

CITY OF LEADVILLE, COLORADO
RESOLUTION 25
Series of 2016

A RESOLUTION CERTIFYING AND LEVYING THE MILL LEVY OF THE CITY OF LEADVILLE FOR 2016 TO DEFRAY THE COSTS OF GOVERNMENT FOR THE CITY OF LEADVILLE FOR THE 2017 BUDGET YEAR, AND AUTHORIZING AND CERTIFYING A TEMPORARY MILL LEVY RATE REDUCTION TO THE BOARD OF COUNTY COMMISSIONERS.

WHEREAS, on December 6, 2016 the City of Leadville adopted its annual budget in accordance with the Local Governmental Budget Law of Colorado (Part 1 of Article 1 of Title 29, C.R.S., as amended); and

WHEREAS, Section 39-5-128(1), C.R.S., requires the City of Leadville to certify its 2016 mil levy to the Board of County Commissioners of Lake County no later than December 15, 2016; and

WHEREAS, Section 39-1-111.5, C.R.S., authorizes a local government to approve and certify a temporary mill levy rate reduction in order to effect a refund under Section 20 of Article X of the state constitution (TABOR); and

WHEREAS, the City Council of the City of Leadville has determined that in order to comply with the terms of TABOR, it is necessary to authorize a temporary reduction in the annual mill levy rate as set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEADVILLE, COLORADO:


Section 1. Pursuant to Sections 39-5-128(1) and 39.1.111.5 C.R.S., as amended, the City of Leadville hereby certifies to the Board of County Commissioners of Lake County that the City's 2016 levy on all taxable property within the City, including a temporary mill levy rate reduction, shall be as follows:

Gross Mill Levy	18.900 mils
Temporary Mill Levy Rate Reduction	5.060 mils
Net Mill Levy	13.840 mils

Section 2. The City Clerk is directed to deliver a certified copy of this Resolution to the Board of County Commissioners of Lake County no later than December 15, 2016.

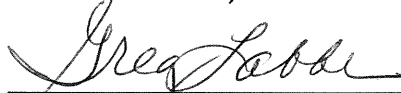
ADOPTED by a vote of ~~6~~ in favor, ~~0~~ against, ~~0~~ abstaining, ~~0~~ absent this 6th day of December, 2016.

ATTEST:



Bethany E. Maher, Deputy City Clerk

CITY OF LEADVILLE, COLORADO

By 

Greg Labbe, Mayor



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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November 21, 2016

Roy McGinnis, City Treasurer
800 Harrison Avenue
Leadville, CO 80461

Via: financedirector@leadville-co.gov

We have input the numbers into the City's allowable property tax calculation spreadsheet for the **2017** collection year. The resulting allowed property tax is \$336,313. This is divided into the assessed valuation of \$27,189,857 to arrive at a net mill levy of 13.840. The gross mill levy should remain at 18.900 with a mill levy credit of 5.060. The calculation of mill levy is noted below:

Allowable Revenue	\$376,313
Assessed Valuation	\$27,189,857
Net Mill Levy	13.840
Gross Mill Levy	18.900
Less: Mill Levy Credit	5.060
Equals Net Mill Levy	13.840

I have also attached the calculations showing how the numbers were arrived at for your review and approval. Please note that the ballot question is subject to significant interpretation and you should have your attorney review it.

If you have any questions, please do not hesitate to contact us.

Sincerely,

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
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City of Leadville
Tabor Limit - All Revenue Excluding
Property and Occupational Taxes

This spreadsheet is used to calculate the total revenue limitation of TABOR
modified for COL's specific debrucing question.

