article and any resolution adopted pursuant hereto. Administrative overhead includes, but is not limited to, performance of accounting tasks associated herewith, supervision and handling of funds, preparation and/or updating of master facilities plans, capital financing plans, justification reports and special studies related to development impact fee funded projects.			
Fund 831 - DIF General Facilities & Equipment	\$	332,247	\$ 70,000
Purpose - A development impact fee is established for general facilities, vehicles, equipment, and new town administrative offices.			
Fund 832 - DIF Law Enforcement	\$	172,925	\$ 42,000
Purpose - A development impact fee is hereby established for police facilities, vehicles, and equipment.			
Fund 833 - DIF Storm Drains	\$	288,970	\$ 42,000
Purpose - A development impact fee is established for storm drainage facilities.			
Fund 834 - DIF Parks and Recreation	\$	248,504	\$ 35,000
Purpose - A development impact fee is established for park land, parks, and recreation facilities.			

Developmental Impact Fees	Estimated Fund Balance (Year End)		FY24-25 Budgeted Revenue
Fund 835 - DIF MCOE - Library	\$	301,330	\$ 32,000
<i>Purpose</i> - The Town collects the fees on behalf of the MCOE and the Town does not have jurisdiction over the amount or use of the fee.			
Fund 836 - DIF Streets & Circulation	\$	135,391	\$ 35,000
<i>Purpose</i> - This fee is the pro-rata share for new development for street infrastructure projects to maintain a circulation level LOS D for streets and intersections as described in the General Plan EIR.			
Fund 837 - DIF MCOE Childcare	\$	6,908	\$ 40,000
<i>Purpose</i> - The Town collects the fees on behalf of the MCOE and the Town does not have jurisdiction over the amount or use of the fee.			
Fund 838 - DIF Fire Facilities, Vehicles & Equipment	\$	57,955	\$ 140,000
<i>Purpose</i> - This fee is for new apparatus and Fire Station. The Town collects the fee on behalf of the Mammoth Lakes Fire Protection District and the Town does not have jurisdiction over the amount or use of the fee.			
Fund 841 - DIF Transit & Trails	\$	643,863	\$ 200,000
<i>Purpose</i> - A development impact fee is established for trail construction and transit facilities.			

Budget Assessment Districts Fund (850 - 861)

There are a number of assessment districts within the Town. The districts provide and ensure the continued maintenance, servicing, administration, and operation of various improvements and associated appurtenances located within the public right-of-way. The improvements include the installation, upgrade, construction, or reconstruction of irrigation and landscaping, street lighting, streets, sidewalks and driveways, curb and gutter, drainage facilities, and snowmelt tubing systems.

The Town contracts with NBS to perform annual Engineer’s reports on each of the assessment districts. These reports outline the current fund balance against anticipated maintenance and capital improvement projects. If a variance exists between available funds and anticipated needs, a district assessment is recommended.

Fund Balance - Assessment Districts

As of June 30, 2024

Assessment District	Est. Fund Balance as of June 30, 2024	FY24-25 Assessment Rates
Fund 850 - Juniper Ridge	\$ (96,780)	\$ 1,200 - Per Lot
Purpose - Maintenance of landscaping, ornamental street lighting, street signs, snow stakes, and the decorative walls at the entrance.		
Budget - Total Budget \$66,799 for FY23-24, including Snow removal of \$60,799 and Contractual Services of \$6,000. The Town is contributing \$75,000 for Snow Removal / Gas Tax. Total of 40 lots within the district with a maximum assessment per lot of \$1,200 totaling \$48,000. The remaining balance of 56,201 will reduce prior year deficit from snow removal.		
Fund 853 - Bluffs Maintenance	\$ 324,602	\$ 2,100 - Per Lot
Purpose - Roadway, drainage, sewer, power, street light, telephone, television cable and gas line improvements on streets within the Bluff's subdivision and between subdivision entrances.		
Budget - Total Budget \$282,131 for FY23-24 with Town contributing \$54,308 for Snow Removal with planned projects of \$198,512 and snow removal expense of 83,619. There is a planned use of fund balance of \$61,923 for FY23-24. Maximum assessment per lot is \$2,100 charged to 79 residential lots producing \$165,900 in revenue.		
Fund 854 - North Village	\$ 473,808	Avg \$1,009 per parcel
Purpose - Debt Service for the District improvements include the installation, upgrade, construction, or reconstruction of irrigation and landscaping, street lighting, streets, sidewalks and driveways, curb and gutter, drainage facilities, and snowmelt tubing systems and appurtenant facilities.		
Budget - Debt Service payment for FY23-24 is \$510,690 and contractual services of \$12,000 bring the total budget to \$522,690 for FY23-24. Revenue includes assessment of \$1,009 per parcel will generate \$522,690 in tax assessment. Total 518 units in the district.		
Fund 856 - Old Mammoth Road	\$ 471,067	\$17.56 - Per Linear Foot
Purpose - Maintenance of irrigation and landscaping, street lighting, streets, sidewalks and driveways, curb and gutter, drainage facilities, and snowmelt tubing systems and limited appurtenant services.		
Budget - Total Budget \$175,989 for FY22-23 with Town contributing \$26,000 for Snow Removal leaving \$149,898 remaining. Total District linear front footage is 7,390.210 resulting in a charge of \$17.56 per linear foot.		
Fund 857 - Village Benefit	\$ 516,764	Various Rates see in Budget
Purpose - Maintenance of irrigation and landscaping, street lighting, streets, sidewalks and driveways, curb and gutter, drainage facilities, and snowmelt tubing systems and appurtenant facilities.		
Budget - Total Budget \$606,572 for FY23-24 with Town contributing \$75,000 for Snow Removal. Total of 532 parcels in the district with the following rates: Condominium - \$70.27 - \$117.12 per unit, Commercial / Gondola - \$.09 per square foot, Apartment and Hotel - \$70.27 per room. In addition to snow removal, there is a capital project of \$341,752 planned for FY23-24 and overall there is a planned use of fund balance of \$289,914 in the budget.		

