

2016 TOWN MANAGER'S BUDGET TRANSMITTAL MESSAGE

The Honorable Mayor, Town Council,
and Residents and Owners of Mountain Village

Submitted herewith is the Town of Mountain Village 2016 Budget and Long Term Financial Plan. This document represents the Town's financial priorities for the fiscal year and it reflects a comprehensive process of allocating resources to programs that have been prioritized as identified by the community and the Town Council.

The importance of setting priorities and focusing on key results lies with the recognition of the recession and its impact on an imbalance between revenues and annual operating expenses which was further exacerbated by decreases in assessed valuations for real estate. Since the fall of 2008, the Town has been challenged by reduced development related fees and a decrease in property tax revenues. These new revenue realities resulted in a realization that new strategies were needed to achieve long term continued financial stability. **The Town Council and staff implemented aggressive expense polices, prioritized funded initiatives based on the benefit provided to the community, and a more efficient tax collection process and thereby created a reserve of more than twice that required by its own budgetary policy.**

In 2015 Town revenues from Tourism and sales taxes remained stable and demonstrated strong growth rates. The assessed value in the Town of Mountain Village has now bottomed out and has started to recover in market value and with recent new construction hitting the County Assessor's rolls. The development sector in 2015 continues to be busy and revenue targets were met. The 2016 Budget continues to reflect conservative fiscal policy and is balanced to revenues with no plans for new debt.

The surplus generated in 2013, 2014 and 2015 drove the growth of our stated target for reserves of 35% of operating expenditures to 84% for the 2016 General Fund budget. Reserve coverage of operating expenditures carrying forward into 2017 is expected to still be over 80%.

In summary the 2016 Town of Mountain Village Budget is sound with investments to keep our economy stable, protect our natural environment and keep our infrastructure in good repair while not increasing debt.

GOALS AND MEASURES

The 2016 Budget represents the eighth year since the initiation of goals and measures into the budget accountability process. Each year since 2009, the town departments have improved upon the measures and continue to focus on improving the services provided to our residents, homeowners, and visitors. The 2008 and 2010 Community Survey provide an excellent benchmarking tool of the satisfaction level of our residents with Town services, and what is important to maintain the high quality of life within our community. By focusing on programs and results rather than line item departmental expenditures, the

Town Council can make decisions for resource allocation by evaluating each program and service.

SUMMARY AND ACKNOWLEDGEMENTS

Town employees continue to strive for a high level of public service and meeting the demands of the community and visitors. The economic downturn and subsequent recovery has had a profound impact on the town's resources yet the teamwork of the Town Council, management team and employees have made it possible to concentrate on our service priorities and deliver those services in a high quality manner. I wish to commend Mayor Dan Jansen, the Town Council, Department Directors, management staff, Finance Director Kevin Swain, Chief Accountant Julie Vergari, and the Budget and Finance Committee members Dan Caton and Marty McKinley for responding to the challenges of maintaining the fiscal health of Mountain Village. This budget represents the Town's continuing effort to provide quality programs and services within revenue constraints while still investing and reinvesting in our facilities and infrastructure.

Kim E. Montgomery
Town Manager