

## **Town Council Staff Report**

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Date: September 26, 2018

To: Town Council  
Mammoth Lakes Recreation Board

From: Daniel C. Holler, Town Manager

RE: Background and Discussion Items for October 3, 2018 Joint Workshop

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### **Background**

The Town of Mammoth Lakes (Town) and Mammoth Lakes Recreation (MLR) entered in to a three year agreement for services beginning July 1, 2017 extending through June 30, 2020. The agreement has four parts: the legal frame work for the agreement and three attachments. Attachment A sets forth the overall scope of services in broader terms. Attachment B sets forth the specific deliverables for the term of the agreement. Attachment C sets for the compensation for services. The agreement provides for Attachment B to be “updated annually to reflect changes in specific deliverables for each fiscal year”. MLR has also been designated by the Town to be the public hearing/input body for the allocation of Measure R and U funding requests. The Town Council has final expenditure authority over these funds. A brief overview of the Measure R and U Budgets is provided below. MLR is supported by a Measure R allocation of \$192,000 per year. At the outside of the agreement the Town also provided a one-time general fund contribution of \$225,000 to support activities outside of the restrictions imposed by Measure R. This included the ability to fund raise for operations as well as projects.

The current agreement was prepared as a new Executive Director was being recruited. Since then a new Executive Director has been hired and has been working with MLR Board for a period of time. With the new Executive Director and new board members the joint meeting with the Town is timely. A copy of the agreement is attached.

### **Discussion and Review**

The joint workshop between the Town and MLR provides time for the two bodies to review the current agreement, overall scope and the deliverables. MLR will provide an update on their work to date under the agreement, other efforts and what they see as priority work programs over the remainder of the agreement term. If there are proposed changes to the agreement from Town Council or the MLR Board, or the staff, specific direction is requested on making the changes, which will need to come back in an amended agreement.

Town staff has one recommended change to the legal framework of the agreement. The change is to modify section 3.5.4 Brown Act Compliance to incorporate additional required training. The proposed change is as follows:

3.5.4 Brown Act, Public Records Act, Conflict of Interest and Harassment Training and Compliance. At all times during the term of this Agreement Contractor’s board of directors shall comply fully with the Ralph M. Brown Act, Government Code Section 54950 et seq.

Contractor's obligation hereunder shall not be limited to complying with the Brown Act with respect to the Services, but rather such obligations shall apply to all activities of Contractor and/or its board during the term of this Agreement. Contractor will comply with the California Public Records Act (PRA) Government Code Section 6250. Contractor will comply with conflict of interest codes and guidelines as provided by California Fair Political Practices Commission. Contractor staff and board will attend similar harassment training as required of elected officials and public employees. Contractor staff and board of directors shall attend training in the noted areas at least every two years and within six months of taking on their respective position. MLR shall notify the Town Clerk of any Board vacancy and the name(s) of all new Board members.

The current agreement only speaks to compliance with the Brown Act. The Town will work with MLR and our other NGOs to provide training opportunities.

Town Staff is also recommending one operational support change for consideration, in part to assist with the propose compliance change as noted and to improve public notice and access. This entails providing support for a Town staffed Assistant Clerk position. The proposed funding would be an additional allocation from Measure R and U, anticipated at \$5,000 each. There would be no reduced funding for MLR. The position, working under the Town Clerk would provide support for the broad use of the "Granicus" agenda system, providing consistency across Town and NGO agendas and minutes. The position would clerk at least the MLR Board meetings and provide support to committee meetings. This would allow meetings such as the Mammoth Trails Committee (MTC) to be on Granicus, thereby expanding public opportunity for engagement. With the addition of a jointly funded Eastern Sierra Sustainable Recreation Coordinator position and added program work, expanded public reach will be important. Proper notice and provision of information to the public will be enhanced as well. The closer working relationship with the Town at this level is beneficial. The concept of the supporting clerk role is being presented to other NGOs as well. If approved, a formal job description, budget estimate and funding structure will be presented for approval.

The Town and MLR Board will need to review the current deliverables and determine if any changes are necessary. One to consider is the direct reference to implementation of the Eastern Sierra Sustainable Recreation Program and the oversight of the new jointly funding position with Mono County. Updates may reflect other specific work programs being undertaken by MLR. As this new position transitions in to MLR and a new work program, it is anticipated that joint follow up meeting with MLR and likely Mono County will be necessary. A general follow up joint meeting with MLR and Council should also be considered in early 2019 as well.

### **Budget Overview**

Under the current agreement MLR is funded from Measure R. The annual allocation is \$192,000. As noted above the Town did provide one time funding for non-Measure R related work. The purpose was to allow for other activities, with a focus on fund raising including operational funding to support efforts outside of Measure R. No Measure U funds were allocated for operations. MLR serves as the hearing and recommendation body to the Town Council for the expenditures of Measure R and U Funds. In the past there have been potential conflicts between MLR Board members and the allocation of Measure U funds. While the Board members do recuse themselves from the discussion, having no relationship between staff/operational funding and recommendations for use of these funds is appropriate. As the Town Council is the final appropriating authority any potential conflict is diminished.

The Trails work overseen by the Town's Trails Manager/Coordinator is funded through an annual allocation of \$300,000. The Trails Manager/Coordinator is funded 25% from the General Fund, to allow the position to be engaged in other activities and work outside of those restricted to Measure R. The Trails work program

is overseen by the Mammoth Trails Committee. To account for this work a separate Fund (Fund 215 – Measure R Trails) was established.

Measure R is funded by a dedicated half cent Transactions and Use Tax (TUT) commonly referred to “sales tax”. The revenue for FY18-19 is budgeted at \$1,350,000. The fund supports ongoing operations maintenance programs and debt service on funds for the Multi-Use Facility. Specific project funding may be requested during the year.

Measure U is funded by a dedicated Utility User Tax (UTT), with FY18-19 revenue budgeted at \$900,000. The Council and MLR have previously committed \$2.5 million from Measure U to support the construction of the Mammoth Arts and Cultural Center (MACC). These funds are currently held in the Measure U Fund Balance. Previous commitments also includes up to \$300,000 for operations and maintenance of the new facility once it is opened. These funds are not allocated at this time for any purpose and are simply adding to current and future fund balance. Committing these funds to other operations at this time may impact the previous commitment. Staff is requesting that Council and MLR recommit to this level of support for the MACC.

Both of the funds are budgeted to run a surplus (revenues over expenditures) for FY18-19. To the extent that either or both of these funds have revenues exceeding current expenditures and capital commitments, funds may be further committed or remain as un-assigned fund balance. The revenues continue to be restricted per the voter approved ordinances implementing the taxes.

**Summary**

The Town Council and MLR Board are encouraged to have open discussion on priorities for the remaining term of the agreement, update the terms of the agreement as needed, review the overall scope and update deliverables to reflect priorities. Town Staff has made a couple of recommendations to be discussed with formal direction to be provided accordingly. Agreed upon changes will be incorporated into an updated agreement for consideration by each body. The workshop format is designed to allow for an open discussion between the Town Council and MLR Board.