
CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION

61 TEOCALLI ROAD, CRESTED BUTTE, CO 81224
PHONE (970) 349-1162, WEBSITE: www.cbsouth.net, FAX (970) 349-1163

Board Meeting Minutes October 7, 2020 – via Uber Conference

Board Members on Conference Call: Allison Butcher, Mary Haskell, Liz Jordan, Margaret Loperfido, Matt McCombs, David Neben, Scott Thomes

Staff Attending: Dom Eymere, Benita Bellamy

Public in Attendance as identified by Uber Conference Call Log: Matt Feier, Bob Goettge, Pam Maestro, Brian Morelan, Kathy Norgard, Connie Rehberg, Andy Tyzzer

Mary called the meeting to order at 6:03 pm.

Approval of Minutes for September 2020 P.O.A. Board Meeting

Updates and/or corrections to the September 9, 2020 Meeting minutes were requested. Corrections were identified. Matt made a Motion to approve the September 9, 2020 minutes with corrections as stated by the Board and Staff. Margaret seconded the Motion and the Motion carried.

Monthly Financial Report for September 30, 2020

For the period ending September 30, 2020, Total Income was \$391,384.61 and Total Expenses were \$276,743.55 resulting in Net Income of \$114,641.06. One seriously delinquent property record was made current in September when the property transferred ownership.

At the end of September, there were 10 outstanding dues accounts representing \$7,753.17 and a low 2.4% of total dues income for 2020. From a Balance Sheet perspective, as of September 30th, Total Assets were \$1,079,375. Operating checking and money market accounts totaled \$131,283. Reserve Funds held in money market and certificate of deposit accounts totaled \$330,692. Refundable Performance Deposits amount to \$138,000 and are held in segregated accounts. Total Liabilities were \$143,629, consisting of \$142,167 in Current Liabilities, a majority of which are Refundable Deposits. The balance of Total Liabilities consists of \$1,462 of Long-Term Liabilities which is the remaining balance of the mortgage on the POA building.

Projected year-end income is \$403,995 and projected year-end expenses are \$371,095 for a projected net income of \$32,860. If other Unanticipated Expenses do not arise between now and the end of the year, the Line item of \$7,398 will help the Association be at a projected net income of \$40,258. Outside of operating net income, as of September 30th, \$61,881 has been spent from capital reserves. Capital projects in 2020 include easement agreement fulfillments, expansion of the basketball court, deconstruction of the Teocalli Pond, purchase of the Tool cat track extension and Mail Box expansion. The total projected amount for year-end is \$65,756. In summary, the POA remains in good financial condition.

On the Projected to Actual under Expense, Matt asked about the reduction of \$3000 in Line item 212, Legal fees and Dom explained that the fees were less than estimated. Under Income, Mary

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asked about Line item 138- Short Term Rental fees, actual vs. projected and Dom noted that topic will be addressed during the budget discussion. He also restated that the P.O.A. is at an all-time low for outstanding dues collection at \$2162.60 due to the payout of the delinquent property.

Dom noted that \$9000 is identified for the traffic study. The Board was shared the documents for review prior to the meeting. It included the references requested by the Board. Wells and Associates provided references of a project completed in Lyons, Colorado. Dom asked for the Board's opinion on how to strategically approach the project, if everyone is comfortable with the two bids and ready to move forward. David noted he was comfortable with the two bids and asked for confirmation that language for higher density is included for the three stories. Matt agreed that as we proceed, we must make certain it includes all the items discussed during CAMP to make certain those costs are reflected in the bids. Matt enforced that we need to move forward soon and not slow down. Allison suggested a line item for meetings be included in the proposal's costs and to reference the Lyons' proposal as a guideline. David suggested a call or email be coordinated with the vendor to address any additional questions of the Board. David and Margaret will work with Dom to coordinate contact with the vendor to finalize timing, process and next steps. Liz motioned to approve the September 30, 2020 Financial Report. Matt seconded the Motion and the Motion carried.

New Business

GCEA Community Solar Garden: Crested Butte South Water Tower Site

Matt Feier was in attendance on behalf of GCEA to present a potential project of adding a solar garden in CB South at the water tower property at 500 Zeligman (Block 24, Lots 17-20). Currently, GCEA has two existing solar gardens, one in Crested Butte and at the GCEA headquarters; both have sold out of all shares. Matt F. suggested that the water tower lots would be a good location and shared that GCEA would be interested in leasing for a nominal fee, a portion of the area. Presentation documents were shared with the Board along with the technical details. The garden would provide approximately 285 shares for members to buy into. The concept is to generate local, renewable energy which GCEA members pay with a monthly fee (~\$4.71 per share per month). The expectation is that the garden will produce over the course of a year, the energy consumed for a net zero expense.

