

MAMMOTH LAKES RECREATION STAFF REPORT

Subject: Discussion and Recommendations on FY25-26 Budget Allocation for Measure R

Meeting Date: June 5, 2025

Written by: Rob Patterson, Town Manager

BACKGROUND:

The following budget information is presented to the Mammoth Lakes Recreation Board (MLR) for discussion and consideration. The operating budget information is similar to last year with proposed adjustments noted. There are no requested “one-time” allocations of either fund. The current agreement between the Town and MLR is represented in the proposed budget allocations.

Fund Balance Review

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 expenditure, a fund balance is created. For special funds like Measure R & U, creating a fund balance across a few years is a fundamental way to generate enough funding to accomplish large capital projects.

Changes in fund balance are calculated after all revenue and expenditure are posted and the year is considered complete. The Town performs these closing procedures after the end of the fiscal year, June 30th, and these balances are presented during the first quarter budget presentation, in October of each year. It is important to note the available balances when considering potential projects or during a review of the proposed budgets.

Below you will find an estimate of the performance for FY24-25 and anticipated fund balance for Measure R by accounting fund. The reconciliation begins with the ending fund balance of the prior year. All revenues received for the year are added to that balance and expenditure is deducted. For the estimated balances below, both revenue and expenditure that have not occurred but are anticipated for the year are included in the report. This process provides for the estimated change in the fund balance expected by the close of FY24-25. Any carryover, previously committed items, are also shown to indicate what is available for further allocation.

Measure R - Trails - Fund 215

Estimated as of June 30, 2025

Item	Amount	
FY23-24 Measure R - Trails Fund Balance	\$	842,974
Revenue		
Transfer-in from Fund 216	\$	300,000
Interest On Investments	\$	35,000
Refunds & Rebates	\$	2,000
		Donation
Estimated Total FY24-25 Revenue for Measure R - Trails	\$	337,000
Expenditures:		
Staff Charges - Trail Crews	\$	98,750
Contract Services - Trails System	\$	130,000
Training	\$	2,200
Public Utilities	\$	50
	\$	231,000
Estimated Total FY24-25 Expenditure for Measure R - Trails	\$	231,000
Projected Measure R - Trails Fund Balance	\$	948,974

Measure R - Fund 216

Estimated as of June 30, 2025

Item	Amount	
FY23-24 Measure R Fund Balance	\$	3,172,993
Revenue		
Sales Tax	\$	2,320,000
Interest on Investments	\$	170,500
Reimbursement - Sherwin Trail Planning	\$	150,000
Estimated Total FY24-25 Revenue for Measure R	\$	2,640,500
Expenditures:		
CRC - Debt Service	\$	610,993
Capital Projects - Mammoth Creek Park - Climbing Boulder	\$	350,000
Measure R - Trails	\$	300,000
CRC - Operations Support	\$	112,000
SHARPS - Trailhead Construction	\$	100,000
Measure R - Office of Outdoor Recreation - Trails Manager	\$	100,000
Mammoth Lakes Recreation	\$	94,500
Stantec Consulting Services	\$	52,500
Measure R - Office of Outdoor Recreation - Rec Coordinator	\$	50,000
Measure R - Office of Outdoor Recreation Manager	\$	25,000
Special Projects	\$	25,327
Town Clerk Fees	\$	10,000
Audit Services	\$	4,500
Supplies - Recreation Programs	\$	4,000
	\$	1,838,820
Estimated Total FY24-25 Expenditure for Measure R	\$	1,838,820
Projected Measure R Fund Balance	\$	3,974,673

Awarded March 18, 2025

\$8,000 CRC Equipment, \$17,352 Indoor Volleyball Court

Measure R - Trails (Fund 215) receives a transfer of \$300,000 from Measure R (Fund 216) where sales tax proceeds are received. This allocation remains consistent with the prior year allocation. The Trails fund is separated from the Measure R fund in order to provide clarity on expenditures for this important recreation amenity, as well as accumulate a fund balance to help with future trail construction projects. With the creation of the General Fund department 467 – Office of Outdoor Recreation in FY22-23, many of the trails administrative expenses have been moved to this new department. The only remaining labor expense in this fund is used specifically for trail construction. This includes an allocation of full-time public works maintenance worker who is allocated for the summer and a crew of part-time employees. The FY 25-26 budget has balanced revenue and expenditure with no planned change in fund balance.

Measure R Trails

Revenue	Amount	Notes
Transfer In - Fund 216	\$ 300,000	Measure R - Trails Construction support
	\$ 300,000	
Expenditures		
Staff and Labor	\$ 102,668	Trail Construction Labor
Contractual Services	\$ 146,732	Funds available for contract trails production
Misc Expenses	\$ 30,600	
Trail Signage	\$ 20,000	SHARP
Total Expenditures	\$ 300,000	
Change in Fund Balance	\$ -	

Measure R (Fund 216) is budgeted to receive \$2,000,000 in Sales Transactions and Use Tax revenues for FY25-26. The fund has operating expenditures of \$718,500 for FY25-26. The Community Recreation Center (CRC) has been in operation since FY23-24, and the operational plan includes \$112,000 in annual support from Measure R. This support helps reduce the fees required for the public and therefore the affordability of the new center. The budget includes support for the Office of Outdoor Recreation in the form of \$100,000 for the Trails Manager, \$50,000 for the Trails Program Manager, formerly the Recreation Coordinator, and \$25,000 for the Office of Outdoor Recreation Manager. These positions are critical for the management of trails and other outdoor recreation amenities and are the primary Town staff supporting Mammoth Lakes Recreation. The budget includes \$98,000 for the contract with Mammoth Lakes Recreation to fund operations for FY25-26.

