



## **Mammoth Lakes Tourism Budget Discussion Recap**

Below are recap notes from the three budget discussion sessions held between May 16<sup>th</sup> and 22<sup>nd</sup> with MLT board of directors. These notes are meant to sum up thoughts and ideas as well as be talking points for bigger discussions and decision making. They are in no particular order of importance. The board may choose to discuss and **vote** on any of the bullets below:

1. There was a request to break out Marketing account numbers 63270-TBID (Production) and 66060-TBID (Media) which is now included in your FINAL DRAFT version of the TBID Budget – **attached in agenda packet as “Final Draft V10 TBID Master Budget 2018-19”**
2. There was discussion to formalize a policy for MLT staff to add a “consent agenda” to our monthly MLT Board meeting agenda if we had any department reallocating funds within their budget to the amount in excess of \$25,000 or 20% - it was reaffirmed that any NEW expenses outside of the budget in excess of \$25,000 or more need MLT Board approval as well.
3. Discussion around TBID revenues talked about any excess revenue in the fiscal year would go to reserves – MLT staff could then present options for those funds as needed
4. Question about how much MLT should hold in reserves. Currently the goal is 25% but is that too much at \$1,750,000? National survey of budgets \$5m - \$10m those who keep a percentage keep 20% and those who keep flat dollar amount keep \$1,000,000.
5. If we have savings specifically in air subsidy funding, that money has always been reinvested into air service marketing or subsidy. Should those funds be specifically be earmarked for air and put in their own reserve. i.e. two years ago we saved \$480,000 and reinvested in 2017-18 budget in air service marketing specifically.
6. MLT to provide BOD a cost comparison to other DMO’s – **attached with agenda packet**
7. On the Sales side a request was made to develop metrics to track the value of our international agencies. Michael to set metrics and report seasonally to MLT board on results including:
  - a. Visa Vue spend analysis by market
  - b. Media Placements
  - c. Fam trips and visits
  - d. International Trade shows and sales missions
8. In Communications/PR crib is listed at \$3,000 per month – assume this is not the actual costs but need to check

### **Additional Revenue, Alternative Funding Options and Possible Budget Savings**

9. Town is budgeting \$13,500,000 and at 2.35 points our amount would be \$2,441,000 to be approved at June 6<sup>th</sup> budget workshop with Council. This would add \$180,000 to the MLT Measure A budget but decision is to NOT budget those funds until they are approved. The \$180,000 would be recommended to be put back into marketing
10. Suggestion was made to look at using “joint bucket” to fund \$115,000 for event position salary, benefits and operating budget for 2018-19. Recommendation is that funds would be put back into marketing line 66060.
11. Suggestion was made to look at using “joint bucket” to fund \$50,000 in fish stocking (currently in Measure A budget at \$40,000) Recommendation is that funds would be put back into marketing line 66060.
12. New Vehicles – group consensus was to buy two new vehicles, not lease and to use up to \$125,000 (including vehicle wraps) from the “Conference Center” earmark in Measure A reserve to do so. This would free up \$24,000 in the overhead line. The \$125,000 is made up of \$74,100 from original MLT reserve from TOML in 2010, budgeted but not spent funds over the last two fiscal years for vehicle lease and roughly \$25,000 from current reserve (which again frees up \$24,000 in 2018-19 budget)
  - a. Recommendation with current vehicles is to sell the 2002 Ford F-150 to MLTPA for \$1,000 and to swap out logos on the 2005 Expedition to Mammoth lakes Chamber of Commerce and keep it as a local vehicle.
13. Suggestion was made that we look at “Depreciation Expense” in Measure A Overhead as this is not a true cash cost. This could result in a free-up of \$6,000. Recommendation is that funds would be put back into marketing line 66060.
14. Here is a recap of the budget items listed above that may be able to be added to, or taken out of Measure A, if all items are approved the impact would be \$365,000 added to our Measure A budget that we recommend goes back into the 66060-TBID account line that has seen the biggest decrease YOY:
  - +\$180,000 added to revenue if TOML signs off on us receiving our full 2.35 points (18.08%) of the Town TOT budget of \$13,500,000 (**equates to \$2,440,000 instead of \$2,260,000**)
  - -\$115,000 for events salary, benefits & operating budget (**Recommend this comes from the Joint Bucket**)
  - -\$40,000 in fish stocking (**Recommendation to commit \$50,000 from the Joint Bucket**)
  - -\$24,000 out of overhead budgeted for vehicles (**funding is being requested from MLT Measure A Reserves**)
  - -\$6,000 if we don’t actually need to budget for Depreciation Expense in Measure A Overhead
  - **Suggested fund adjustment could mean \$365,000 invested back into 66060 Media fund**