Revenue Amounts:	<u>Audited #'s</u> <u>2014</u>	<u>Audited #'s</u> <u>2015</u>
General	1,965,778	2,412,891
Less:		
Property taxes	(363,388)	(363,738)
Occupational taxes (Business liscense)	(33,299)	(28,575)
Street Improvement	-	-
Conservation Trust	25,025	24,926
Capital Equipment	-	-
Fire operations	636,463	961,665
Total	<u>2,230,579</u>	<u>3,007,169</u>
Less:		
Lottery	(25,025)	(24,824)
Gifts	(11,593)	(5,824)
Sale of Assets	-	-
Reimbursements	(37,790)	(34,891)
Reimbursements - Fire	(633,829)	(777,864)
Grants - GF	(15,810)	(57,598)
Grants - Other funds	-	(182,996)
Other - "one time anomalous increases"	(90,995)	(390,612)
Actual Revenue Base	<u>1,415,537</u>	<u>1,532,560</u>
 Allowable Revenue Base	 1,417,018	 1,458,691
Actual Base Over/(Under) Allowable Base	<u>(1,481)</u>	<u>73,869</u>
	1,415,537	1,458,691
Growth Factor (CPI+Local Growth)	3.05%	3.23%
Allowable Base for Next Year	<u>1,458,691</u>	<u>1,505,875</u>
 Actual Revenue Base	 1,415,537	 1,532,560
Allowable Revenue Base	<u>(1,417,018)</u>	<u>(1,458,691)</u>
Revenue in Excess (below) of Allowable Base	<u>(1,481)</u>	<u>73,869</u>
	<u>25%</u>	<u>25%</u>
Amount to be Refunded = 25% of Excess	N/A-Below Base	18,467
Additional per State 5.5.% required refund	<u>0</u>	<u>0</u>
	<u>0</u>	<u>18,467</u>
	<i>No Refund Required</i>	<i>Applied to 2017</i>

City of Leadville
Tabor Limit - Property and Occupational Taxes

Used to calculate Growth Factor

	<u>2015</u>	<u>2016</u>
Calculate Growth Factor		
Actual valuation	236,842,888	238,904,635
Minus: New construction, etc.	(842,414)	(753,496)
Omitted Property	-	-
Annexations	-	-
Previously taxable	-	67,960
Plus: Destruction of taxable	-	-
Calculated Prior year's value	<u>236,000,474</u>	<u>238,219,099</u>
Local Growth Factor (New Const, etc / Calc. PY value)	0.357%	0.288%
CPI - Denver Bolder - A -	<u>2.88%</u>	<u>1.00%</u>
Growth Factor	<u>3.23%</u>	<u>1.28%</u>

City of Leadville
Tabor Limit - Mill Levy Calculation

This is used to calculate the correct mill levy.

	2014	2015	2016
Property tax base	371,097	382,411	394,780
Growth Factor	3.05%	3.23%	1.28%
Allowable Base for next year	382,411	394,780	399,852

AV - Calculation 27,431,659 26,910,253 27,189,857

USED TO CALCULATE MILL FOR NEXT YEAR:
 Allowable Property Tax for subs. Year.
Allowable Property refund required (based on Rev.)
Abatement - Per Final AV
Additional refund as requested by Council
NET TAX Collected for next year

Mill levy for taxable year collected	371,097	382,411	394,780
Mill levy credit taxable year collected	(6,875)	-	(18,467)
Net mill levy for taxable year collected	247	-	-
	-	-	-
	364,469	382,411	376,313
Mill levy for taxable year collected	18,900	18,900	18,900
Mill levy credit taxable year collected	(5,614)	(4,689)	(5,060)
Net mill levy for taxable year collected	13,286	14,211	13,840

Actual Assessed (City sometimes used prelim #)

Assessed for 2014 collected in 2015	Assessed for 2015 collected in 2016	Assessed for 2016 collected in 2017
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CITY OF LEADVILLE, COLORADO

Resolution No. 2004://-://

A RESOLUTION REFERRING A BALLOT QUESTION PURSUANT TO ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION PERTAINING TO THE RECEIPT, COLLECTION, RETENTION, AND EXPENDITURE OF REVENUE GENERATED FROM ALL SOURCES EXCLUDING PROPERTY TAXES AND OCCUPATIONAL LICENSE FEES FROM 2004 AND SUBSEQUENT YEARS IN PERPETUITY, NOTWITHSTANDING ANY RESTRICTIONS OR LIMITATIONS UPON FISCAL YEAR SPENDING, INCLUDING WITHOUT LIMITATION, THE RESTRICTIONS IMPOSED BY COLORADO CONSTITUTION ARTICLE X, SECTION 20