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	\$	98,000
Transfer to Fund 100 - Trails Program Manager	\$	50,000
Transfer to Fund 100 - Office of Outdoor Recreation Manager	\$	25,000
Special Projects	\$	25,000
Audit Services	\$	4,500
Equipment Replacement	\$	2,000
Equipment Maintenance	\$	2,000
Total Annual Expenses	\$	718,500

Formerly Recreation Coordinator

Measure R - Fund Balance Allocation (One-Time)		
Measure R - One-Time Funding	\$	-

Measure R - Debt Service		
CRC Financing	\$	613,227
Measure R - Total Expense	\$	1,331,727

Change in Fund Balance	668,273
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In October 2017, the Town acquired \$5.5 million in debt secured by Measure R for construction of a multi-use facility. The annual payment for this 10-year bond is based on a payment schedule and includes \$613,227 for FY25-26. This payment is included in the FY25-26 budget as a transfer out to fund 990 Debt Service, where all debt payments are made. Below is the debt service schedule for this debt.

Installment Sales Agreement (2017) - Multi Use Facility

Schedule C

Amount \$ 5,500,000
Interest Rate 2.230%
Term 10 Years

Date	Beginning Balance	Annual Interest Accrued	Payment - Principal	Payment - Interest	Total Payment	Annual Debt Service	Ending Balance
19-Oct-17	\$ 5,500,000	\$ -	\$ -	\$ -	\$ -		\$ 5,500,000
1-Apr-18	\$ 5,500,000	\$ 55,193	\$ -	\$ 55,193	\$ 55,193	\$ 55,193	\$ 5,500,000
1-Oct-18	\$ 5,500,000	\$ 61,325	\$ 495,000	\$ 61,325	\$ 556,325		\$ 5,005,000
1-Apr-19	\$ 5,005,000	\$ 55,806	\$ -	\$ 55,806	\$ 55,806	\$ 612,131	\$ 5,005,000
1-Oct-19	\$ 5,005,000	\$ 55,806	\$ 510,000	\$ 55,806	\$ 565,806		\$ 4,495,000
1-Apr-20	\$ 4,495,000	\$ 50,119	\$ -	\$ 50,119	\$ 50,119	\$ 615,925	\$ 4,495,000
1-Oct-20	\$ 4,495,000	\$ 50,119	\$ 520,000	\$ 50,119	\$ 570,119		\$ 3,975,000
1-Apr-21	\$ 3,975,000	\$ 44,321	\$ -	\$ 44,321	\$ 44,321	\$ 614,441	\$ 3,975,000
1-Oct-21	\$ 3,975,000	\$ 44,321	\$ 530,000	\$ 44,321	\$ 574,321		\$ 3,445,000
1-Apr-22	\$ 3,445,000	\$ 38,412	\$ -	\$ 38,412	\$ 38,412	\$ 612,733	\$ 3,445,000
1-Oct-22	\$ 3,445,000	\$ 38,412	\$ 545,000	\$ 38,412	\$ 583,412		\$ 2,900,000
1-Apr-23	\$ 2,900,000	\$ 32,335	\$ -	\$ 32,335	\$ 32,335	\$ 615,747	\$ 2,900,000
1-Oct-23	\$ 2,900,000	\$ 32,335	\$ 555,000	\$ 32,335	\$ 587,335		\$ 2,345,000
1-Apr-24	\$ 2,345,000	\$ 26,147	\$ -	\$ 26,147	\$ 26,147	\$ 613,482	\$ 2,345,000
1-Oct-24	\$ 2,345,000	\$ 26,147	\$ 565,000	\$ 26,147	\$ 591,147		\$ 1,780,000
1-Apr-25	\$ 1,780,000	\$ 19,847	\$ -	\$ 19,847	\$ 19,847	\$ 610,994	\$ 1,780,000
1-Oct-25	\$ 1,780,000	\$ 19,847	\$ 580,000	\$ 19,847	\$ 599,847		\$ 1,200,000
1-Apr-26	\$ 1,200,000	\$ 13,380	\$ -	\$ 13,380	\$ 13,380	\$ 613,227	\$ 1,200,000
1-Oct-26	\$ 1,200,000	\$ 13,380	\$ 595,000	\$ 13,380	\$ 608,380		\$ 605,000
1-Apr-27	\$ 605,000	\$ 6,746	\$ -	\$ 6,746	\$ 6,746	\$ 615,126	\$ 605,000
1-Oct-27	\$ 605,000	\$ 6,746	\$ 605,000	\$ 6,746	\$ 611,746	\$ 611,746	\$ -
Totals		\$ 690,743	\$ 5,500,000	\$ 690,743	\$ 6,190,743	\$ 6,190,743	

This concludes the anticipated budget recommended for Measure R in FY25-26. Staff will incorporate MLR's recommendations into the comprehensive, Town-wide budget submitted for adoption by the Town Council on June 18th