DRAFT

Timberline special service district
Board meeting (NO Actions)

December 20, 2023

Board members:

Kyle Monez
Dan Syroid
Stuart Stein
Logan Jones - Chair
Elizabeth Dosher - Treasurer
Christopher Gorder
Eric Ghanem
Kris Smith – Road Manager

Location: Kimball Junction Library

The meeting was called to order at 5:35 pm.

A summary of the topics discussed is detailed below.

Board members engaged in discussions regarding the passage of the 2024 budget, emphasizing the significance of meeting the budget deadline. There was a consensus on attaching the proposed budget to the agenda for approval for the next board meeting.

Christoph discussed details on the skid steer purchase, the associated down payment, potential increases in homeowner dues, potential changes related to double lots, and how these changes might impact revenues and projected cash reserves.

The meeting progressed with a detailed explanation of the assumptions behind the proposed budget. Topics covered included average hours for snow removal, repair costs, projected expenses, and the rationale behind a significant increase in homeowner dues for 2024.

The projection of the budget trajectory for the next 10 years highlighted the intent to maintain homeowner dues fairly stable after 2026 and to ensure healthy savings for equipment replacement and road improvements.

Skid Steer Consideration:

During the discussion on the skid steer purchase for 2024, Eric emphasized the need to separate winter maintenance and annual road maintenance. The proposal included creating savings for both Big Blue maintenance and unexpected expenses. Eric explained the potential impact of delaying the skid steer purchase and citing the 17% deficit in the 2024 budget to cover expenses without the skid steer.

The detailed breakdown included the skid steer's annual cost of operation, maintenance plans, and the rationale behind its significant role in snow removal and road maintenance.

Acknowledgment of Eric's Efforts:

Before delving into further details, Logan, and others acknowledged Eric's commendable efforts in reorganizing and refining the budget. The accurate categorization of expenses and separation of significant cost elements marked a substantial improvement in budget transparency.

Logan highlighted previous budgets; specifically, how various costs were under broad categories. The mention of accurate details, real expenses, and the removal of ambiguities showcased the positive impact of Eric's work.

Skid Steer's Role in Road Maintenance:

The discussion continued with insights into the skid steer's importance, particularly in saving Big Blue from potential damage caused by heavy use. Details about the skid steer's ability to handle slush and its operational advantages were explained. Christoph and others provided additional information on power, torque, and the skid steer's effectiveness in dealing with specific challenges.

Eric delved into the financial aspect, providing an overview of the budget structure, average hours for equipment operation, and projected expenses. The financial implications of acquiring the skid steer were thoroughly analyzed, including the potential risks and benefits.

Budget Projection and Risks:

A projection of the budget trajectory for the next year highlighted the intent to keep homeowner dues stable after 2026 and ensure adequate savings for equipment replacement and road improvements. Eric also discussed potential risks associated with delaying the skid steer purchase, reduced savings, challenges in repairing Big Blue, and the need for early assessment payments.

Decision-Making Process:

As the meeting progressed, there was a transition to discussing the decision-making process. Logan proposed addressing the skid steer question first before delving into the next budget item. The focus was on understanding the risks associated with the skid steer purchase in 2024 and evaluating whether it was financially viable based on TSSD's previous year's financial report.

The conversation revolved around the potential impact on cash flow, especially during the lowest point, and the necessity of factoring in the timing of collection. The Board members considered adjusting the due date for invoice payments to better align with historical payment trends.

The meeting concluded with a consensus to prioritize the skid steer discussion, allowing for a more informed decision on budget adjustments or approvals based on the potential risks involved.

Financial Discussion Regarding Skid Steer Purchase:

Logan discussed the financial implications of purchasing a skid steer, how it affected the cash reserve, and the need to discuss the practicality and comfort level of the financial situation. Various members expressed concerns about the financial risks, especially having a limited cash reserve in April.

Projected Financial Impact and Cash Flow Concerns:

Eric and other speakers debated the financial projections with and without the skid steer purchase. They deliberated on the impact on cash flow and the feasibility of different financial strategies, including the possibility of a payment plan.

Discussion on Payment Deadlines and Fiscal Year Alignment:

Logan and others debated the timing of payments, the possibility of changing payment deadlines, and aligning the fiscal year with timely collections. There was a discussion about transitioning to a new payment schedule over the next couple of years.

Emergency Plan and Equipment Backup:

Christoph emphasized the need for a sustainable backup plan for equipment failure. He advocated for a long-term view, focusing on financial and equipment stability. Other members discussed the community's capacity to respond in emergencies and the importance of having a reliable backup system.

Skid Steer Purchase Options and Specifications:

Eric provided details about the skid steer options, comparing different models and discussing aspects like power, flow rate, and attachments. There was a debate about the suitability of different skid steer models for neighborhood needs, focusing on the machine's capabilities and maintenance requirements.

Finalizing Decisions on Equipment Purchase and Payment Plans:

Logan focused on finalizing decisions regarding the skid steer purchase and implementing new payment plans. He mentioned a need for a resolution, and there was a consensus on the importance of aligning the community's fiscal strategy with its operational needs.

Snow Removal Equipment and Budgetary Concerns

During the meeting, a member of TLOA shared observations about the inefficiency of the current snow removal process. They particularly noted the challenges faced by 'Big Blue' in clearing slush effectively. Eric then highlighted the limitations of the snow blower and suggested considering alternatives for more efficient snow removal. The feasibility and timing of acquiring a skid steer were discussed, with Christoph emphasizing the urgency of passing a budget by the end of the year. The merits of purchasing a skid steer versus other snow removal equipment were debated, considering the budget constraints and operational effectiveness.

Financial Planning and Equipment Procurement Strategy:

Eric provided detailed insights into the financial implications of different equipment purchases, including snow blowers and skid steers. The board then discussed various options for managing finances, such as renting equipment and adjusting the budget to accommodate new purchases. Logan raised concerns about ensuring a robust financial plan that accounts for potential equipment failures and replacements.

Finalizing the Budget and Setting Payment Deadlines:

Christoph urged the board to reach a consensus on the budget, emphasizing the importance of financial planning for upcoming purchases. There was a discussion on adjusting the annual fee increase, with suggestions ranging from 17% to 25% to ensure sufficient funds for future equipment needs and road maintenance. Eric adjusted the budget projections based on the discussion, considering various scenarios and their financial impacts. The meeting concluded with the board deciding to increase fees by 25%, with a provision for an additional charge of 10% for late payments.

Additional Operational Decisions and Planning:

The remainder of the meeting focused on operational decisions and future planning. The board reviewed and finalized various operational strategies, ensuring that they align with the newly adjusted budget and equipment procurement plans. This part of the discussion was crucial for setting a clear direction for the upcoming fiscal period and ensuring efficient management of resources and responsibilities.

The meeting adjourned at 8:05 pm.