
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 December 9, 2020 – via Uber Conference

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

Staff Attending: Dom Eymere, Benita Bellamy

Public in Attendance as identified by Uber Conference Call Log: None

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

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

Updates and/or corrections to the November 11, 2020 Meeting minutes were requested. Spelling errors were identified. Allison made a Motion to approve the November 11, 2020 minutes with noted corrections. Matt seconded the Motion and the Motion carried.

Monthly Financial Report for November 30, 2020

Dom presented the November Financial Report. A reserve contribution proposal is on the back of the written financial report. For the period ending November 30, 2020, Total Income was \$407,713.23 and Total Expenses were \$331,473.41 resulting in Net Income of \$76,239.82.

On the Projected to Actual report, several of the income line items were adjusted to reflect amounts received or anticipated to be received throughout the remainder of the calendar year. As a result of these adjustments, the total income projected for 2020 is now \$410,808. On the expense side, several of the expense line items were adjusted to reflect actual figures, including taking the unanticipated expense line item to zero, reducing the 2020 total projected expenses by \$7,282, providing a projected expense total of \$369,872.53. As a result, Total Net Income is projected to be approximately \$41,000 at year-end.

Capital Reserve Expenditures were budgeted at \$50,000 for 2020. The easement agreements were fulfilled, the basketball court was expanded to a full-court size, the Elcho Ave. sidewalk was started, and the Teocalli pond and ditch project was completed. The basketball court project went over budget by approximately 30% and will need to be surfaced in 2021, while the Teocalli pond and ditch project came in slightly under budget by 9%. Additional capital items approved outside of the budget included the purchase of tracks for the Tool cat (\$22,807) and mailbox expansions (\$6,600). Staff is hoping to have the mailbox expansions completed prior to year-end. In total, it is projected that \$71,000 of capital reserve funds will be used by the end of the year on 2020 projects.

Dues collection activity remains strong with only five (5) property accounts with remaining balances as of November 30th. This is the lowest number of accounts with balances in more than five years. At the end of the month, there were \$6,398.84 in outstanding dues. Grant income for

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December is projected to add \$3,000. Other areas of accounts receivable such as post-office box rent, sunset hall rent, fines, and sign rent totaled \$1,475.

From a Balance Sheet perspective, as of November 30th, Total Assets were \$1,027,405. Operating checking and money market accounts totaled \$92,039. Reserve Funds held in money market and certificate of deposit accounts totaled \$333,216. Refundable Performance Deposits amount to \$126,000 and are held in segregated accounts. Total Liabilities were \$130,060, which are all Current Liabilities. The last payment was made on the mortgage on the POA building, eliminating long term liabilities for the Association. In summary, the POA remains in good financial condition.

Dom reviewed the items that were over budget on the Capital Reserve expenditures. The Board asked questions on the Projected to Actual. Line item 264 Common Area Improvements reflect changes from the water meter installation. We were projected to receive \$12,000 from the grant and five meters have been installed throughout the subdivision. Project expenses increased due to work contracted work in order to complete the installations. A long-term plan on managing the data and project will need to be developed.

David inquired about the \$3,000 for Line item 201 Grounds Keeping Compensation. Dom explained the line item reflects a few months when maintenance position was unfilled. Line item 277 is up and reflects the mower purchase due to issues with repairing the John Deere several times this summer. Income is up due to property transfer fees and applications. Adjustment were made for the end of November which affects the funds that are available for the capital improvements. Line item 120 Interest is down due on the CD's owned.

Allison motioned to approve the November 2020 Financial Report; Matt seconded the Motion and the Motion carried.

New Business

Scheduled Property Owner Comment Time – No members were present on the call.

Resolution to Contribute to the Reserve Fund

There was not a budgeted amount for a Capital Reserve Contribution in 2020 outside of Depreciation Reserve Contributions. Each year, Depreciation Expense is built into our annual budget. Depreciation Contributions into Reserves are projected to total \$25,459 by year-end.

Staff is projecting a cash balance in the two operating accounts of ~\$47,000 at year end, of which ~\$3,000 are held as liabilities for things such as prepaid dues and refundable security deposits. It has been the practice of the Association to leave at least \$10,000 minimum in operating accounts to help pay for January expenses while annual dues are collected and to help cover any unanticipated year-end expenses. Association expenses average ~\$30,000 monthly and are closer to \$52,000 in January due to the one-time payment scheduled for bus service and manager bonus.

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Staff recommends that a 2020 Capital Reserve Contribution be made prior to year-end in the amount of \$25,000. This will leave approximately \$22,000 between the two operating accounts moving into 2020, intended to help cover ~\$15,000 in expenses, holding aside \$3,000 in liabilities and leaving \$4,000 in additional funds to meet any unexpected expenses in 2020.

Should the \$25,000 Capital Reserve Contribution be adopted for 2020, the total cash contributions into capital reserves would be \$50,459 when combined with Depreciation Contributions, helping to offset the projected Capital Expenditures in 2020 of \$71,050. Staff is recommending a Capital Reserve Contribution for the fiscal year.

Mary asked for input from the Treasurer and/or the Board. Matt concurred he was in agreement to make the Capital Reserve Contribution. Mary made a Motion to contribute \$25,000 out of cash into the Reserve Fund before the end of 2020; Scott seconded the Motion, the Motion carried.

