

## Budget Message

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The attached draft 2025 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 670 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 6% increase in these charges for 2025.

The 2025 budget provides for a 7% increase in quarterly active tap fees effective April 1, 2025. The quarterly active tap fees are presently \$156 per quarter for non-lift station taps and \$177 per tap per quarter for lift station taps, and will increase to \$167 and \$190, respectively. These quarterly fees were last changed in April 2024.

During 2025, the District expects to sell no additional taps to new tapholders.

**CHERRY HILLS SANITATION DISTRICT**

**Budget**

**January 1, 2025 to December 31, 2025**

	<u>Actual Prior Year 2023</u>	<u>Estimated Current Year 2024</u>	<u>Budget 2025</u>		
<b>Beginning Fund Balance</b>	\$ 1,090,467	\$ 1,238,963	\$ 1,238,963		
<b>Operating Revenue</b>					
Waste water Charges					
Active Tap Charges	\$ 1,000,805	\$ 1,073,300	\$ 1,152,891 (1)		7%
Readiness-to-serve charges	1,314	1,400	1,400		
Penalties	5,556	4,300	4,300		
Reimbursed Expenses (net)	120	3,029	3,029 (4)		
<b>Non-Operating Revenue</b>					
Interest Earned	9,990	15,400	10,000 (2)		
Tap Sales	<u>-</u>	<u>1,500</u>	<u>- (3)</u>		
<b>TOTAL REVENUE</b>	\$ 1,017,785	\$ 1,098,929	\$ 1,171,620		
<b>TOTAL AVAILABLE RESOURCES</b>	\$ 2,108,252	\$ 2,337,892	\$ 2,410,583		

**CHERRY HILLS SANITATION DISTRICT**

**Budget**

**January 1, 2025 to December 31, 2025**

	Actual Prior Year 2023	Estimated Current Year 2024	Budget 2025	
Expenditures				
Wastewater Collection & Transmission:				
Wastewater Lift Stations	12,176	11,500	13,000	(5)
Construction Equipment	2,552	-	10,000	(6)
Processing Charges	448,619	478,100	507,000	(7)
Maintenance / Engineering	20,478	37,200	40,000	(8)
Staffing Costs:				
Auto	11,510	12,000	12,000	
Wages and taxes	193,863	210,740	251,200	(9)
Health Benefits	15,845	17,200	19,000	(10)
Property Lease	14,400	26,400	48,000	(11)
Administration:				
Contract labor	94,405	72,137	27,600	(12)
Meeting expenses	8,489	5,632	6,000	
Supplies & Expenses	17,333	19,000	21,950	
Professional Fees	16,027	21,000	22,050	
Insurance	13,592	15,000	15,750	
Other:				
Contingency Provision	-	7,757	10,000	
<b>TOTAL EXPENDITURES</b>	<u>869,289</u>	<u>933,665</u>	<u>1,003,550</u>	7% <i>chg</i>
<b>ENDING Fund BALANCE</b>	<u>\$ 1,238,963</u>	<u>\$ 1,404,227</u>	<u>\$ 1,407,033</u>	(13)
<i>% of Expenditures</i>	143%	150%	140%	

Cherry Hills Sanitation District - Budget Comments

- (1) Active tap charges - 13% increase assumed  
Q1 2025 prices: \$177/QTR for lift station taps, \$156/QTR for non-lift taps  
Q2-Q4 2024 prices - 7% increase \$190/ QTR for lift station taps and \$167 for non-lift station taps  
As of 11/1/2024, there are 670 taps with lift stations and 993 taps with non-lifts
- (2) Interest earned - Investment return assumed to decrease from 2024.
- (3) Tap Sales - There are no anticipated tap sales for 2025
- (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 6%
- (8) Estimated at 2024 levels + 5% increase
- (9) Staff Salaries - budgeted at 2.5% COLA. District manager salary unchanged  
Added one full time employee at \$25/ hour for 75% of year  
Includes payroll taxes at 7.65%
- (10) Benefits - Estimated cost of health coverage @ 2024 level plus 6%
- (11) Property lease -\$4,000 per month  
\$1,300/mo to Wallen Construction  
\$2,700/ month for Vessey building
- (12) Contract labor -- \$2,300 per month for office administration
- (13) Ending Fund Balance - Target - 12 months of budgetary expenditures as a reserve. This amount is approximately 58% of property, plant, and equipment at original cost if construction problems arise.