

Budget Message

The attached draft 2024 budget for Cherry Hills Sanitation District is attached. The District uses the modified accrual basis as its budgetary basis of accounting. The budget provides for a proprietary fund to reflect its operations. It comprises 993 non-lift station taps and 684 lift stations taps. It serves one elementary school of the Poudre School District, provides service to the Fort Collins Country Club, and service to a fire station owned by the Poudre Fire Authority.

The District by contract is provided wastewater treatment services by the City of Fort Collins. There is an anticipated 4% increase in these charges for 2024.

The 2024 budget provides for a change in quarterly active tap fees beginning in April 2024 of \$10 per tap per quarter for non-lift station taps and \$12 per quarter per tap for lift station taps. The new quarterly active tap fees will be \$156 per quarter for non-lift station taps and \$177 per tap per quarter for lift station taps. These quarterly fees were last changed in April 2023.

During 2024, the District expects to sell no additional taps to new tapholders. Expenditure levels for 2024 are expected to reflect 2023 expenditures adjusted for inflation and the hiring of one additional full time employee.

CHERRY HILLS SANITATION DISTRICT

Budget

January 1, 2024 to December 31, 2024

	Actual Prior Year 2022	Estimated Current Year 2023	Budget 2024
Beginning Balance	\$ 742,815	\$ 949,530	\$ 1,076,750
Operating Revenue			
Waste water Charges			
Active Tap Charges	\$ 925,022	\$ 1,000,800	\$ 1,079,000 (1)
Readiness-to-serve charges	1,350	1,400	1,400
Penalties	5,026	5,600	5,600
Reimbursed Expenses (net)	1,140	120	120 (4)
Non-Operating Revenue			
Interest Earned	1,600	5,200	5,200 (2)
Tap Sales	4,500	-	- (3)
TOTAL REVENUE	\$ 938,638	\$ 1,013,120	\$ 1,091,320
TOTAL AVAILABLE RESOURCES	\$ 1,681,453	\$ 1,962,650	\$ 2,168,070

CHERRY HILLS SANITATION DISTRICT

Budget

January 1, 2024 to December 31, 2024

	Actual Prior Year 2022	Estimated Current Year 2023	Budget 2024
Expenditures			
Wastewater Collection & Transmission:			
Wastewater Lift Stations	11,674	12,700	14,000 (5)
Construction Equipment	6,000	-	10,000 (6)
Processing Charges	433,088	451,500	470,000 (7)
Maintenance / Engineering	21,192	23,100	30,000 (8)
Staffing Costs:			
Auto	11,777	15,000	15,000
Wages	170,117	192,000	221,100 (9)
Payroll Taxes	13,678	11,000	12,000
Workers Compensation	4,905	4,100	4,305
Health Benefits	13,795	16,100	18,000 (10)
Property Lease	14,400	14,400	15,600 (11)
Administration:			
Contract/ Board	101,537	102,000	102,000 (12)
Supplies & Expenses	19,228	18,000	18,900
Professional Fees	14,418	16,000	16,800
Insurance	9,704	10,000	10,500
Other:			
Contingency Provision	3,858	-	10,000
TOTAL EXPENDITURES	<u>849,371</u>	<u>885,900</u>	<u>968,205</u>
ENDING BALANCE	<u>\$ 832,082</u>	<u>\$ 1,076,750</u>	<u>\$ 1,199,865</u> (13)

Cherry Hills Sanitation District - Budget Comments

- (1) Active tap charges - 7% increase effective Q2 2024
2023 rates in effect through April 2024
Effective April 2024 - \$177/QTR for lift station taps, \$156/QTR for non-lift taps
- (2) Interest earned - Investment return assumed to not change from 2023
- (3) Tap Sales - There are no anticipated tap sales for 2024
- (4) Reimbursed Expenses - expenses netted against expected revenues
- (5) Lift Stations - includes utility and telephone expenses
- (6) Construction / Equipment - No current plans for construction projects, \$10,000 estimate will cover any unplanned projects
- (7) Processing charges - The projected rate increase from the City is unknown. In 2023, the increase was 4%
Assume a 4% increase in 2024
- (8) Maintenance - \$30,000 - expected costs of outside services pipe, and repair materials
- (9) Staff Salaries - suggested at 3.2% COLA and a 1.8% merit increases (total 5%) 2024 budget assumes a additional full time employee rather than seasonal employee at \$19/hour
- (10) Benefits - Estimated cost of health coverage @ 2023 level plus 8%
- (11) Property lease - Assume a \$100/ month increase to \$1,300 per month
- (12) Administrative salaries - At 2023 level for administration. plus Directors' Fees @ \$100/Mtg x 5 members @ 13 Meetings
- (13) Ending Fund Balance - Target - 12 months of budgetary expenditures as a reserve. This amount is approximately 56% of property, plant, and equipment at original cost if construction problems arise. Also, this amount would approximate the cost to replace a lift station if it were to fail