

# CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION

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## Covenant Amendment Steering Committee (CASC)

DRAFT Meeting Minutes for Thursday – February 6, 2020 5 pm – 7:30 pm

In attendance: Dom Eymere-Association Manager, Sue Wallace – POA Compliance Coordinator/Secretary; Committee Members: Matt Barker, Elise Meier, Mark Ewing, Kathy Norgard, Debbie O'Hagan, Mark Tardiff, Tim Williamson, and Joe Frank.

Motion carried to approve revised minutes from January 9, 2020 meeting.

Next meeting will be on Thursday, March 5, 2020.

Mark Tardiff raised the question of having a scribe appointed from CASC or bringing one in for our CASC meetings. He explained that it might be better if we have someone else recording the meeting while Sue runs the meeting.

We began the discussion where we left off at the January 9 meeting, with Section 7.3. FYI, here is the revised language from Section 7.3 that we reviewed at the Feb 6 meeting:

***Section 7.3 Determination of Regular Assessments and Dues. Annual assessments and dues are based on and determined by the annual Common Expense budget. The budget and the regular assessments and dues proposed by the Board do not require approval by the Owners, but in no event shall any increase in annual assessments exceed 10% in any year without the affirmative vote by the Owners.***

***Within thirty (30) days of adoption of the Common Expense budget, the Board shall post notification of the new assessments and dues to all Owners on the Association's website and via email to Owners, using most current email Owner addresses on file.***

***The Board of Directors may allocate assessments differently for lots based on the vacancy of, the type of structures built upon, and the specific uses taking place on, the lot. This allocation will consider the type of lot (residential, commercial, vacant) and the use associated with the lot (Single-family, Multi-family, Duplex, Accessory Dwelling Units, Commercial).***

At the January meeting, the group struggled with the 10% threshold, highlighted above. Some members feel that 10% is exorbitant and arbitrary. The group asked to see a review of the historic increases for the operating budget and dues, and to see how these increases correlate with the CPI and inflation. Sue and Dom prepared this info for 2010-2020(attached) and we reviewed it with the group. The main take-aways from this historic info are:

1. The average overall increase in Dues across three sectors (Residential, Commercial, Vacant Land) has been 4%.
2. Vacant Land has increased at 5% annually, with the last two years showing increases of 7% (2019) and 9% (2020). Dom shared that the reason for this is that the Board of Directors is trying to equalize Vacant Land dues with Residential Dues. The dues for Vacant Land will increase faster than Residential Land until this equalization is complete. While it is being noted that several members objected to this strategy, CASC's purpose is not to direct Board policy.
3. The average increase in the operating budget has been 6%.
4. The operating budget increased by 10% in 2018 and 2019.
5. The US Consumer Price Index (CPI) has increased an average of 4%, US Inflation at 2%, and Colorado Inflation at 3%.
6. There does not seem to be correlation between Budget, Dues, and CPI/inflation.

A few issues emerged in the discussion:

1. Budget-setting transparency by the Board of Directors. The group feels the Board needs to be more transparent and communicative to the community about justifying budget and dues increases. Dom shared that CCIOA (Colorado Common Interest Ownership Act, which CB South POA follows) now requires a 90-day period in which the members may veto a proposed budget. This is good, but the group maintains that the process, in prior years, of having a proposed budget being made public for the first time at the annual meeting is not adequate. With CCIOA's new 90-day veto option now available, it sounds like the Board will now need to pursue an earlier, and more visible, public review of proposed Common Expense budgets.

2. The group wants to see the 10% threshold replaced with a number that is tied to actual expense increases, and through the budget-setting process, putting the onus on the Board to justify those increases transparently. Matt Barker suggested language like "increases of inflation plus 1%"; Elise Meier suggested 6%, based on this being the average annual increase over a ten-year period.

3. Elise suggests we consider revising the draft language in Section 7.3 so that Dues are allocated equally and we remove the language around allocating dues separately:

***The Board of Directors will allocate assessments equally across all lot types and uses. ~~may allocate assessments differently for lots based on the vacancy of, the type of structures built upon, and the specific uses taking place on, the lot. This allocation will consider the type of lot (residential, commercial, vacant) and the use associated with the lot (Single family, Multi family, Duplex, Accessory Dwelling Units, Commercial).~~***

**We could not agree on a specific percentage to put in Section 7.3 and decided to continue this discussion at the March meeting, along with the question of equal OR allocated assessments.**

Next, we discussed Section 7.4, specifically the dollar threshold over which the Board must ask for community approval for special assessments. The original language in Section 7.4 stated "50% of the Common Expense budget" and was revised in draft at the January 9 CASC Meeting as follows:

***Section 7.4 Determination of Special Assessments. In addition to assessments for Common Expenses as set forth above, the Association, acting through its Board, may from time to time determine and levy one or more Special Assessments. All special assessments shall be allocated among all Lots by the Board of Directors, who shall have reasonable discretion in apportioning responsibility to pay such special assessments, based on the relative benefit to each lot. The Board shall hold a public meeting at least sixty (60) days prior to issuing any special assessment, and shall obtain an affirmative majority vote of the community ~~vote~~ if the special assessment is in excess of 50% of the current Common Expense budget. ~~\$50,000.~~***

