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# CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION

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

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## Board Meeting Minutes January 20, 2021 – via Uber Conference

Board Members on Conference Call: Allison Butcher, Mary Haskell, Liz Jordan, Matt McCombs, David Neben, Scott Thomes (joined at 7:15 pm)

Staff Attending: Dom Eymere, Benita Bellamy

Public in Attendance as identified by Uber Conference Call Log: Molly Sloan

Mary called the meeting to order at 6:07 pm.

### **Approval of Minutes for December 9, 2020 P.O.A. Board Meeting**

Updates and/or corrections to the December 9, 2020 Meeting minutes were requested and none were identified. Allison made a Motion to approve the December 9, 2020 minutes. Matt seconded the Motion and the Motion carried.

### **Monthly Financial Report for December 31, 2020**

Dom presented the December Financial Report. For the period ending December 31, 2020, Total Income was \$418,460.62 and Total Expenses were \$353,279.67 resulting in Net Income of \$65,180.95. From a Balance Sheet perspective, as of December 31st, Total Assets were \$1,337,098.76. Operating and Money Market accounts totaled \$54,427.26, Reserve Funds totaled \$353,755.53, and Refundable Performance Deposits amounted to \$106,000 and are held in segregated accounts. At the end of 2020, Total Liabilities were \$110,000, all of them are Current Liabilities with the majority being Refundable Deposits. The Long-Term Liability of the mortgage on the POA building was paid off as scheduled in 2020.

Capital Reserve Expenditures were budgeted at \$50,000 for 2020. Easement Agreements were fulfilled, the basketball court was expanded from a half court to a full court with the help of a Met Rec grant, and the Teocalli pond and ditch deconstruction were all completed. The Elcho Avenue sidewalk was started but not completed in 2020, and the minimal costs associated with the completed work were expensed and not capitalized. In addition to the Budgeted Expenditures, backflows and water meters were installed at Red Mountain Park, and the Association purchased equipment in the form of a Nordic roller to groom the Nordic track as well as new Tracks for the Tool cat. The total Capital Expenditures in 2020 totaled \$71,000. Capital contributions included a one-time \$25,000 capital reserve contribution; monthly transfer of depreciation amounts from operating into reserves in the amount of \$25,459.44 as well as interest earned in the reserve accounts in the amount of \$4,261.58. The total Capital Contributions in 2020 totaled \$60,000. The cash flow for capital reserves, therefore, decreased by \$11,000 over the course of the year.

The collection of Dues remains a low concern with the accounts representing less than 1% of our membership. There are four (4) accounts delinquent as of 12/31/20, all of which carried over

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from the previous year. The total outstanding on the accounts is \$6,402. In summary, the POA remains in good financial condition at year end.

Dom presented the 2020 Budget to Actual final numbers. On the Projected to Actual report, Projected column figures were set to match the Actual column to close out the year. In addition to this standard Projected to Actual report for the December month-end, staff prepared a “Budget to Actual – 2020 In Review” report that displays the change between what was budgeted for in 2020 and what occurred. Areas of significant changes can be summarized as below.

Interest income was \$2,087 lower than budgeted due to drastically falling interest rates. The last two 12-month CDs renewed at the low rate of .05%. There is a third CD maturing at the end of January and staff recommends that the Association does not allow it to renew, but that it requests the funds be placed in a money market account until such time when interest rates rise. It is approximately \$50,000.

Allison asked if the reserve fund amounts is typical for each year. The fund is approximately \$275,000 and used for capital replacements. The Association is typically low for what is needed for replacements of properties and leasehold items. Allison asked if there is an opportunity to invest in something other than a traditional bank or money market account to stimulate growth on these funds. Dom is uncertain if we can invest the funds in something other than CD’s or a money market account but will explore it with staff. It was suggested that as an HOA we may be limited to investing in government insured programs. Matt and Allison agreed with following staff recommendations. Matt made a Motion to advance the staff proposal to move the CD money into a money market account to increase the minimal yield. Mary seconded the Motion. Mary requested Dom to review if there are alternate investment options for the Association.

Finance charges income were \$2,000 lower than budgeted for as a few long-established delinquent accounts changed hands in 2020 and were finally paid to zero at closing. Grants/Donations were \$11,000 higher than budgeted. UGRWCD is included with a total of \$5,700 in 2020 although \$3,000 of that is invoice but not yet received. Gunnison County Met. Red. Dist. provided \$5,350 towards the basketball expansion project.

Application Fees and Property Transfer Fees Income line items are difficult to predict from year to year and ended up \$17,000 higher than budgeted.

Groundskeeping Compensation and associated payroll tax expenses were ~\$15,000 lower than budgeted due to change in staffing combined with reduced workload due to COVID-19’s closures of amenities. Consulting Expenses were not utilized as budgeted, lowering this line-item expense by \$9,000. This was identified for a traffic study engineer. Common Area Improvements. Improvements in 2020 include the Elcho Avenue pathway expansion start, new speed limit signage, new trash cans, survey work for easements in Block 4, and work performed in preparation of mailbox expansions that the Post Office ended up not allowing to occur. Overall, this budget item was \$2,497 over budget.