The suggested property has an easement agreement with CB South Metro District. Matt F. has met with them to share this idea; the Metro District does not have any plans for the parcel but did not agree to the installation until receiving input by the CB South Board of Directors and community. Matt M. asked if there are any associated costs to the P.O.A. and Matt F. stated that there are not any direct costs but that a lease agreement between parties would be signed. The proposal includes approximately 288 solar panels, installed above ground, with a privacy fence surrounding the garden. Allison inquired if the shares in the garden would be available to just CB South members and Matt explained that as cooperative, they must offer it to the entire regional area. It was agreed that the neighboring properties would be notified of the proposed installation in order to receive public comment. Matt M. asked about maintenance responsibilities and Matt

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F. shared that would fall under GCEA's responsibility. David asked about the degree and angle of the panel install and pointed out possible sun reflections are something to consider and snow buildup would impact production; Matt F. estimated the installation would be at a 30 to 35-degree angle. Margaret noted the existing landscaping and it was agreed that no trees would be removed but possibly relocated. Dom suggested that a test install be done to experiment with any impacts of sun reflections. Matt F. agreed and will source a small unit so it can be placed on the lot for community members to see. The Board agreed with the suggestion. Matt M. asked when a decision from the Board is needed. Matt F. suggested by January 2021; GCEA is targeting a 2021 spring/summer installation. Dom summarized that we will reach out to the neighboring properties and install a panel as well as post the property and continue the discussion at the November Board meeting.

Consideration of a Contribution to the Community Broadband Grant

Region 10 has presented a grant opportunity and is looking for valley wide entities to contribute. The Department of Local Affairs, Gunnison County and Gunnison Valley Health are some of the larger endorsers. Gunnison, Crested Butte and Mt. Crested Butte are helping to contribute; the matching funds being requested total approximately \$540,000. Dom asked the Board if we would like to be part of the contributors to ensure the community is included and so that additional broadband comes onto Cement Creek Road and into the subdivision. The P.O.A. would need to determine where the equipment would reside and the additional costs associated. This would allow service providers to pick up the broadband within the subdivision. Scott asked Dom to recommend what he believes would be a practical contribution amount and maintenance costs. He also asked if it is worth looking into the possibility or benefit of hosting the service from the Association by offering a community wide Wi-Fi zone versus having to depend on service providers. We would need to understand several critical questions such as what the long-term maintenance costs would be and if it is feasible be a wholesaler and handle it through the P.O.A. It would provide a benefit to the community since the maintenance would be provided locally. Dom will explore this concept and Scott will share some local points of contact.

David shared that there is a plan to run another fiber run from Gunnison to Crested Butte. There is already a new fiber from Cottonwood coming into the valley. Contribution to Region 10 does not buy anything for CB South. He would consider a small contribution but is would like to know how much it will help the subdivision and what is our return on the investment. The Board discussed the benefits of providing a small donation just to be a contributor in the group. Mary suggested that Dom do some investigative work to see when a contribution decision is needed. Once more information is known, it will be added to a future Board meeting discussion.

Consideration and Discussion: Budget 2021

Dom discussed the main Expense line items on the budget which include Line items 200, 201-Compensation, Line item 300-Bus Service, the fee paid to Mountain Express (\$17,500) in order to supplement the bus schedule when RTA is not able to come into the subdivision due to passenger load from down valley and Line item 214-P.O.A. Insurance (\$33,000) because we are a unique Property Owners Association with amenities such as Nordic skiing, a climbing wall and Hockey

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rink and skating pond. We ask for bids in May and June with the premium renewal due in July. Dom stated that he will continue to source multiple estimates for lower premiums. Dom clarified that Capitol Improvement Planning projects come out of the Capital Reserve funds.

Dom asked for the Board to consider approving the budget this evening. We have an obligation to notice the budget to membership for 90-days as a requirement of Colorado Common Interest Ownership Act (CCIOA). The Board discussed the Compensation Worksheet and commented on ideas to provide incentives in order to maintain staff. Dom shared that Ryan Maddux has filled the open maintenance position and believes offering continuing education and/or professional development programs as incentive for the position. Dom pointed out the Capital Reserve contribution is proposed at \$37,000 and noted it is a fund that we want to keep growing since it covers the Capital Improvement Planning projects. Mary commented on the proposed Income for Line item 170-Grant/Donations and noted she would like to ensure that we pursue available options since we have Sue Wallace in a grant writer role. Dom shared that since we do not know what grants may become available, we tend to be conservative with these estimates. Mary asked if we should review the fees associated with Transfer fees and Short-Term Rental fees. Dom noted the Administrative costs for Short Term Rental fees support the increase of moving to \$200 annually with an annual application, instead of a \$100 fee and application every other year. Mary stated that the list of Capital Improvement Projects justifies the increase and need. David added that the Board needs to be able to quantify the justification for additional income and dues increases. There should be a narrative to share with the community to show the justification; David suggested the Board have a separate session to go over the budget by each line item. Allison asked if there were any additional changes that Dom would like to see on the budget; Dom stated Line item 127-Business Licenses has been added as a regulatory action within the commercial district. Dom recapped that the Amenities in which the community values is the main reason for the dues increase. Depreciation has also been included. Dom believes the budget is in good shape and represents the narrative being asked for as it lists by line item all expenses including each amenity.

