

## ASPEN SPRINGS METROPOLITAN DISTRICT

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A special meeting of the Board of Directors, Aspen Springs Metropolitan District was convened on October 23, 2014 at 6:39 p.m. at the Aspen Springs Metropolitan District building located on Metro Drive in Unit 5 Aspen Springs Subdivision. Notice of the meeting was posted on the website, as well as three other places in the county clerk's office. Board members Al Gardner, Dick Warring, and Kelly Evans were in attendance.

### CALL TO ORDER

The meeting was called to order by elected Board Chairperson, Al Gardner.

### BUDGET ISSUES

- Dick: Sara couldn't be present, however sent some notes ahead. Sara has been looking in to some alternatives for the weeds spraying, but hasn't found anything yet. She wants to speak with Carey first on a couple issues.
- Also looking at an alternative phone system for the guys.
- Reviewing the HUTF funds. Due to better fuel mileage, less gallons are being purchased so there's less tax received which goes on down the line to us. The county has reported to ASMD that they haven't yet received the funds for September.
- Additional costs included the election and the newsletter.
- If ASMD wins the appeal on the lawsuit, there will be approximately \$5,800 returned.
- Health insurance, \$26,200 was spent in 2012, approx \$34,000 in 2014, and projected at \$38,000 for next year, plus their increase which will put it in excess of \$41,000. This figure is not acceptable and although Roy and Carey were not present for this meeting, an Executive session is needed to discuss some options.
- John Gilbert with Pagosa Fire Fighters was present and wished to speak with Carey.
- As for the water station, if it was delivering 36 gallons per 25 cents in lieu of the 38-40 presently, it would bring in about \$28,000 in revenue. Expenses should be approximately \$19,000, but could be less depending on the decision from the State on amount of testing. Estimation of 4,000,000 gallons to be pumped for next year. Dick made a motion to decrease the gallons per \$.25 to 36; seconded by Kelly; all in favor.
- Expenses are going up and revenue is going down; Dick is suggesting that by the election of 2016, there should be a mill levy increase. Throwing some figures out there, he figured by a minor increase, it could generate about \$50,067/year in revenue. If we continue as is, we'll be running a deficit of approximately \$50,000/year. We have two miscellaneous requests, one for another piece of equipment totalling in excess of \$100,000 and the other for a survey which could be costly. Until the budget is under control, these items will have to be dismissed or postponed.
- Going over all of the expenses line by line;
  - Insurance: Kelly has made contact with a broker who will be getting some numbers together.
  - Accounting fees: Although the costs went up a little last year, there's not much

more paid today than years back with another accountant and the current accountant is doing a pretty good job.

Advertising and printing: We don't normally have much spending there besides last year on the newsletter. Besides that, there are mandatory filings that have to be done.

Director's fees: That's a set fee.

Insurance: Liability, building, water station; there's no getting around any of that.

Professional and Legal fees: Most of it was the water station. There was about \$6,000 with Harris Engineering and that will drop next year.

Postage and Freight: Figures set are realistic.

Internet/Website: Figures set are realistic.

Telephone/cell phones: Includes phones plus radios. Sara wants to look at these figures and see if there's any alternates.

Office supplies: Cost was high due to the election; cost should drop.

Dues and Publications: Figures set are realistic.

Miscellaneous supplies: A lot of the expenses listed here were part of the election, so this should decrease quite a bit.

Water Fill Station - Professional and legal fees: That will decrease.

Water treatment worker: We're hoping that the frequency of the testing will drop after the end of the year. Kelly believes we should budget for it and if the frequency gets reduced, it would be all the better for us.

Supplies: There shouldn't be any more, however the insulation HAS to be done. Suggestions were made for the insulation and venting. The insulation was all in Harris' plans and Hart neglected on completing it. Although there's not much that can be done about it now, this fact should be in the records for future reference.

Building expenses: Normally we don't have much, however this year was a little higher.

Utilities: That's expected to increase. Dick wants Carey to set up a separate account for the water station so we can tell exactly how much it's costing.

Sanitation: Dumpster; figures are realistic.

Repairs and Maintenance: We're in excess of \$23,000 and we generally budget \$40,000. Dick would like to drop the budgeted amount to \$30,000. Kelly researched the grader lease and if it's paid off early (Feb 1st in lieu of July 1st), we would be saving \$743.00 in interest. There would be no penalty on the prepaid account. Dick made a motion that we pay the grader off in January or February of 2015; seconded by Al; all in favor.

Gas, diesel, oil: Figures set are realistic.

Small Tools: Figures set are realistic.

Fees and License: We just gained registration tags for the equipment which is about \$3,800 that we hadn't had before. Ironic that the County takes money out of our road funds, then charges us to drive on our own roads. Kelly doesn't believe that the county will every return those fees.

Mag Chloride/Gravel: We don't want to, however we're going to have to decrease to

\$27,000. Due to the new asphalt that was put down by the road construction crews, we'll be saving some there since we won't have to put down any asphalt. Also, Kelly wants to eliminate the weed control. Al leaning that direction, as well. Sara was looking into some alternatives. That'll get discussed more at the next meeting when Sara is available. Dick made a suggestion to eliminate the \$400 charge for asphalt.

- Looking at all income and expenses that could be cut or increased, we're now at about \$37,360 in the red. That's close to the amount that will be paid on the grader. Payment will have to come out of the reserves, however we need to not *operate* under reserves except for capital expenditures. A mill levy increase will HAVE to happen within the next couple of years. When there's a full board, we need to get a balanced budget for this board. The water station hit us hard and the decrease in HUTF funds hurt us, too.

- Talked about executive session: Dick made a motion to go into executive session as required under Colorado statute 24-6-402(4CRS) at 7:32 pm due to personnel matters; seconded by Al; all in favor.

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Meeting reconvened, then immediately adjourned.