Assessment District	Est. Fund Balance as of June 30, 2024	FY24-25 Assessment Rates
Fund 858 - CFD 2004-01 (Fractional Use)	\$ 65,867	Avg - \$752 per parcel
Purpose - Finance the costs and expenses of providing enhanced services and facilities to the Town including police protection services, criminal justice, recreation program operations and maintenance, library services, museums, cultural facilities, parks, parkways and various other facilities and equipment.		
Budget - Total Budget \$686,600 for contribution Incremental Town Services for FY23-24, as the CRC is slated to open. Total district parcels is 286 with 266 units with a levy amount from \$571.44 - 1,142.88 for an average of \$752 per parcel. Total tax assessment is \$175,080. The CRC is expected to generate \$355,750 in revenue, \$75,000 LA Kings Sponsorship with another \$187,000 transferred in from Measure R and General Fund.		
Fund 859 - DIF in Lieu Mello Roos Tax	\$ 27,148	\$2,470 - per one parcel
Purpose - Developer's have the option to pay an annual assessment rather than pay Development Impact Fees upfront. These fees may be used for public benefit facilities. The Town currently has one property within this assessment district.		
Budget - Total Budget \$2,470 for FY23-24. Total of 1 parcel in the district		
Fund 860 - Transit Facilities	\$ 87,574	Avg \$80 per parcel
Purpose - Contributes to the town-wide transit system.		
Budget - Total Budget \$7,800 for FY23-24. Estimate of total units in the district is 97.		
Fund 861 - Mammoth View	\$ 84,463	\$13.78 - Per Special Benefit Point
Purpose - The improvements maintained by the District include Viewpoint Road, the Viewpoint condominium emergency access area located to the north of the Viewpoint condominiums, sidewalks fronting the District along Main Street, Mountain Boulevard, and Alpine Circle, and appurtenant facilities.		
Budget - Total Budget \$5,200 for FY23-24. Total of 326.41 Special Benefit Points for a total of \$13.78 per Special Benefit Point		

Fractional Mello Roos Fund (858)

The District was created to provide enhanced levels of service for designated Town Services. FY04-05 services are used as a baseline for service, meaning these funds cannot be used for services below the baseline. Due to the reduction of service areas following the MLLA legal settlement, these funds are not available for use in most service areas. The one exception has been recreation where new amenities have been constructed providing levels of service beyond the baseline and therefore an opportunity to use the funds. The tax revenue is received from fractional ownership projects and was put in place to offset the loss of TOT revenue from such projects. This Fund has \$818,000 in anticipated revenues for FY23-24 generated by charges for estimated tax revenue (\$200,000), facility fees (\$355,750), LA Kings sponsorship (\$75,000), transfer-in (\$187,000), and interest (\$250). The Transfer-In is an allocation from Measure R and General Fund to support CRC operations. The opening of the CRC, anticipated in the winter of FY22-23 has increased

both revenue and expenditure expectations for this fund. The transfer in from Measure R was increased this year by \$37,000 to \$112,000. This was achieved by removing Measure R support for both Whitmore and Trails End Park maintenance. These expenses have been absorbed by the General Fund. The General Fund has also contributed \$75,000 to the operating expenses for FY23-24.

CONCLUSION

As we prepare a final budget for Council consideration, we anticipate some minor revenue and expenditure adjustments to the final budget. The final budget will include key sections not yet presented to the Town Council. These key items include Fund 245 – Housing Now! Initiatives, Fund 300 capital improvement projects, Fund 910 – Garage Services, and Fund 915 – Vehicle Replacement. The Town Council will be provided with the final budget for adoption on June 19th. This final budget report will recap all prior presentations including key assumptions and policy decisions that were made along the way.

In addition to the final budget hearing and adoption, staff will present Appropriations Limits, Investment Policy, Master Fee Schedule, and Reserve Policy for approval. Once a final budget is adopted, Staff will begin work on a budget book to aid in public understanding of our budget details along with department goals and objectives for FY24-25.