Bus service expenses were \$1,000 over budget, contributed to the late-night taxi funding. It was also noted that 2021 fees were reduced to ~ \$13,500 because of a credit to the Association, due to

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the service halts during the pandemic last year. Dom shared that we were also notified that the fee structure for which the Association is being charged is no longer an annual flat fee, but a percentage of actual costs incurred by the Rural Transportation Authority.

Overall, the Budgeted Net Income was \$8,000 and the Actual Net Income was \$65,000, a difference of \$57,000. After increases and decreases in cash flow from capital expenditures and contributions, changes in accounts receivables and payables, the net cash flow in the operating account is a positive \$20,165.65 at the end of 2020.

Mary made a Motion to approve the Budget to Actual – 2020 In Review for December 31, 2020; Allison seconded the Motion and the Motion carried.

## **New Business**

### **Scheduled Property Owner Comment Time**

Molly Sloan, owner of Red Mountain Liquors, was in attendance to discuss the newly adopted Business License policy and application. Molly inquired as to how the funds would be applied for existing business owners who do not require the same type of business review as a new business. Dom shared that one of the purposes of the policy is to ensure that new businesses meet the approved uses as outlined in the Commercial Area Master Plan (CAMP) and to prohibit unapproved uses. Molly suggested that the funds be appropriated directly to the commercial area and be used within the commercial district. David suggested older, existing businesses could be grandfathered in. Molly points out that the FAQ's speak directly to new businesses. Matt and Mary both shared that a business application is a standard process and that it is helping the greater good for future growth of the commercial area. Molly stated that she believes a license is unnecessary for established businesses who are already in compliance and feels the fee is excessive. Dom noted that the commercial district fund will begin in 2022. She agrees with an application fee being invested in the commercial district. She felt it important for the Board to know her thoughts as a long-time business owner. Matt thanked Molly for sharing her thoughts and bringing this to the Board's attention. It was noted that the Board and Association will concentrate on the segregation of the funds, showing accountability how the funds are utilized.

### **Review Performance Goals for 2021**

Mary asked Dom to share his comments regarding his 2021 Performance Goals. Dom noted that his understanding is to increase reporting and communications to the Board. He will start by providing a more robust Manager's Report. Dom proceeded to review each goal and confirmed his actions. An Annual Calendar document was shared this evening highlighting monthly dates and events throughout 2021. The annual Pond Hockey Tournament is a key event in CB South but due to the number of participants and Covid protocols, it had to be cancelled this year.

Dom asked for clarification regarding the request to explore recycling services. He shared this has been reviewed in previous years and the County sponsored recycling was determined to be cost prohibitive. Matt and Liz both asked for him to re-review the idea. They asked Dom to approach

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it as not only advocating for CB South but for the north valley as well. The Board would like to reopen the dialogue to see how we might strengthen the program within the north valley. Allison and David agreed as well. The Board believes members would be very receptive to this sustainable effort; it would be perceived as a huge benefit. They would consider the possibility of some financial support as well. Regarding the collection of member's contact information, Dom shared that we continually update and maintain member contact information. Several formats are available such as email, phone, a website form, mailings as well as direct inquiries by staff. Dom noted that Sue is researching and developing a funding database of potential grant sources.

Matt asked that to revisit these objectives throughout the year. Liz also asked Dom to brief the Board so that they can amend these metrics and assist with the any barriers or obstacles that are encountered. Dom noted that he has developed a communication plan which will be shared with the Board.

## **Continued Business**

### **Update on Covenant Amendment Steering Committee (CASC)**

The CASC timeline was reviewed and the draft is almost complete. February and March agendas will block time for review of this draft. Discussions with membership will be hosted through town hall meetings to communicate the proposed changes of the draft document. The process of bringing this vote forward and increasing participation is another discussion topic. A ballot can only be open for 30 days. We will be issuing the Annual Ballots and Meeting Notice in July; on the table for consideration is whether the Covenant Ballot should be a separate mailing. We need to discuss the option for electronic voting soon as it requires an amendment to the Bylaw. Matt asked what the status of the draft is at this time. Several of the articles have been complete and received legal review. Eleven (11) articles are complete, and four (4) articles remain. Sue and Dom meet weekly to plan agendas, review minutes and work through the language. Mary mentioned that it would be helpful for Board review of the draft prior to the next board meeting.

