

Timberline Special Service District Administrative Control Board - Board Report

Subject: TSSD Fee and Collection Schedule

Author: Christoph Gorder and Logan Jones

Date: January 30, 2024

Type of Item: Public Hearing and Possible Adoption

After in-depth analysis, the Board has determined that the 2024 Annual Road Assessment should be \$1,060.65 and will be due by March 31, 2024. This is a 25% percent increase from the 2023 discounted fee of \$848.52. A 10% discount will not be offered and a late fee of 8% will be assessed on payments not received by March 31, 2024.

The 2023 Timberline Special Service District Annual Assessment was \$942.80, per lot. The assessment is billed annually and is due by May 15. A 10% discount was offered if payment was received by May 15th; this reduced the amount due to \$848.52.

The 2024 Annual Road Assessment is based on a 10-year cost projection, stabilizing current cash flow trends, and on an analysis of the past 5 years of expenses.

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

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

1. The winter of 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.
 1. 2023 repairs totaled \$18,600 with additional maintenance of \$4,300.
 2. 2019 repairs totaled \$12,200.
2. Over the last 5 years all road surfaces were changed from road base to roto millings or pavement.

This increase in the Annual Road Assessment is vital to maintain TSSD services and meet current and future operations goals. Below is a summary of 2024 budget objectives:

- Perform winter road maintenance. The budget is based on the average work hours over the past five-years (minimum 207 hours; maximum 660 hours; average: 394 hours).
- Replenish our 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. This is expected to be less costly than prior years due to the roads' good condition (thanks to prior years TSSD board members' extensive devotion to improve our roads).

- 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).