



## Budget Message for 2018 budget

For the second year in a row, our budget is buoyed by a robust increase in sales tax revenues. As you know 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 2018 we have projected a 7% increase in sales tax. There were some drops in projected revenue, mainly because police, court and traffic fines are down over \$20K, a 41% drop. Now that I think of it, that is pretty good news for most of us.

With that in mind we instructed all departments to build a 2018 budget that had a 3% increase over 2017. We particularly encouraged our department managers to focus on employee pay in the hope that we can continue our effort to be more competitive with surrounding cities and counties and reduce the high turnover rate experienced over the past ten years. We have focused on this and in the last three years our Police, Street, and Fire Departments have experienced overall pay increases of about 30%.

In our 2018 budget we have added a part-time administrative assistant at 15 hours per week and have brought the Main Street program into the city, also at 15 hours per week.

We see the Railyard development moving lots of dirt and putting water and sewer in place so they might be able to build streets and homes by late next summer. We are hopeful as this new tax base can help our downtown building owners revitalize our historic district.

For 2018 the city allowed \$40K of capital investment in our 2018 budget to invest in our Street Department and an additional \$40K for the continued modernization of our Police Department. That should leave our reserve fund at about \$1.3 million.

Having purchased the Tabor Opera House in November of 2016, we turned over its management and operation to the Tabor Opera House Preservation Foundation. Because of that, the City of Leadville had almost no cost associated with the Tabor's operation. We did use some CTF Funds, which are for parks and museums, and which do not affect our general fund, to help with the maintenance of the Tabor since it is a City of Leadville property. It continues to be 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.

I am proud of our City Hall, Police, Street and Fire Departments for the progress I have seen in the past two years, and I'm looking forward to the next two. This is an Exciting time for all of us.

The City of Leadville's annual budget for fiscal year 2018 was prepared on a modified accrual basis of accounting and is consistent with generally accepted accounting principles (GAAP).

Greg Labbe  
City of Leadville, Mayor