



Subject: 2024 Budget - Letter of Explanation

December 29, 2024

Dear Timberline Residents,

Timberline Special Service District Board have approved a 2024 budget.

The 2024 budget development was based on a 10-year cost projection, stabilizing current cashflow trends, and on an analysis of the past 5 years' expenses.

In recent years, TSSD has performed major road improvements and assumed extensive equipment repairs without major assessment fee increases. This led to the reduction of the reserve funds.

Major factors that contributed to the reduction of the reserve funds:

1. Season 22/23 snow removal required nearly triple the number of hours required compared to past seasons (19/20, 20/21, and 21/22).
2. Big Blue (our snow removal tractor) required off-the-chart repairs in recent years that were not budgeted nor repaid by assessment increase.
 - a. 2023 repairs totaled \$18,600 with additional maintenance of \$4,300.
 - b. 2019 repairs totaled \$12,200.
3. Over the last 5 years all road surfaces were changed from road base to roto millings or pavement.

For 2024, the assessment is scheduled to be \$1,060, an increase of 25% based on the 2023 discounted rate. The assessment due date for 2024 will be March 31, 2024. These changes are vital to maintain TSSD services and meet current and future operations goals. Below is a summary of 2024 budget objectives and assessment changes.

2024 budget objectives:

- Perform winter road maintenance. Budget based on the last five-year average work hours (minimum 207 hours; maximum 660 hours; average: 394 hours).
- Replenish the Contingency Funds.
- Build-up the Equipment Replacement Fund balance by \$16,000 in consideration of future equipment acquisition for a backup plan to Big Blue.
- Perform annual summer road maintenance. Expected to be less costly than prior years due to the roads' good condition (thanks to prior years board member extensive devotion to make them better).
- Perform road improvements: two new culvert and one road grade correction. These road improvement projects will be subject to rescheduling in the event of unexpected high expenses (i.e., major Big Blue repairs, major road damage, additional winter road maintenance).

Payment Schedule:

- 2024 assessment is based on the 2023 discounted rate of 10% (\$848.52).
- New assessment due date for 2024 will be March 31, 2024.
- Late fee of 10% for payment received after March 31, 2024.
- Delinquent accounts will see an additional increase of 10% after November 1st, 2024.

Thank you,

TSSD Board

Christoph Gorder, Dan Syroid, Elizabeth Doshier, Stuart Stein, Logan Jones, Stephen Meinhold, & Eric Ghanem