RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT

Resolution in Support of Ballot Issue 6A – May 6, 2025, Regular Election

Recitals

- A. The East Creek Consolidated Metropolitan District ("**District**") is a quasimunicipal corporation and political subdivision of the State of Colorado organized pursuant to the Colorado Special District Act, Article 1, Title 32, C.R.S.; and
- B. The District was organized on March 25, 2024, pursuant to the Order and Decree for Consolidation and the Consolidation Agreement By and Between East Creek Metropolitan District No. 1 and East Creek Metropolitan District No. 2 ("**District 1**" and "**District 2**," respectively) dated September 18th, 2023; and
- C. At its organizational election held May 8, 2018, District 1 electors authorized District 1 to impose ad valorem property taxes up to \$100,000 annually to pay District 1's administration, operation, and capital expenses; and
- D. For the 2024 fiscal year, District 1 levied a General Operating Fund Mill Levy of 36.796 mills that generated property tax revenue in excess of what was authorized by the District 1 voters; and
- E. The District utilizes revenue generated from its General Operating Fund Mill Levy to fund operational costs and maintenance and replacement of public improvements within its boundaries; and
- F. In addition to property tax revenue, the District funds services, including but not limited to covenant enforcement, snow removal, landscape maintenance, and trash removal, via the imposition of fees; and
- G. A reimbursement of previously over-collected taxes would deprive the District of necessary funds for its operation and provision of services, resulting in a compensatory increase in fees or a reduction in services provided to the community; and
- H. The current mill levies and fee rates are anticipated to support District operations and services, subject to inflation, for the foreseeable future, contingent on the District retaining revenues previously collected; and
- I. A regular election for the District is to be held on May 6, 2025, where the District's eligible electors shall consider approving the District's retention of any and all revenue collected by District 1 and District 2 prior to consolidation; and [continued on next page]

J. Pursuant to § 1-45-117(1)(b), C.R.S., the District's Board of Directors ("**Board**") is permitted to pass a resolution taking a position of advocacy on any local ballot issue and distribute such resolution by established, customary means.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT AS FOLLOWS:

1. The District's Board of Directors unanimously recommends approval of the East Creek Consolidated Metropolitan District election question attached as **Exhibit A**, which will be presented to the electors of the District at the May 6, 2025, election.

2. **A YES vote will**:

- a. Eliminate the need to increase fees to counterbalance a property tax refund.
 - b. Avoid the District incurring administrative expenses to process a refund.
- c. Allow the District to allocate its funds to providing services within the community.

3. **A NO vote will**:

- a. Require an increase in fees in order to counterbalance the refund and current cost of services provided. All District revenue comes from its property owners, so there is no practical benefit to doing a refund.
 - b. Potentially reduce services if fees are not raised.

[SIGNATURE PAGE TO FOLLOW]

EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT

Bregory Wright

Greg Wright, President

Attest:

Secretary/Assistant Secretary

EXHIBIT A

Ballot Issue 6A

SHALL EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT COLLECT AND RETAIN ANY AND ALL REVENUES OF EAST CREEK METROPOLITAN DISTRICT NO. 1 AND EAST CREEK METROPOLITAN DISTRICT NO. 2 PRIOR TO CONSOLIDATION AND ANY TIME THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, SECTION 29-1-301, COLORADO REVISED STATUTES, SECTION 29-1-1702, COLORADO REVISED STATUTES, OR ANY OTHER LAW?