Continued Business

Review the Application and Policy for Business Licensing

Mary stated that outside of the correction of grammatical errors, she was in agreement with the Policy and Application. Allison noted corrections and changes to the document. The Board asked how the fine policy would be executed. Dom referenced the current *Notice and Hearing and Enforcement Policy and Procedures*. The Board outlined a suggested fee schedule and Dom stated it would be included within the policy.

Margaret made a Motion to approve the Business License application and policy with grammatical fine tuning and the inclusion of the fine schedule effective to rollout January 1, 2021. Mary seconded the Motion; the Motion carried.

Capital Improvement Budget Planning

Dom identified the option to add a curb to the Elcho Avenue sidewalk to delineate it from the road. The Board was in agreement with adding the curb. Dom will get a firm cost and source three bids. Mary asked if we can look at the cost of paving the sidewalk also; Dom will include it as a line item. A meeting between West Elk Soccer Association and the P.O.A. took place to discuss a collaborative grant benefiting Red Mountain Park soccer field improvements. Dom shared improvements are estimated at \$15,000 with an additional \$5,000 for new goals. Sue has been in contact with Hedda Peterson; we will know more about the Met Rec grant availability in the spring.

Allison suggested looking into a Customer Relationship Management (CRM) system to improve efficiencies and help keep records up to date. A CRM would include email marketing communications as well. It is worth taking the time to do an exhaustive search for the right system. David suggested we speak with a consultant on what our scope of work would encompass. The cost may come out of operational expenses instead of Capital Reserves. Dom stated that he and staff will create the list of needs to report to the Board.

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Mary asked if the \$1400 slated for the Red Mountain Park Master Plan was sufficient. Margaret noted that we would likely need something in the area of \$50,000 in order to develop a comprehensive plan. It would be nice if the Met Rec grant could contribute to this project. Margaret can assist with some of the research to gather grants and funding. Dom will get the Development Committee meeting confirmed. Allison suggests moving at least \$5000 to the Red Mountain Park Master Plan estimate.

Manager's Report

Dom shared that Operations is looking good and Ryan Maddux is doing well in the position. There was a good turnout of icemaking volunteers. The skating rink is done and the hockey rink is opening on Friday, weather permitting. We are waiting on snow in order to groom the Nordic track. New Zamboni drivers have been trained and Dan Law will return for weekend rink maintenance. The locker rooms will remain closed through the season due to Covid protocols, therefore folks will have to prepare outside.

CASC had a good turnout of participants regarding the Short-Term Rental (STR) discussion. Dom noted that we are also receiving written comments from members; the comments will be compiled and will be valuable as CASC works through the covenant rewrite. The goal is to have a covenant draft for Board review by March or April as of 2021. Once the document has been vetted through the Board, town hall meetings will be held in May and June. This opens up the potential to send out the first draft with Annual Meeting mailing. The goal is to set the covenant rewrite up for success and CASC will continue to facilitate discussions with members regarding "hot topics" such as campers and STR. David would like to determine a mechanism for how changes to the policy are addressed as the community grows but continues to operate within the covenant. Dom recapped that the Board can develop policy outside of the covenant which leaves openings for revisions. A discussion continued on the STR CASC meeting and the comments received from the meeting group. Dom will share the audio with the those who are interested. The Gunnison Country Times will also be publishing an article. Resale value and property value were some of the topics brought up by folks. The maximum number of days is something that may need to be part of the land use portion of the covenant. These are just a few of the things that the Board will need to reconcile during this review. Scott requested that prior to a board vote, a reference narrative including the big questions be shared in order facilitate a productive discussion at the future meeting. He suggested questions such as: How many days are allowed? OR How many STR's can you own? This will enable the Board to have a comprehensive understanding prior to a review session. Mary suggests a couple, breakout sessions; Dom suggested March or April. Allison suggested creating better language be communicated to the renters so they are understanding that we are asking folks to be respectful and considerate of our neighborhood.

Mountain Express meeting is tomorrow morning. Dom submitted a request for credit for services cancelled 2020, since service was stopped during COVID. The fee for 2021 is \$150 more due to a new calculation. Ridership is down and the analytics show that we may be paying for bus service when RTA is within a 10-15-minute schedule. The ideal is to fill in the gaps instead of having

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the schedule so close together. Ridership impacts due to Covid and dependability is important especially for those folks who need to meet their time commitments.

Mary asked for the minutes to show the pre-meeting discussion regarding Off-road Highway Vehicles and a resident's letter recently submitted to the Board. There was a brief discussion regarding existing signage within the neighborhood and the locations of the signage. The Board will continue the topic as a future agenda item and discuss signage improvements.

Mary asked for an update by the Post Office box. Dom shared that the additional mailboxes require approval of USPS in order to expand the route; we are currently waiting on this approval.

Association Manager's Contract: (Possible Executive Session)

Mary said Dom answered all the questions and asked whether Dom or the board to ask any questions that we might have. No one had any questions.

Confirm Next Meeting Date: Wednesday, January 13, 2020, 6pm

Identify January Board Meeting Agenda Items – No agenda items were identified.

Adjourn – 8:10 pm regular meeting was adjourned for an Executive Session