

Mammoth Lakes Town Council
Agenda Action Sheet

Meeting Date: June 21, 2017

Prepared By:

Submitting Department: Administration

Title: Workshop regarding the allocation of Transient Occupancy Tax Revenues.

Recommended Motion: Conduct the workshop providing opportunity for public input and Council discussion on the allocation of Transient Occupancy Tax Revenues focused on supported program areas including Tourism, Housing, and Transit.

Background Information: Councilmembers Wentworth and Fernie have been working as a subcommittee to review the current allocation of Transient Occupancy Tax (TOT) revenues to Tourism, Housing and Transit. This work has included a detailed review of the ballot measures that increased the TOT to its current rate of 13% and the "political commitments" made on the use of the increased TOT. The current allocation of TOT represents adjustments made resulting from the impact on the Town's financial condition due to the Great Recession and more significantly the MLLA legal settlement. Based on the work completed the subcommittee developed a set of recommendations for Council consideration. The focus was three fold: 1) To restore additional funding for Housing; 2) To create consistent operational funding and similar methodologies for NGO partners/contractors employed by the Town for delivery efforts in each program area; and 3) To enhance the level of transparency on the use of general tax revenues including policies to govern funding that may be held in reserves by NGO partner/contractors as well as by the Town. Two related reports and presentations have been presented to the Town Council on May 17 and June 7, 2017. The workshop will allow for public comments and for the Council to discuss the options as previously presented. The policy focus of the work to date has been on the threshold question of continuing the current allocation formulas or to look at modifications to the current formulas. The subcommittee's recommendation is to proceed with a modified allocation structure. A separate action item is on the Town Council's Policy Agenda for consideration during the regular Council meeting, as any changes in the allocation structure will impact the final FY17-18 Budget, which is also on the Agenda for consideration and adoption. The attached staff report provides additional information. The framework questions for Council consideration and action that will be part of the regular Town Council Policy Agenda are as follows:

- 1) Shall Town Council confirm political commitments to Tourism, Transit and Housing?
- 2) Shall Town Council reconfirm no set allocation of TOT revenues to Capital Projects (Community Facilities)?
- 3) Shall Town Council accept recalibration and allocation of TOT revenues based on FY17-18 Tentative Budget of \$12.5 million for areas of Political Commitments to include setting a base allocation in the amounts of: Tourism: \$2,259,619; Housing: \$817,308; Transit: \$817,308 as presented in the staff report?
- 4) Shall Town Council direct that the FY17-18 final budget be adjusted to reflect the modification in TOT allocations?
- 5) Shall Town Council implement the recommended reserve policy as part of the FY16-17 year end accounting process?
- 6) Shall Town Council direct staff to work with MLT to bring forward an updated agreement to reflect new funding structure and to include scope of services, expectations and deliverables?
- 7) Shall Town Council direct staff to work with MLH to bring forward an agreement to reflect new funding structure and to include scope of services, expectations and deliverables?

8) Shall Town Council confirm the continuation of contracting with ESTA on a per hour cost basis for each hour of service provided?

Attachments:

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