

Eagles Nest Metropolitan District

January 14, 2019

BACKGROUND

The Eagles Nest Metropolitan District (ENMD) is a special district that is a quasi-municipal corporation governed by the Colorado Special Districts Act. It was formed in 1981 and issued bonds to finance infrastructure (roads, water, sewer, and drainage) in Filing #1 of the Eagles Nest Development.

ENMD includes all properties located in the Eagles Nest Property Homeowners Association (ENPHA) and Angler Mountain Ranch. Annual property taxes for these properties include an additional ENMD mill levy. Owners are assessed the levy to pay down the bonds. In 2018, the mill levy was 15.052 mills, unchanged since 2007.

ENMD does not own any facilities or infrastructure; all infrastructure built with the bond funding was conveyed to the Town of Silverthorne (Town). Further historical information is available on the ENPHA website.

ENMD is managed by a General Manager and a Board of Directors whose names are at the end of the end of this report. Meetings are held twice a year (May and November) and are open to all owners. Special meetings are held as required. Meeting notices are posted in 3 locations within the District.

DEBT SERVICE REQUIREMENTS

At the beginning of 2018, the remaining debt totaled \$1,453,263 and consisted of two bonds: 2018 -- \$720,213 (\$695,000 principal plus interest) and 2019 \$733,050 (\$720,00 principal plus interest). The bond principal is paid once a year in November. Interest payments are made twice each year, in May and November.

During 2018, the Board authorized prepayment of the 2018 bond principal (\$695,000) in mid-June to save 5 months of interest. The Board also approved prepayment of \$400,000 of the 2019 principal in 2018, saving additional interest. The Board proposes to pay the remaining 2019 principal of \$320,000 in July, saving additional interest. The prepayments have saved ENMD over \$50,000 in interest.

These actions resulted in a proposed mill levy for 2019 at 3.75 mills, a substantial reduction for the 2018 mill levy. Also, 2019 will be the final assessment for ENMD!

DISSOLUTION OF THE ENMD

The 2019 budget will be the last year with significant revenues and expenditures. In 2020, ENMD will continue to receive minimal tax revenues and will incur administrative expenses; the District will be dissolved at the end of the year. The Board's objective is to end 2020 with minimal excess funds as the Town, by statute, has advised it expects to receive any excess funds.