Margaret suggested on the Expense side, Line item 238-Consulting should be adjusted for the expanded scope of the Traffic Study. The Board agreed that Line item 300-Bus Service should be reduced. Dom has been in contact with Mountain Express but will revisit the discussion that our community pays into the taxes and resides within their service area. In summary, David would like to have a more thorough discussion with the board in order to review the budget details. Scott suggested publishing the proposed budget to meet the 90-day community review requirement while the board completes their review. It was noted there can be some minor changes to items such as capital improvements but the budget once published is considered final. A discussion ensued on the dues history and the justification criteria. Mary identified that the insurance increased significantly, we have increased amenities and that the budget is in line with supporting those amenities. Mary stated she has done her review independently and with Dom; she is comfortable approving the budget tonight in order to meet the 90-day requirement. Mary made a Motion to approve the 2021 Budget. Scott seconded the Motion. Five votes to affirm the Motion were recorded and one vote against was recorded.

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Allison offered suggestions for the next budget review. She agreed having a separate work session outside of the regular Board meeting was a good idea. She also suggested creating a separate form that compares the proposed budget with the previous year's actual budget and to set goals that are separate from the budget to provide the Association manager with tools to assess the staff. Margaret was in agreement with Allison's suggestions.

Continued Business

Consideration of a Variance for Shared Access Agreement for Lot(s) 7 and 8, Block 9, Filing 2, 471 and 499 Cement Creek Road

Mary opened up the discussion by outlining that a 5-minute comment time will be available for the public comment session. It was requested for comments to be held to new information and not be a recap past twelve months. The Board has spent significant time is reviewing all documents and emails as well as studying the project history and project timeline. Brian Morelan was offered time to comment and had no additional comments to share with the Board. Andy Tyzzer stated the application for variance does not meet the criteria under the Commercial Area Master Plan (CAMP) or any other governing document for which the variance is being requested. Andy reinforced his perspective that the project application should be considered incomplete because no information was identified for the driveway variance. Dom stated that the application is not part of CAMP guidelines but required based on the requirements of the Residential Design Guidelines. Dom stated the variance is for a shared driveway access; a precedent has been set throughout the subdivision. Andy believes the application is incomplete. Andy's last issue was with the non-compliance of CAMP, Section 6.3.B.7-Notice of Public Variance Request or Proposed Multi-Family of Residences of Three or More Units. He stated there was not a certified letter sent to everyone. He also commented that Rod and Katha Morrill were not notified with any type of letter. Dom noted that the Morrill's are not members nor part of the Association. Pamela Maestro referenced the earlier discussion regarding potential glare from a solar garden and took issue that this is not a concern for this project. She believes that the glare from the car lights will be a detriment to her property and does not meet the requirements as stated in CAMP, Section 6.4.C.3. She is requesting for the driveway to be moved either way so the headlights are not hitting her home and shine into the duplexes.

Dom shared his screen so the group could see the submitted variance application, which includes the Reason for Variance Request, in order to address Andy Tyzzer's challenge the same. The public comment time ended and the Board moved to a vote. Margaret recused herself from the discussion due to her business relationship with owner, Brian Morelan.

Matt asked Dom to please restate the nature of the decision for the Board. There is a discussion for the Board of Directors to approve or not approve the variance request submitted by South Butte LLC. The submittal is a result of the residential design guideline for a 10-foot setback requirement from property line. In order to execute the design, a variance is required. Matt explained his position and his interpretation as Board member. He is understanding of the neighbors' requests and concerns. His perspective is that it is the inherit right of the individual property owners to

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pursue what is in their best interests as long as they meet the broad guidelines set forth by the P.O.A. Mary also stated that tonight's decision is not being taken lightly and that the Board has reviewed all the information presented to educate themselves on the decision to be made. Scott acknowledged the weight of the decision and understands the perspective of the neighbors as we grown within the subdivision. Mary made a Motion to approve the variance for a for Shared Access Agreement for Lot(s) 7 and 8, Block 9, Filing 2, 471 and 499 Cement Creek Road. Matt seconded the Motion. The Motion was unanimously approved by all Board Members.

