



P.O. BOX 1129 • 280 Cement Creek Rd Crested Butte, CO 81224 • business 970/349-5480 • fax 970/349-0590
email: info@cbsouthmetro.net

Minutes
Regular Meeting
July 26, 2017

The regular meeting of the Board of Directors of the Crested Butte South Metropolitan District was held Wednesday July 26, 2017 at 6:00 p.m. in the District Office, 280 Cement Creek Road, Crested Butte South.

Board Members in attendance: Tom Dill
Alan Gruber
Kurt Feltus
Tom Hein
Bill Oliver

Also in attendance: Ronnie Benson
Annie Parr

The meeting was called to order at 6:00 P.M. Annie Parr, from CB South Metro, was also present to take minutes and participate in the meeting as needed.

Motion was made by Dill and seconded by Feltus to approve the minutes from June's regular meeting, with the correction that Hein made the motion to approve the minutes at the last meeting not Gruber, passed unanimously.

After conversation on the budget, Oliver had concerns about the year to date legal fees. Benson explained the reason for increased costs are due to personnel matters. Oliver wanted to know why the monthly road sales dropped in the revised budget. Benson explained that the original number was adopted but it was a typo and was incorrect. Gruber then questioned why there was such an increase in the electric bill and Benson explained it was due to increased water use before all the rain. Oliver asked what miscellaneous revenue is in the general fund. Benson explained that it is used when we receive money for off items such as selling a truck. Motion was made by Gruber and seconded by Feltus to approve June bills, passed unanimously.

There was no public comment and the Board moved into discussion on the 2018 water and sewer rate increase. Benson suggested a 10% increase on both service and availability lots. The increase would only be on water and sewer services, not on road maintenance. Benson pointed out that the enterprise funds are not sustaining themselves but they appear that way because those funds are using tap fees for operations. Benson then explained with the 10% increase they would be able to sustain themselves. Benson stated it would be a \$6.78 increase for the average tap and that there has not been a rate increase since 2015. The Board then discussed the benefits and downfalls of doing smaller increase every other year versus one larger increase. Hein felt if

there was going to be an increase in fees he would be in favor of doing it now before a downturn. After further discussion motion was made by Gruber and seconded by Oliver to approve a 10% rate increase starting January, 1st 2018, passed unanimously.

The Board then discussed the market salary compensation matrix. The Board liked the compensation comparison to local municipalities/districts and felt it will be a good tool for projection and budgeting. Benson explained the information is from Mountain States and is not the most accurate because it is from 2015/2016 data. Benson disclosed he does not have the ability to get current information because we are not members of Mountain States. Benson then stated a membership is \$775.00 and would include compensation comparison, weekly information emails, as well as 10 hours of free HR/legal services. Hein returned focus to the matrix and stated it was a good discussion tool, but did not want to get too focused on it because it could be distracting and things change. Feltus felt showing employees the matrix could be both good and bad. This is because if an employee expected to move to the next step, but the economy changed it might not be feasible and could cause disappointment. Feltus also felt it could be a good incentive for an entry level position because if said employee earned these licenses and stayed with the District said employee would have the opportunity to be at this level. Oliver felt it is important if there were conversations with employees about pay matrixes, it needed to be a total compensation package that included the benefit package with the performance of the enterprises and recognized that outside forces could affect the matrix. The Board felt there wasn't anything to approve because of the ever changing market. Discussion then again turned toward becoming a member of Mountain States and the Board was in favor of moving forward, but did not feel there was anything to approve due to the amount.

The Board then moved to paving. Benson explained the new quote was more than he expected and was roughly around \$164,500 which is higher than the \$150K the Board approved on June 28th, 2017. Oliver acknowledged that the funds looked healthy and District could afford it. Hein felt that was not a reason to spend extra money. Benson suggested paving this year, skipping next year to focus on maintaining what we have, and then proceed with more paving in 2019. The Board then discussed what should be the priority for paving this year. The Board felt Goren should be the priority because it has been built out and is the main access to above. Motion was made by Gruber and seconded by Oliver to pave Goren from where the pavement ends on Teocalli Rd. to Cascadilla St., passed unanimously.

The Board then turned to the formation of By-Laws for the District. Dill asked Benson to see what benefits it may have and asked Benson to do a first draft when time allows. No decision was made until further information is provided.

The Board then turned their attention to the 2016 Audit. Dill stated that he did not see any bad things. Oliver noted the 2016 Audit was messy and had a lot of typos. Dill would like to have clarification on Audit. The 2016 Audit cannot be amended at this point, but Oliver would like 2017 Audit to reflect our actual operations under the District's Funds and General Fund Budgetary Highlights subheadings on Page M – 4.

The Board then moved to corrections to the employee policy in regards to employee classification. Benson explained that the District Manager and Office Manager have always been salaried positions and all the other employees are hourly. Benson would like to eliminate the grey areas. Hein then noted he may need to leave early. Dill would like the advice from Jill in writing. No decision will be made until requested documentation is received, it has been discussed during the budget process, and any changes that need to be made will be done at the start art of 2018.

Oliver suggested moving the executive session to the end of the meeting and the Board agreed. Time was then spent discussing the content of the Manager's report. The Board was updated on some information that had developed between when they received the packets and the Board meeting. The Board confirmed Annie Parr's employment, approved both Parr and Benson to be added to the Chase Bank Account as authorized users, as well as removing former employee Lisa McNellis from the account, to be ratified at the next regular meeting on August 23rd, 2017.

Annie Parr and Tom Hein left the meeting.

Motion was made and seconded to enter into executive session pursuant to 24-6-402(4) €, C.R.S. at 7:45 PM, passed unanimously.

Motion was made and seconded to exit executive session at 7:51 PM, passed unanimously.

There being no further business before the Board, a motion was made and seconded to adjourn at 7:52 PM, passed unanimously.

Respectfully Submitted



Tom Hein
Secretary/Treasurer