

City of Leadville

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Budget Message

Our City of Leadville budget is primarily driven by sales tax, which makes up 53% of total revenues, while a distant second is property tax at 17%. For 2017 we have projected a 10% increase in sales tax, but anticipate a 1% drop against the total budget in severance tax, which is oil and gas driven. With that in mind we instructed all departments to build a 2017 budget that had a 7% increase over 2016. We particularly encouraged our department managers to focus on employee pay in the hope that we can begin being competitive with surrounding cities and counties and reduce the high turnover rate experienced over the past ten years. We feel we made good progress to that end.

We hope that this momentum of increased tax revenues year over year continues. Of particular interest is the current annexation process that will bring the 38 acres known as Poverty Flats into the city limits. As that property is developed it has the potential to provide additional tax revenues to the City and allow us to better serve our citizens. We are hopeful.

The city found it necessary in our 2017 budget to purchase some new equipment for the Street Department. We purchased a new truck that will have three different interchangeable boxes, one for snow hauling, one for water, and one for sanding. We also purchased two new F250 pickup trucks with snow plows attached. To do this we had to go outside the budget and allocate \$153,000 from our reserve fund which stood at \$1.5 million. We are reluctant to use the reserve fund but felt this was a wise investment.

The Tabor Opera House was a major consideration this past year as the City of Leadville gathered \$600,000 in grant funds to purchase our beloved, historic icon. It is our hope that, in years to come, the Tabor Opera House will be an economic gem and anchor the revitalization of our historic downtown.

With more residential building and commercial investment, the next three years could be a game changing time for our City and County. As we have said in the past, Leadville is going to change. We must do what we can to control that change and not be taken advantage of or lose our identity. The future looks bright.

With a new Police Chief who is dedicated to providing us with a first rate police force, a Street Department looking forward to new equipment and a renewed pride in their ability to care for us, a Fire Department that has long been a full-time, professional team who received a new Type I fire engine in 2016, and a City Hall staff that works hard every day to make our city better, we have good reason to celebrate our good fortune.

The City of Leadville's annual budget for fiscal year 2017 was prepared on a modified accrual basis of accounting and is consistent with generally accepted principles (GAAP).

Greg Labbe
City of Leadville, Mayor