

CUMBERLAND GREEN METROPOLITAN DISTRICT



Annual Budget Fiscal Year 2021

Board of Directors



THE BUDGET MESSAGE OF THE BOARD OF DIRECTORS

To the residents of Cumberland Green Metropolitan District:

The following Document represents the Fiscal Year 2021 Budget for the Cumberland Green Metropolitan District as prepared by the Board of Directors of the District and the District Manager.

As we enter 2021, the Board of Directors remains ever committed to providing an even better quality of life. During Calendar year 2019 the District reached full Build-out of its planned 574 Single Family Homes and satisfying the requirements of the approved District's Service Plan.

This budget satisfies the requirements of the approved Service Plan and ensures 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 2021.

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 was projected at the time that the District could begin reducing its mill levy. Thanks to strong growth and increases in valuations the District's Board of Directors was able to approve a Temporary 3 mill tax reduction. That same reduction is being continued for calendar year 2021. It is hoped that the District can continue to reduce the mill levy, assuming that valuations continue to climb. The repeal of the Gallagher Amendment approved by the State's voters on November 3, 2020 established the conversion percentage of market value to assessed valuation at 7.20% which will stabilize revenues for the Cumberland Green Metropolitan District and reduced uncertainty.

The District began operating a ground water well that was drilled in 2019. This well saved the District approximately thousands of dollars in Irrigation costs during 2020 which was one of the driest Summers on record.

In 2020 the District continued to recover from two hail storms that hit the District during the Summer of 2018. The vast majority of homes that were damaged have been repaired.

In summary, the Adopted 2021 Cumberland Green Metropolitan District Budget attempts to do several things: The first is to continue the reduced mill levy of 47 mills. Secondly, the Board will focus on managing irrigation costs through the operation of the District's irrigation well. The District has also budgeted \$18,000 for various capital improvements including the replacement of trees and shrubs damaged by extreme temperatures in October 2019 and April 2020. These two events killed numerous deciduous trees and bushes throughout the District These improvements are being funded from the Conservation Trust Fund revenues and the Districts Operations and Maintenance mill levy.

Now that the District has reached full build-out, the District will be able to meet its debt service obligations going forward, including a \$50,000 principal payment, due in in 2021, on the District's outstanding debt. The District continues to be in a solid financial position and has the resources to maintain the District's beautiful parks and open space amenities, for you, the residents of Cumberland Green.