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**Minutes**  
**Regular Meeting**  
**November 29<sup>th</sup>, 2017**

The regular meeting of the Board of Directors of the Crested Butte South Metropolitan District was held Wednesday November 29<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 6:02 P.M. Motion was made by Hein and seconded by Oliver to approve the minutes from November's regular meeting, passed unanimously.

Bills and the budget were then reviewed and discussed by the Board. Oliver asked what the two CDL costs were for. Benson explained one was for CDL drug testing and the other was for Brink's CDL license. Oliver asked what the \$4,893.72 expense was for to Buff's Collision. Benson clarified it was to repair the damage to the bed of the 2015 GMC. Benson then explained the District received a check from the insurance company as well making the actual cost \$1,000.00 to repair the damage, which was the deductible amount. Hein questioned why the revised budget was at \$189,800.00 and the unused was still at \$107,796.58. Benson explained there were still two more months of expenses not included in the budget, being November and December. Benson added the expenses would be a little higher if the purchase of the bull blade was approved. Benson then explained the District should still finish the year in the black. Oliver then questioned why Allen Homesites/Repairs & Maintenance Fund was at 142.70% used and the budget was not revised. Benson explained we were waiting on a credit that would drop the used percentage significantly. There being no further discussion, motion was made by Feltus and seconded by Gruber to approve October's bills, passed unanimously.

There was no public comment at this time and the Board progressed to unfinished business. Motion was made by Gruber and seconded by Hein to approve the purchase of the Bull Blade in 2017, passed unanimously.

The Board then discussed the 2017 budget performance and year end summary. Benson stated number two was important to highlight because the District had \$215,000 in value added assets with a life expectancy of 5+ years that improve Capital Structure. Benson also pointed out these were expenses that we would not have every year. Benson then discussed the overall performance of General Fund,

Road Fund, Water Fund, and Sewer Fund. Benson noted the Road Fund would always be the constricted fund because it was designed this way to keep price down. Dill liked how Benson noted large budget influences, such as record snow removal and outside work revenue streams. Hein stated it was a good overview and clearly stated goals for 2018.

The Board moved to the 2018 Enterprise/General Fund Budget. Oliver questioned why wages increased significantly in the General Fund. Benson explained it was due to allocations and how wages went up in the General Fund but went down in other funds. Oliver clarified that Benson requested a 6.75% wage increase in 2018 which was still true and was reflected correctly in each fund per allocations. Benson stated that was correct. Hein questioned what the asset sale was in the General Fund. Benson explained it was the sale of our excavator and loader. Benson then proposed financing the purchase of the new loader which the Board could decide to pay off at any time. Hein questioned why Benson did not have any paving expense in 2018. Benson explained that he wanted to focus on drainage analysis and maintaining the longevity of the pavement we currently have. Benson explained by doing this and improving the roads, we would increase longevity of future paving project as well. Hein stated that with the proposed Budget the District was only \$2,860.00 in the black. Benson stated that was correct, but the District would be investing in \$320,000.00 in capital projects if all projects were started and completed in 2018. Benson then explained that 2018 could be like 2017 where the proposed budget projected to be in the black by only \$1,210.00. In reality, it's currently projected to be \$189,800.00 in the black. This was mostly due to the fact that the tanker garage project did not occur in 2017. Feltus noted that tap fee revenue had increased in 2017, but felt it might not last and suggested building reserves during these times. Benson stated he was very conservative with the amount of tap fees budgeted. Benson felt once we got into 2018, we would have a better idea if we wanted to proceed with capital projects or if we felt it was not a good time and could build reserves instead. Benson stated capital projects would not be a yearly expense and the District would build reserves in years without capital projects. After discussion, Oliver felt drainage analysis and implementation should not be in the Capital Fund, but rather the Road Fund. Benson stated this change could be made, but the General Fund would need to expense property taxes to fund roads, as it did in 2016, to keep the Road Fund out of the red.

After further discussion, motion was made by Oliver and seconded by Gruber to approve the resolution adopting the budget for the Crested Butte South Metropolitan District, Gunnison County, Colorado, for the calendar year beginning January 1, 2018 and ending December 31, 2018, with the discussed revisions, passed unanimously.

Motion was made by Oliver and seconded by Feltus to approve the resolution appropriating sums of money to the various funds and for the purposes of the Crested Butte South Metropolitan District for the 2018 budget year, passed unanimously.

Motion was made by Gruber and seconded by Oliver to approve the resolution levying property taxes for the year 2017 to defray the costs of Government of the Crested Butte South Metropolitan District for the ensuing budget year, 2018, passed unanimously.

There still being no public comment, the resolution of the Board of Directors of the Crested Butte South Metropolitan District to implement an increase in water and sewer rates was presented and signed by the President and the Secretary.

After dialog, Benson cancelled December's regular meeting.

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 8:03 PM, passed unanimously.

Respectfully Submitted



Annie Parr  
Secretary of the Board