CUMBERLAND GREEN METROPOLITAN DISTRICT

Annual Budget

Fiscal Year 2017

Board of Directors

1/92017



THE BUDGET MESSAGE OF THE BOARD OF DIRECTORS

To the residents of Cumberland Green Metropolitan District:

The following Document represents the Fiscal Year 2017 Budget for the Cumberland Green Metropolitan District as prepared by the Board of Directors of the District and the District Manager.

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As we enter 2017, the Board of Directors remains ever committed to providing an even better quality of life as the District moves closer to achieving Build-out of its planned 574 Single Family Homes and satisfying the requirements of the approved District's Service Plan.

This Budget provides the way ahead in reaching the District's goals of achieving build-out, satisfying the requirements of the approved Service Plan and providing the best service to the residents of the community. As we look toward to the future and chart our way into the next Fiscal year, this budget provides a response to the conditions that is expected to be encountered in 2017.

On November 19, 2015, the District issued bonds for the purposes of refunding the District's prior outstanding bonded indebtedness on more advantageous terms, including a lower interest rate. Given the favorable interest rate environment the District locked in a 5.25% fixed interest rate for the next 30 years. By locking in this interest rate for all of the District's obligations the District ensured fiscal certainty for the District's residents. Thanks to the issuance of refunding bonds in 2015, it is anticipated that the District will be able to significantly lower the District's mill levy beginning in 2018. In order to live up to this promise the District must first fund the Supplemental Reserve account in the amount of $225,000. It is anticipated that the District will end calendar year 2017 with approximately $212,500 in this account. It must be added that this reduction in mill levy will only be possible with the continued construction of additional homes currently being built by Oakwood Homes and Aspen View Homes. In 2015 the District also began receiving money from the Conservation Trust Fund to help offset various capital and operating expenses associated with the District's Parks and Opens Space. Since 2015 the District has received $11,668 from the Conservation Trust Fund In September 2016, the Board authorized the expenditure of $12,656 to pay for a sophisticated Irrigation Control System that will reduce water consumption in the District's parks and open space areas. This control system calculates specific irrigation requirements as determined by weather conditions, measured at a nearby weather station, for each individual area on a daily bases and adjusts system run times accordingly. The system is also capable of detecting leaks and will shut down a particular zone when a higher than normal flow is detected or if water is measured system running through the irrigation system outside normal run times. In 2016 the District spent over $18,000 for irrigating the District's Park and Open Space Area. It is anticipated that the control system will substantially reduce the District's Irrigation expense such that the new system will pay for itself in less than a 3 year period of time.

In addition to purchasing the irrigation control system described above, the District also added a new "Tot Swing" to the park for small children. This swing was installed after several parents suggested this improvement.

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Over the past six months the District Board has been working with representatives of Aspen View Homes to construct a picnic pavilion at the Cumberland Green Park. This pavilion will be constructed in the spring of 2017 and be available for use soon there after. Funds to construct this pavilion will be provided by Aspen View Homes in accordance with a letter agreement between Aspen View Homes and the Cumberland Green Metropolitan District entered into in June, 2016.

In summary, the Adopted 2017 Cumberland Green Metropolitan District 2017 Budget attempts to do several things: The first is to position the District for reducing the mill levies in the near future by taking a major step toward fully funding the Supplemental Reserve account. Secondly the Board will focus on reducing irrigation costs through the operation of the District's newly installed irrigation control system. Finally the District will work with Aspen View Homes to construct a picnic pavilion at Cumberland Green Park.

As the District continues to grow, the addition of new homes will help reduce the District's mill levy, while at the same time, help the District meet its financial obligations going forward and enable the District to maintain its beautiful parks and open space amenities for you, the residents of Cumberland Green.

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