



**Town of Mammoth Lakes**

Office of the Mayor

437 Old Mammoth RD, Suite R

P.O. Box 1609 Mammoth Lakes, CA 93546

Phone (760) 934-8989 ext. 223, Fax 934-7493

[www.townofmammothlakes.ca.gov](http://www.townofmammothlakes.ca.gov)

August 26, 2015

Honorable Stan Eller  
Presiding Judge  
Superior Court of California  
Mono County  
PO Box 1037  
Mammoth Lakes, CA 93546

RE: Town of Mammoth Lakes Response to the Final Report of the 2014-2015 Mono Grand Jury - "Case #04"

Judge Eller,

I am pleased to provide responses to the final 2014-2015 Grand Jury report which included Case #03 that related to the Town of Mammoth Lakes and Mono County regarding Animal Control Services.

The report included five separate findings with five recommendations. The following responses to both the findings and recommendations were discussed and approved by the Town Council on August 19, 2015. I am submitting the responses on behalf of the Town as requested in the Grand Jury report.

**Responses to Grand Jury Findings and Recommendations**

***Finding 1.** The Town Finance Department had a problem tax case that needs to be looked at in detail to determine whether or not the Town of Mammoth Lakes received all TOT and TBID owed. The Town agrees that there was a difficult tax case. However, staff have already looked at this case in detail and are confident that the Town has received all TOT and TBID amounts owed.*

***Recommendation 1.** The Town Finance Department should pay for an outside audit on the business that was the subject of this complaint. The case in question was processed through the Town and finding made regarding the amount of tax, penalties and interest owed. These amounts were paid by the business. The Town does not agree that the separate expense and time of retaining an outside auditing firm is necessary or that it would be cost effective. Additional follow up by the Town with the business will take place. The business will be subject to the Town's audit program, the same as other remitters.*

**RECEIVED**

**AUG 31 2015**

***Finding 2.*** *The Town Finance Department needs to adopt formal policies and procedures for the tax collection section. The Town agrees with this finding.*

***Recommendation 2.*** *The Town Finance Department should write a policies and procedures manual. The Town has older and minimal policies in place. Policies and procedures have been and are continuing to be updated by finance staff. Staff is also working on updates to the Town's Municipal Code to provide greater clarity and consistency across related matters (i.e. TOT, TBID and business licenses).*

***Finding 3.*** *The Town Finance Department needs to train employees and tax remitters. Town agrees that enhanced training will benefit both employees and tax remitters.*

***Recommendation 3.*** *The Town Finance Department should train employees on the policies and procedures manual; the department should also train TOT remitters by updating its old training program. The first priority is to have Town staff trained. Secondly, as we look to the next 12 – 18 months, staff will be able to train tax remitters. As the revenue team has three relatively new Revenue Specialists, they are learning the Town Municipal Code, past practices, assisting in the development of polices and providing input for Code modifications. Staff members who requested assistance with formal college level course work was granted. The three revenue specialists will be doing on-site training with similar San Diego employees as a training opportunity. This will include some direct audit training and experience as well. A first draft of an updated, detailed manual on the audit process and procedures is complete and the final document will be finalized in the near future. Working with the Town's TOT Committee, there are a couple of local businesses that have volunteered to serve in a training capacity once staff is ready to begin audits. The program for training tax-remitters was reviewed several months ago and re-instating the program is on the Department's work program. This type of training will be implemented after staff is well trained and the remitter training program reviewed and updated. The program will need to be designed to address related areas and not just TOT. This will require solid foundational documentation and processes. The Town is also in the process of updating our financial software, which will also need to be completed prior to remitter training.*

***Finding 4.*** *The Town Finance Department needs to reinstate the TOT audit program. Staff agrees with this finding. The Town agrees in part with this finding.*

***Recommendation 4.*** *The Town Manager needs to set staffing in Finance sufficient to handle collections and audits. The ability to reinstate the Auditing program must be done properly and with well trained staff as noted under Recommendation 3. The current staffing of four full time personnel to the revenue team is adequate for this task. To commit more resources at this time would result in the diminishment of other Town services. The Town has limited resources to meet a number of demands, some of which have a higher priority for additional resources, when available than this service does. As the current team is trained and gain more experience, the overall effectiveness will increase. This has been demonstrated over the past 4-5 months. With the completion of*

the audit manual and staff training we will be ready to initiate an audit program that will be integrated in to the overall work program of the revenue team.

***Finding 5.*** *The Town Finance Department staff has a lack of teamwork.* The Town agrees in part with this finding.

***Recommendation 5.*** *The Town should hire a consultant experienced in team building to address the lack of respectful communication and trust in the Finance Department in order to create a professional working team.* While a single Department, operations are generally divided within two broad work areas: Finance/Accounting/Payroll and Revenue Management, Enforcement/Accounting. Each area is overseen by a manager. The teamwork within each operational area is stronger than the teamwork across operational areas. The oversight work with the Department managers is continuing. A few changes have been made in the department to assist with this item as well (i.e. staff change, office relocations and regular staff meetings). There is ongoing work related to the professional relationships and working environment. At this time the use of a consultant is not being pursued, but remains an option. The Finance Director position is planned to be filled by the end of the fiscal year. The Town has also conducted some Town wide team building exercises in recent months.

I want to thank the Grand Jury for the work they provide our community. Their efforts add to the overall improvement of local government and provide an important oversight function for our residents.

Thank you to the Court for the assistance and guidance that is provided to Grand Jury.

Sincerely,



Daniel C. Holler  
Town Manager

CC: Town Council  
Town Clerk  
Town Attorney