Public Comment Time: Board Decision to Reverse the Decision by the Design Review Committee's Denial of a Duplex Residence on Lot 7, Block 9, Filing 2, 471 Cement Creek Road

Dom provided the history and background of this agenda item. This is an agenda item to allow for public comment before a decision by the Board this evening. There have been many phases to this project with Appeals and Petitions filed by both Petitioners as well as the Applicant. Tonight, we are looking at the Applicant's Appeal to the Board of Directors, submitted for review at the June 10, 2020 Board meeting. The Appeal was to request reversal of the DRC decision of Denial on April 16th, to the proposed duplex on Lot 7, Block 9, Filing 2. The appeal included modifications, as shown on a submitted sketch plan, in order to address the DRC comments of the two structures being too similar, directing them to not approve the duplex on Lot 7.

The Petitioners were not notified by Public Notice of the June 10, 2020 meeting and tonight's meeting is to allow for the public comment. Dom stated that a Public Notice was published in the CB News, posted on CB South website, physically posted at 61 Teocalli Road for well over the 14-day requirement. The Public Notice was sent by First Class Mail to the adjacent homeowners.

Andy Tyzzer believes tonight's agenda item requires the Board to rescind the previous decision and therefore negates the discussion from tonight's meeting. The original meeting was not noticed properly; Andy stated another appeal has been submitted to Gunnison County this evening. Andy stated the applicant's appeal does not follow the Bylaws. Dom stated that this process is not listed in the Bylaws or the Covenants; it is following the appeal process as outlined in CAMP, Section 6.3.B.10.c-Notice of Meeting. This process is about a governing body having the right to change their mind. Therefore, parliamentary procedures allow that governing body the right to rescind the previous decision as long as the person that was involved in the original decision is also the one to rescind the decision. Matt summarized Andy's position and asked for Andy to clarify his interpretation for the Board. Andy reiterated that he feels the process was not accurately followed and therefore the County has been notified of the requests made by all the petitioners. Andy requested that the document, sent to each Board member today, be included in the meeting minutes. Andy went on record that the petitioners are not against a duplex structure and it is the design elements that do not fit within the neighborhood.

Mary asked for any additional questions or comments. Mary motioned to rescind the Board's decision to reverse the Design Review Committee's Denial of the Duplex Residence on Lot 7,

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Block 9, Filing 2, 471 Cement Creek Road that was voted on at the June 10, 2020 meeting. David seconded the motion, the Motion carried.

Mary stated that with proper noticing documented and notification to the adjacent owners of the property, she is ready to make a Motion to Approve a new decision of this Board. A Motion was made to Reverse the Decision by the Design Review Committee from the April 16th meeting and Approve the Duplex Residence on Lot 7, Block 9, Filing 2, 471 Cement Creek Road with modifications as shown on the sketch plan. David seconded the Motion; all were in favor and the Motion carried. Mary shared some final comments noting that Board has put a lot of thought and energy into this decision and agree that Mr. Morelan has the right to build these duplexes on his property.

Manager's Report

On the 2021 Budget Worksheet, Dom introduced the new line item under Income, Line item 127-Business Licenses. Mary requested a policy and application be developed for Board review. Mary noted that she would like to add to an upcoming agenda, time to introduce the new board members to the existing committees and to review the Strategic Plan objectives.

Metro approved the change to 15 mph signs in the subdivision. The Board discussed if it would go subdivision wide or keep some key streets at 25 mph. Dom shared that the Elcho Avenue sidewalk may need to be moved to 2021 due to road and utility issues. Scott asked if we could add a paint line to designate a walking lane in the meantime; Dom will consult with Ronnie at Metro. Matt asked Dom to obtain bids this fall so the costs can be locked in for the 2021 work.

Margaret commented that the removal of the pond and Teocalli ditch looks good. Dom stated that although the ditch is shallow, the expectation is that after one season of run off and natural water absorption it will perform as designed. A warranty agreement is in place with Lacy and Cement Creek Condos that if any overflow issues arises, the grade will be dropped down.

David asked what the plan is for continuing meetings virtually and the challenges it may have for hosting an Executive Session. Allison offered to host a Zoom meeting for the Executive Session.

Confirm Next Meeting Date: Wednesday, November 11, 2020, 6pm

Identify November Board Meeting Agenda Items

1. GCEA Solar Garden review and possible vote
2. Discuss the Committee opportunities for Board members
3. Discuss Strategic Plan objectives

Unscheduled Property Owner Comment Time – No members on the call for agenda time.

Adjourn – 9:05 pm