The discussion around replacing "50% of Common Expense budget" with "\$50,000" is a challenging one for the group. Many members are not comfortable with such a relatively large dollar amount, and all members agree they do not want to limit the Board's ability to make important fiscal decisions. Mark Ewing raised a question about framing the financial impact of a special assessment in more personal and absolute terms. He asked if it would be better to use language like this:

***The Board shall hold a public meeting at least sixty (60) days prior to issuing any special assessment, and shall obtain an affirmative majority vote of the community if the special assessment is in excess of \$50,000 \$50 per year, per member.***

All sorts of questions come up with using this language. Section 7.4 states that:

***All special assessments shall be allocated among all Lots by the Board of Directors, who shall have reasonable discretion in apportioning responsibility to pay such special assessments, based on the relative benefit to each lot.***

1. If the Board has discretion to allocate the special assessment differently based on lot type and use, then how would it be determined who pays what?
2. Does it make more sense for Special Assessments to be shared equally by all owners? If so, then the language would need to be modified to something like this:  
***All special assessments shall be allocated equally among all Lots by the Board of Directors. ~~s, who shall have reasonable discretion in apportioning responsibility to pay such special assessments, based on the relative benefit to each lot.~~***
3. Elise suggests placing the dollar limit on Special Assessments at \$100,000 and allocating that amount equally across all owners.
4. Do we have the latitude to change this language per CCIOA?

It seems that we are at a point where we need to ask Beth Appleton, CB South POA legal counsel, for some direction before agreeing on the revised draft language in Sections 7.3 and 7.4. We will revisit these questions at the March 5 meeting.

At 6:00 pm, we opened the public comment session on Campers and RV's. In attendance:

Peter and Mo Hylander – 147 Huckleby  
 Steve Van DeVelde – 1025 Cascadilla  
 Michelle Fitzgerald- 148 Elcho  
 Judi Theis – 200 Huckleby

With a smaller public turnout than we had in January, we decided to review the draft community survey on campers and gain additional input before issuing the survey. We went through each of the original 11 questions. CASC and community members suggested good edits to simplify the survey, and it now contains 8 questions:

**Camper Survey**

*Dear CB South Residents,*

*Please help the CB South POA Board of Directors better understand your concerns and desires regarding the parking and storage of personal and visiting campers by taking this 5 minute survey.*

*We appreciate and thank you for your feedback!*

**Survey Questions**

*There is growing community interest in allowing personal and visiting campers to be parked in CB South for longer than the currently-approved 24 hour overnight period. Camper Owners want convenient access so they may more easily load/unload, clean, and make repairs to their campers.*

*Additionally, residents with family and friends bringing their own campers would like for them to be able to park and stay in their campers on their property.*

***The next few questions pertain to resident-owned campers:***

***Q1. If the following conditions were required, would you support the year-round parking of resident-owned campers on resident-owned designated parking areas in CB South? YES/NO***

*-resident-owned campers must be operational and currently registered to the resident*

*-resident-owned campers have a maximum length of 26 feet*

*-resident-owned campers must appear well-maintained, and not under construction or lengthy repairs*

- resident-owned camper cannot be connected to any form of municipal water supply/sewer
- resident-owned camper may not dump grey water (water for washing/showering) or black water (wastewater)?

**Q2. Do you support residents and/or resident’s guests being able to occupy a resident-owned camper for a maximum number of, but not necessarily consecutive, days per year?  
(Make one selection from below)**

-0 days per year?                      -1 day per year?                      -7 days per year?  
 -14 days per year?                      -21 days per year?

**Q3. Would you support the POA requiring visible parking permits for resident-owned campers that are parked on resident-owned designated parking areas?                      YES/NO**

**Q4. Would you support the POA collecting a nominal, one-time fee to help offset compliance costs for issuing parking permits for resident-owned campers?                      YES/NO**

**The next few questions pertain to visitor-owned campers:**

**Q5. If the following conditions were required, would you support the seasonal parking of visitor-owned campers on resident-owned designated parking areas in CB South?                      YES/NO**

- visitor-owned campers are permitted to be parked seasonally, April 1-Nov 15
- visitor-owned campers must be operational and currently registered to the visitor
- visitor-owned campers have a maximum length of 26 feet
- visitor-owned campers must appear well-maintained, and not under construction or lengthy repairs
- visitor-owned campers cannot be connected to any form of municipal water supply/sewer
- visitor-owned campers may not dump grey water (water for washing/showering) or black water (wastewater)
- visitor-owned campers may be occupied only by the resident or visitor
- visitor-owned campers may allow a maximum of 4 people staying in camper

**Q6. Would you support the POA limiting the total number of, and not necessarily consecutive, parking days per year for visitor-owned campers that are parked on resident-owned designated parking areas?                      YES/NO**

**If YES, what limit do you support?**

-1 day per year?      -7 days per year?      -14 days per year?      -21 days per year?

**Q7. Would you support the POA requiring visible parking permits for visitor-owned campers that are parked on resident-owned designated parking areas?                      YES/NO**

If YES, proceed to Q8  
 If NO, finish survey

**Q8. Would you support the POA collecting a nominal, per-visit fee from visiting campers to help offset compliance costs of issuing parking permits?                      YES/NO**

**Q9. Please provide any other comments here:  
 Thank you for sharing your opinion with the CB South POA!**

Meeting adjourned at 7:45 pm.