

**ORDINANCE NO. 418**

AN ORDINANCE OF THE CITY OF CREEDE, A COLORADO TOWN, SETTING BALLOT TITLES AND BALLOT ISSUES (I) TO AUTHORIZE A TWO PERCENT INCREASE IN THE RATE OF THE TOWN SALES TAX INCREASE AND LIMIT THE USE OF REVENUES GENERATED FROM SUCH TAX INCREASE AND (II) TO AUTHORIZE THE ISSUANCE OF REVENUE BONDS TO FINANCE CAPITAL IMPROVEMENTS; SUBMITTING THE BALLOT ISSUES AT THE ELECTION TO BE HELD APRIL 7, 2020; AND SETTING FORTH DETAILS IN RELATION THERETO.

WHEREAS, the City of Creede, Colorado, a Colorado Town (the "Town"), is a statutory municipality organized and operating under the laws of the State of Colorado;

WHEREAS, the Town presently imposes a sales tax at the rate of 2.0% pursuant to Section 4-3-30 of the Municipal Code of the City of Creede (the "Code"); and

WHEREAS, the Board of Trustees of the Town (the "Board") desires to increase the rate of the Town's sales tax from 2.0% to 4.0%, and to restrict the revenues generated from such tax rate increase to be deposited into the Town's Capital Improvements Fund solely to provide funds for the cost of capital improvements, including the repayment of revenue bonds issued in the future for such purpose, in accordance with Section 4-2-30 of the Code;

WHEREAS, the sales tax increase, if approved by the eligible electors of the Town, shall commence on July 1, 2020 of such earlier date legally available to the Town; and

WHEREAS, the Board desires to advance the safety and welfare of the residents of the Town by funding the cost of capital improvements to the Town's water and sewer facilities with proceeds from the issuance of sales tax revenue bonds; and

WHEREAS, Article X, Section 20 of the Constitution of the State of Colorado requires that the Town have voter approval in advance for any tax rate increase and for the creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever; and

WHEREAS, the Board desires to submit two ballot issues to the eligible electors of the Town on April 7, 2020, authorizing the tax increase and authorizing the issuance of the revenue bonds, both for the purpose set forth in this Ordinance;

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE CITY OF CREEDE, COLORADO THAT:

Section 1. Submission of Ballot Issues at Regular Election. An election shall be held on Tuesday, April 7, 2020, at which there shall be submitted to the eligible electors of the Town a ballot issue authorizing a tax increase and a ballot issue authorizing the issuance of revenue bonds, which questions shall be in substantially the following form:

BALLOT ISSUE \_\_\_:

SHALL CITY OF CREEDE TAXES BE INCREASED \$300,000 (ESTIMATED FIRST FULL FISCAL YEAR DOLLAR INCREASE) ANNUALLY THROUGH A RATE INCREASE OF 2.00% IN THE TOWN SALES TAX (WHICH REPRESENTS A TWO CENT INCREASE ON EACH DOLLAR) COMMENCING JULY 1, 2020 WITH 100% OF THE REVENUES FROM THE SALES TAX RATE INCREASE TO BE DEPOSITED INTO THE CAPITAL IMPROVEMENT FUND AND EXPENDED FOR CAPITAL IMPROVEMENT PURPOSES; AND SHALL ALL TAX REVENUES DEPOSITED IN SAID AND ALL EARNINGS THEREON (REGARDLESS OF AMOUNT) CONSTITUTE A VOTER APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

Ballot Issue \_\_\_:

SHALL CITY OF CREEDE DEBT BE INCREASED BY UP TO \$1,000,000, WITH A MAXIMUM REPAYMENT COST OF \$1,525,000 (MAXIMUM PRINCIPAL AND INTEREST), REPAYABLE FROM REVENUE DERIVED FROM A PROPOSED SALES TAX INCREASE, FOR THE PURPOSE OF FINANCING:

- IMPROVEMENTS TO THE TOWN’S SEWER SYSTEM, INCLUDING SEWER LINES, MANHOLES AND THE TOWN’S WASTEWATER TREATMENT FACILITY

BY THE ISSUANCE AND PAYMENT OF A GOVERNMENTAL AGENCY BOND (REPRESENTING A LOAN FROM THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY), WHICH BOND SHALL BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 3% AND MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT SUCH TIME OR TIMES, AT SUCH PRICES (AT, ABOVE OR BELOW PAR) AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF TRUSTEES OF THE TOWN MAY DETERMINE; AND SHALL THE PROCEEDS OF SUCH BONDS, INCLUDING INVESTMENT EARNINGS, BE COLLECTED AND SPENT AS A VOTER APPROVED REVENUE CHANGE WITHIN THE MEANING OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

Section 2. Setting Ballot Title and Content. For purposes of C.R.S. § 1-11-203.5, this Ordinance shall serve to set the title and content of each ballot issue set forth herein and the ballot title for each question shall be the text of the question itself.

Section 3. Conduct of Election. The officers and employees of the Town are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution and the holding of a mail ballot election on April 7, 2020.

Section 4. Sales Tax Increase. Upon approval of the first Ballot Issue set forth in Section 1 hereof by a majority of the eligible electors voting thereon at said election, the total sales tax imposed by the City of Creede, Colorado pursuant to the Code shall be 4.0%. The 2.0% sales

tax rate increase imposed pursuant to this Resolution shall become effective on July 1, 2020 or such earlier date set by Ordinance of the Board.

Section 5. Deposits to Capital Improvement Fund. All revenue received by the Town from the 2.0% sales tax rate increase imposed pursuant to this Ordinance shall be deposited into the Capital Improvement Fund of the Town and may be expended for the purpose of providing funds for any capital improvements, including the repayment of revenue bonds issued in the future for such purpose, in accordance with Section 4-2-30 of the Code.

Section 6. Severability. Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such determination shall not affect, impair, or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.

INTRODUCED, APPROVED, PASSED ON FIRST AND FINAL READING, ON THIS 16<sup>TH</sup> DAY OF DECEMBER, 2019.

By Jeff A. Larson  
Mayor

ATTEST:

By [Signature]  
City Clerk

