

Erie Highlands Metropolitan Districts No. 1 and 2

Operations Fee Frequently Asked Questions

Q. When did the Districts begin collecting an Operations Fee?

- A. The Boards of both Districts unanimously approved the Joint Resolution imposing the fee during their Joint Regular Meeting on June 4, 2025. This fee is the same for every residence in either District.

Q. I was paying \$25 per month (\$75 quarterly) in 2025. Now I received an invoice saying that it is \$35 per month (\$105 quarterly) for 2026. How can that be?

- A. The Board of District No. 2 approved the 2026 fee at its November 5, 2025 meeting, and the Board of District No. 1 subsequently approved the 2026 fee at its December 3, 2025 meeting.

Q. What necessitated the imposition of this Operations Fee?

- A. The costs of operating and maintaining the Districts, along with addressing the deferred maintenance and desired capital reserves, exceeds the revenues received by the Districts. A committee comprised of members from both Boards worked together to study the finances, and they determined the amount necessary for the budgetary shortfalls. They presented their recommendation regarding the imposition and fee amount with the Boards for consideration and action.

Q. Why don't we just reduce our expenditures so we don't need the fee?

- A. That is always a possibility. It is important to note that metropolitan districts cannot operate with a budget deficit, nor can they borrow money without voter approval. In the event that the Districts were to have insufficient resources, all District operations would simply cease at that time – landscaping, snow removal, statutory requirement compliance, etc. The District Boards continue to review all expense reduction opportunities regularly, and both Boards have communicated to all consultants and vendors regarding the same.

Q. I didn't vote for a fee? Do I really have to pay it?

- A. As a quasi-governmental entity, the District has the authority to impose and collect fees. There is no requirement for additional voter approval.

Q. Shouldn't this just all be paid with our property (mill levy) taxes?

- A. The mill levy currently imposed is at the maximum allowed for operations, but still derives insufficient revenues. Further, for District No. 2 in 2026, the mill levy was required to be reduced from the 2025 rate in order to limit revenue to an increase of 5.25% under statutory changes made by the legislature in 2024. The Districts can neither increase the mill levy maximum, nor can it keep the revenue previously allowed from property value increases, without voter approval.

Q. How can I pay the fees?

- A. Payments can be made via mailing a check to the address on the invoice or using the prepared envelope included with your invoice. Payments may also be made via electronic means online or by telephone through Xpress Bill Pay. There is a convenience and processing fee charged by Xpress Bill Pay for payments made on their platform, and that fee is clearly disclosed when paying. In order to keep the amount of the Operations Fee to residents as low as possible, and not subsidize neighbors who pay electronically, the District determined to have that convenience and processing fee for Xpress Bill Pay payments paid directly by residents using the electronic payment service.

Q. My invoice shows late fees. How is that possible and who receives that money?

- A. Late fees are imposed if payment is received after the date listed on your invoice. Late fees are all deposited in the District accounts for use in operations.

Q. Which District is responsible for the operations needs of the combined Districts?

- A. The Districts are both parties to the Cost Sharing – Landscaping, Pool and Clubhouse Intergovernmental Agreement (dated March 5, 2025). Under the terms of that agreement, the Districts share these joint operating costs equally.

Q. I have a billing question or concern. Who do I speak with so I can get this resolved?

- A. Please call Dawn Herther at 303.987.0835 Ext. 205 or email her at dherther@sdmsi.com.

Q. How can I learn more about the District finances, budgets, invoices, etc.?

- A. The website has various resources available, including audits and budgets. For additional financial or any other information, the District Manager should be contacted. You can either call David Solin at 303.987.0835 or email him at dsolin@sdmsi.com. With minor exceptions (certain legal documents and draft materials) **ALL** District records are public documents and available to you, and **ALL** District meetings are open for the public to attend and offer comments to the Board.