



**Minutes**  
**Regular Meeting**  
**October 25<sup>th</sup>, 2017**

The regular meeting of the Board of Directors of the Crested Butte South Metropolitan District was held Wednesday October 25<sup>th</sup>, 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  
Bill Oliver  
Tom Hein

Also in attendance: Ronnie Benson  
Annie Parr

The meeting was called to order at 6:00 P.M. Motion was made by Oliver and seconded by Feltus to approve the minutes from October's regular meeting, with the discussed revisions to paragraph four and five, passed unanimously.

Bills were then reviewed and discussed by the Board. Oliver asked what the Timber Line Electric bill was for. Benson explained it was I-Global Care for SCADA. By continuing to purchase this care annually, future software upgrades are cost free. Gruber questioned what exactly the expense was for to Honnen Equip for small tools & supplies. Benson explained the District recently purchased an asphalt cutter that has already produced income by renting it to contractors. Oliver asked if the revised budget would be adjusted for the availability of water in the Water Fund and the availability of treatment in the Sewer Fund because it had exceed 100% used. Benson explained this was an oversight and would be adjusted on the next month's budget. Oliver asked if money had been transferred to Colotrust and Benson stated the money had been transferred, but would not show on the Enterprise Fund Summary of Operating Cash Account Balances report until next month. On the same report, Oliver requested that CD'S in parentheses be added to the Sigma Financial Corporation Investment title. Hein asked if larger expenses were in for the General Fund. Benson explained that they were not because the expenses for paving would not be accounted for in the budget until next month. Motion was made by Gruber and seconded by Oliver to approve September's bills, passed unanimously.

The Board then discussed the Proposed 2018 Budget. Oliver requested clarification as to what the District was doing about salaries overall for the Enterprise Fund. Benson would like to request a 6.75% salary increase in 2018. Benson broke the request into three categories. The breakdown was as follows: 2.9% CPI (consumer price index), 0.5% merit, and 3.35% market adjustment. Gruber asked if this increase would get employees up to market value. Benson explained it would not and would like to do smaller market adjustments over five years. Dill asked if the market adjustment was to position the District relative to its peers. Benson confirmed it was. The Board discussed their position towards CPI (consumer price index) adjustments and the Board was in favor if the Enterprise Fund was able to

support it. Hein asked how many tap fees were accounted for in the Proposed 2018 Budget. Benson stated fourteen. Hein suggested a cautious approach to tap fees.

After discussion motion was made by Gruber and seconded by Feltus to move November's regular meeting to November 29<sup>th</sup>, 2017, passed unanimously.

The Board moved to the heavy equipment replacement schedule. Benson stated the loader is due for replacement in 2018 according to a replacement schedule Jack Dietrich, the former District Manager, created with Benson. Benson explained it was the oldest machine and if it broke down in the winter the District would be in a bind. Benson then stated the backhoe is the most used machine and it would be up for replacement in 2019. Gruber asked what it was worth and Benson stated \$37,000.00. Benson then explained the excavator was getting old, didn't have any big projects in the near future, and was currently stored outside but still had value. Therefore, Benson would like to put both the excavator and the loader up for bid and purchase a new loader in 2018. Oliver asked where the loader would be expensed. Benson stated it was expensed in the Proposed 2018 Budget Capital Fund which is partially funded by reserves. Hein and Oliver felt if the District cannot afford it without using reserves it should not be purchased. Oliver then asked Benson to provide the Board with an updated replacement schedule. Discussion then turned to the purchase of a bull blade. Gruber felt the bull blade needed to be purchased this year so work could be done more efficiently. The Board discussed the approval to purchase the bull blade in 2017, to be ratified at the next regular meeting on November 29, 2017.

The Board then moved to employee classification for 2018. Benson explained that he would like to move the office manager from salary to hourly per District council's suggestion. After discussion, motion was made by Gruber and seconded by Oliver to move the office manager position from salary to hourly starting January 1<sup>st</sup>, 2018. This would include updating the Employee Policy / Rules and Regulations for 2018 as needed, passed unanimously.

The Board then moved to the public hearing. There was no public comment regarding the proposed 10% increase of water and sewer rates at this time. After discussion, motion was made by Oliver and seconded by Gruber to approve the proposed 10% increase of service and availability of services water and sewer rates, effective January 2018, passed unanimously.

Time was then spent conversing the manager's report.

There being no further business before the Board, a motion was made and seconded to adjourn at 7:31 PM, passed unanimously.

Respectfully Submitted



Annie Parr  
Secretary of the Board