

# **Mammoth Lakes Tourism**

## **DMO Board Meeting**

**Tuesday, February 1, 2011**

### **MLT Meeting Via Telephone Conference**

**Start time 10-am**

Attendees: John Morris, Michael Raimondo, Howard Picket, Teri Stehlik, Cheryl Witherill. John Urdi also attended. Matthew was unable to attend this meeting. Eric Wasserman would try to join us from an appointment.

Agenda: Discussion about Air Service Subsidy and having the contracting with Alaska Air coming directly through MLT sooner than originally anticipated.

It was discussed that the subsidy would continue to be funded by TOML and MMSA, but the contracting would be done through MLT. MMSA would also still maintain the letter of credit with Alaska Airlines. The direction would be to present to Mono County to discuss a partnership with the three entities covering an equal share of the subsidy.

John U. explained that the direction is to have MLT doing the contracting with Alaska Air for the upcoming summer. The mountain will pay the subsidy directly to MLT with hopes that they can reach an agreement with Mono County to bring them in at some level. It has been discussed that Mono County would pay the town their portion as a "marketing fee". If the County does not commit to a full third, the mountain and town would split the difference on what did not come forward from the County. There will be a big push for the county to come in as a third partner each agreeing to \$215k which will be discussed at a meeting next Tuesday. If they do not agree to a 1/3 split, the difference would be split 50/50 from the MTN and the Town. This protects MLT from "holding the bag". This is all part of the presentation. First step, MLT votes to hold contract, then town, then County.

The issue that is problematic is that the mountain cannot hold the contract due to 1099 issues. We need to move the contract to the town or MLT. The town or county cannot pay Mammoth Mountain.

Teri spoke to Karl based on previous discussions on Measure A and the possibility of a bankruptcy. Karl spoke to an attorney who felt we could move forward in possibly making a change to get Measure A moved directly to MLT rather than going through the town. He would want to meet with the Board first and ask some more questions. Karl is in town this week for a short visit. John U. will try to meet with him while he is here.

The goal will be to put the contracting in the hands of MLT yet protect MLT from holding the full subsidy. Hypothetically, if there are no funds from the town due to bankruptcy, who picks up the town portion of the subsidy? We want to make sure it does not put Horizon in the position of not getting paid and that MLT does not end up with the full bill. Howard will need to meet with Rusty on this subject. Howard suggested that we double check on the marketing funds from the county and if they can be locked in or are the funds at risk? The question was asked if the county could pay MLT directly. This will need to be looked into.

The decision was made to have Howard and John move forward with MLT's protected interest and financial risks in mind and report back to the Board about findings. The Board agreed that this is how it should be moving forward with the air contract. Howard and John U will come back with a more formal proposal. This discussion was to give them the backing from the Board in order to move in this direction.

Meeting adjourned at 10:20am.