### **Discussion: Two vs. Three Story Building on Block 6**

A discussion ensued at the January CASC meeting whether the Covenant Amendment will include language for the possibility of 3-stories within Block 6. David provided a recap of previous Board and CAMP meeting discussions. The CAMP process ran for four years and included a citizen committee, public meetings, surveys, and multiple discussions. The Block 6 owners were part of the process and requested 3-stories as a financial necessity. Member comments included concerns about density, parking, and traffic impacts as well as infrastructure impacts of developing 3-stories. A ballot vote was issued in October 2019 proposing an amendment to the Covenant 24.03. The ballot language provided some confusion regarding the vote purpose. A majority of 50% +1 votes is required for an amendment. The ballot did not meet the required quorum and the amendment did not pass. There was a higher percentage of "yes" votes vs. "no" votes. There was speculation that an unexercised ballot was perceived as a "no" vote and members were under that impression; therefore, they did not vote. Allison stated that with this confusion, it may warrant including this language within the covenant amendment and that we must also clarify any confusion around the

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voting process. Liz asked why this is open for discussion again and requested clarification on the issues. Mary preferred to have an open, Board discussion to try to provide some clarity on the confusion and to make sure the correct steps are being taken procedurally. The previous Board agreed that when the covenant was addressed during the CASC process, the discussion would be revisited and CASC would make a recommendation. Mary noted that Margaret provided higher density information to the Board by email. Dom added that we are reviewing this for several reasons. The CAMP process engaged consultants to look at market feasibility and identify items within the first-generation SAR/CAMP should be reviewed. These include floor area ratio, reduced parking requirements, snow storage and landscaping areas. Each of these items limit the size of the building footprint on the lot; another story may provide a more market feasible investment. It was noted that not all stakeholders live outside the valley, several live here and the commercial area is a dense land use area. Molly Sloan was on the phone adding as a business owner that businesses need places for employees to live. Matt added that we need to consider the future as well as the lifetime of these amended covenants; they will last for many years to come, now is the time to be very thoughtful of the footprint we are designing and factoring in the long-term impacts of the decisions being made now. The discussion continued about ballot confusion and whether a “non” vote was a “no” vote. It was noted even though quorum was not met, ~ 60 percent of votes received were in favor of the change to 3-stories.

Matt would like to see the Board continue this discussion when the entire Board can be present. David pointed out that the covenants can always be changed when the need arises. He wants to have a solid understanding of the impacts regarding density, parking, etc.; some of this information would be gathered through a traffic study. Scott weighed in and agreed that we need additional information regarding everything that has been outlined. He also shared that creative solutions such as underground parking could also improve some of the parking concerns. Mary has similar concerns with the parking and density, but also notes that a third story will not always increase density, for example a two-story condo. Mary emphasized her main concern is to have an open discussion and fair process to represent what the community wants and to sure the Board is accurately representing all members. Allison agreed with Mary’s concerns and agrees that we need clarify the confusion around the “no” vote assumptions.

Matt believes the current Board needs to investigate obtaining accurate data and share good information with the community which can start with the traffic study. Liz and Mary strongly stated the scope of work needs to include the 2-stories vs 3-stories density impacts as well as parking impacts. Mary called an end to the discussion tonight as more data and traffic study information is gathered.

Dom met with Randy from SGM Engineering, the third firm sourced for the traffic study proposal. To obtain the necessary components for a Board decision, a planning consultant may need to be considered for a thorough analysis on 2-stories vs 3-stories. This would be in addition to the traffic engineer analytics. David shared his feedback from members that are not in favor. Matt suggested that any members who are against it should communicate with the Board. Liz enforced that the traffic study needs to be completed as a first step before meeting with the community. Dom was

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directed to finalize which firm will receive the contract for the traffic study and was asked for any additional proposals to be shared with the Board as soon as available.

## **Update on Capital Improvement Budget Planning and Strategic Plan**

The Capital Improvement Plan document was shared prior to the meeting. Dom stated that Hedda Peterson will be attending the February Board meeting and that there are a few projects that may be opportunities to work with the Met Rec. He has been working on the Capital Improvement Plan spreadsheet to be shared next month. Dom reviewed the Annual Calendar shared outlining community events, key financial dates, Board meetings and projects goals which are part of the Capital Improvement Plan.

## **Manager's Report**

Dom shared that we have received several Covid Critter signs to be installed throughout the subdivision. Friday, we will receive the Mat Tracks for the tool cat and the roller for the Nordic grooming. Dom reported there has been a high use of the winter facilities and amenities and he has received a lot of positive feedback. There is a DRC meeting on Thursday, January 21<sup>st</sup> with two projects on the agenda.

Molly Sloan rejoined the call. Molly suggested creating two, separate business licenses, one for new businesses regarding new operations, and a separate, renewal license for existing businesses that are operating in compliance.

**Confirm Next Meeting Date:** Wednesday, February 10, 2020, 6pm

## **Identify February Board Meeting Agenda Items**

1. Board decision for the Traffic Study consultant.
2. Guest - Hedda Petersen, Met Rec District Manager
3. Discuss E-voting and Bylaw revision
4. Begin discussion on the Capital Improvement for the Commercial District

**Adjourn** – 8:32 pm