WHEREAS, the City from time-to-time receives revenue from a variety of sources including taxes, grants, and interest; and
WHEREAS, the City uses the revenue collected to provide necessary public services to County residents; and
WHEREAS, Article X, Section 20 of the Colorado Constitution precludes the City's retention and expenditure of funds for public services and public purposes where the funds exceed an artificially imposed limit set by Article X, Section 20; and
WHEREAS, in some years the City of Leadville may receive revenue that exceeds the artificially imposed limit set by Article X, Section 20 of the Colorado Constitution or other provisions of Colorado law including but not limited to C.R.S. § 291-301; and
WHEREAS, funds that exceed such artificially imposed limits could be applied to provide and increase the City's services to its residents or temporarily reduce property taxes; and
WHEREAS, Article X, Section 20 of the Colorado Constitution authorizes the City of Leadville to refer a ballot issue to the electorate asking for voter approval to retain the excess revenue which exceeds the artificially imposed limit set by Article X, Section 20; and
WHEREAS, the registered electors previously approved a ballot question allowing the City to collect, retain and spend excess revenues collected in years commencing in fiscal year 1997 and expiring as of December 31, 2003; and
WHEREAS, the City Council desires to observe and implement Colorado Constitution Article X, Section 20 by seeking voter approval to continue to collect, retain, and spend excess revenues collected or to be collected in fiscal year 2004 and in subsequent years in perpetuity and
WHEREAS, nothing in this resolution may be construed to authorize the City to impose any new taxes or tax rates without prior and express voter approval and the City is not seeking any increase in taxes by this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEADVILLE, COLORADO:

At the General Election to be held for City of Leadville, Colorado, on Tuesday, November 2, 2004, there shall be submitted and referred to the vote of the registered electors of the City of Leadville the following ballot issue, the full text of such ballot issue to read substantially similar to the following:

Section 1: SHALL THE CITY OF LEADVILLE BE AUTHORIZED TO CONTINUE TO COLLECT, RETAIN, AND EXPEND IN 2004 AND EACH SUBSEQUENT YEAR THEREAFTER THE FULL AMOUNT OF REVENUES GENERATED FROM ALL SOURCES, EXCLUDING PROPERTY TAXES AND OCCUPATIONAL LICENSE FEES, WITHOUT LIMITATION UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION UTILIZING SUCH INCREASES IN REVENUE WITH 2003 SERVING AS THE BASE YEAR AMOUNT AS FOLLOWS: 1. 25% OF THE REVENUE INCREASE TO BE USED TO PROPORTIONATELY REDUCE PROPERTY TAXES IN THE FOLLOWING YEAR THROUGH A TEMPORARY MILL LEVY REDUCTION PROVIDED THAT ONCE THE CITY OF LEADVILLE PROPERTY TAX MILL LEVY REACHES ZERO (0) FOR THREE (3) CONSECUTIVE YEARS, ANY REINSTATEMENT OF PROPERTY TAXES SHALL BE SUBJECT TO VOTER APPROVAL; 2. 75% OF THE REVENUE INCREASE TO BE USED FOR OTHER GENERAL MUNICIPAL PURPOSES; AND IF, IN ANY YEAR REVENUES DECREASE BELOW THE ADJUSTED 2003 BASE YEAR, SHALL THE CITY BE AUTHORIZED, WITHOUT FURTHER VOTER APPROVAL, TO ELIMINATE THE TEMPORARY MILL LEVY REDUCTION AND REINSTATE THE PROPERTY TAX MILL LEVY UP TO AN AMOUNT EQUAL TO THE REVENUE DECREASE, OR AN AMOUNT EQUAL TO THE ADJUSTED 2003 BASE YEAR, WHICHEVER IS LESS?

Section 2. Should anyone or more sections or provisions of this resolution be judicially determined invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining provisions of this resolution, the intention being that the various provisions are severable.

Section 3. At the November 2 2004, election, the official ballot, including absentee ballots, shall state the substance of the questions to be voted on and as so stated in section 1 of this resolution, shall constitute the ballot title, designation and submission clause, and each registered elector voting at the election shall indicate his or her choice on each question submitted.

Section 4. If a majority of all the votes cast at the election shall be for a measure, such measure shall be deemed passed, and the City of Leadville shall be authorized to act in accordance with the approved ballot issue.

DONE AND RESOLVED THIS 1 DAY OF SEPTEMBER, 2004.

Bud Elliott, Mayor

Note: The above methodology was prepared with the assistance of Betty Schact (treasurer), Bud Elliot (Mayor) and Carol Hill (Council Member) and proponent / author. McMahan and Associates, LLC indicated to council that the final methodology s/b reviewed by their attorney. We are uncertain as to whether that occurred or not.

CPI CALC Used HALF1

2011	219.055	3.8%
2012	222.960	1.8%
2013	229.142	2.8%
2014	235.736	2.9%
2015	238.086	1.0%

