
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 50th Annual Meeting August 9, 2020, Via Uber Conference

Board Members Attending: Matt Feier, Mary Haskell, Margaret Loperfido, David Neben,
Via Uber Conference: Matt McCombs

Staff Attending: Dom Eymere, Benita Bellamy

Public in Attendance: Due to Covid-19, the Annual Meeting is closed to in-person attendance. Member participation is virtual via Uber Conference. Call participant list from Uber Conference may be viewed at the P.O.A. Office, 61 Teocalli Road, Crested Butte, CO 81224.

Call to Order

Matt Feier called the meeting to order at 4:03 pm.

Welcome and Introductions

Matt thanked the attendees for joining in on the 50th Annual Meeting and our first virtual meeting. Matt introduced the Board Members in attendance along with the Association Manager and P.O.A Staff, and welcomed the Public for joining today.

The Annual Meeting Proof of Notice was published in the Crested Butte News on July 23, 2020 and July 30, 2020. Notice was also posted on the CB South website, at the P.O.A. Office and in the Annual Newsletter sent by mail to all property owners as of July 10, 2020 along with the meeting election ballots.

Reading of Minutes from 2019 Annual Meeting

Matt F. requested comments or corrections for the August 4, 2019 minutes; none were identified. In lieu of reading the August 4, 2019 Minutes, a Motion was made by Margaret to approve the August 4, 2019 Annual Meeting Minutes and David seconded the motion. The Motion carried to approve the minutes. It was noted that Matt F. was not in attendance for the meeting, therefore he abstained from the vote.

Year-To-Date Financial Report

Treasurer, Matt McCombs presented the Year-To-Date Financial Report. Participants on the call followed along with the PowerPoint presentation. For the last calendar year ending 2019, Total Income was \$387,478 and Total Expenses were \$374,223 resulting in Net Income of \$13,254. Additions to Capital Reserves totaled \$30,000.

The Net Income Comparison chart shows our Total Income, Total Expenses, and Net Income for 2018, 2019 and 2020 to-date. We are currently projecting a Total Income of \$398,850, a difference of \$13,000 or only 1% from budget. Total Expenses are projected at \$385,781, a difference of

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\$8,000 or also only 1% from budget. Net Income of \$13,068 is projected for year-end, which is an increase of \$5,000 over what was budgeted.

Major capital improvement items budgeted for 2020 include expanding the basketball court, installing a sidewalk along Elcho Avenue to connect the Teocalli pathway, and additional access easements. These two charts outline the main sources of income and expenses projected for this calendar year-end.

It was noted that 82.5% of Income for the Association comes from Annual Dues Assessments. Other sources of income include Application Fees, Interest & Finance Charges, Property Transfer and Short-Term Rental Fees, Mail Box Rents, and Grants and Donations. On the Expense side of things, Compensation, Payroll Taxes, Education & Training encompass 51.5% of Association expenses. Other expenses include Professional Fees, Common Area Maintenance and Improvements, Insurance, Utilities, Computer Maintenance & Office Supplies, and Bus Service Fee & Bus Stop Maintenance. The Common Area Maintenance and Improvements category includes costs to maintain our amenities such as playgrounds, parks, fields, pedestrian walkways, the Sunset community hall, groomed Nordic trails, ice skating rinks, open spaces and more. The winter bus service, provided by the Mountain Express, was funded this past winter season for the 6th consecutive year. The Association's contribution was \$16,500. In addition, the Association contributed \$1,000 to the Crested Butte-Mt. Crested Butte Taxi service. The costs of these services are shared with the towns of Crested Butte and Mount Crested Butte.

From a Balance Sheet perspective, as of June 30, 2020, Total Assets were \$1,196,000. Cash Assets and Undeposited funds total \$766,000, Fixed Assets total \$414,000 and Accounts Receivable is only 1.3% of Total Assets at \$16,000. Breaking out the Cash Assets into subgroups, Operating checking and money market accounts totaled \$223,000, which will be drawn down as expenses are incurred through the balance of the year. Reserve Funds are currently \$379,000 of which \$213,000 are invested in a laddered portfolio of four CDs with one maturing every 3 months, each of which is rolled forward one year upon maturity. This keeps the reserve funds invested in CDs earning 1-year rates, around 1% currently, and allows for ample liquidity if funds are needed. The remaining \$166,000 of reserve balances are held in money market accounts. Refundable Performance Deposits amount to \$162,000 and are held in segregated accounts.

Total Liabilities were \$175,000, consisting of \$170,000 in Current Liabilities, a majority of which are Refundable Deposits. The balance of Total Liabilities consists of \$5,000 of Long-Term Liabilities which is the remaining balance of the mortgage on the POA building. The mortgage is scheduled to be paid off before the end of the year. Total Assets of \$1,196,000, less Total Liabilities of \$175,000, equates to Total Equity of \$1,021,000.

The 2020 Dues per 1-unit property were set at a rate of \$377.00, an increase of 4% over 2019. Most other dues were set as a factor of the 1-unit figure. For example, commercial property is set at a factor of 2, or \$754. The exception to the factor calculations is vacant land, which increased from \$185 to \$202, or by 9% as we gradually move vacant land dues to the match the 1-unit

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property factor. Matt M. referenced a table that outlined the 1-unit dues amount from the past 8 years along the dollar amount of the increase per year as well as the percentage of the increase. The average increase per year was 3% or just under \$10/year. For comparison purposes, percentages of 1-unit dues increases were compared with rates of inflation in another chart. An example was shared, the 2013 dues increased by 4% while inflation rose 1.5%. In 2014 dues increased by 3% while inflation rose 0.8%. You can see that as time went on increases were fairly close to the rates of inflation until the spike in 2019. This increase was mainly due to a change in insurance premiums.

The Association maintained annual insurance costs of approximately \$6,500 until the insurance company notified us in 2018 that they would not be renewing the policy. There had been no claims and there was no explanation provided by the insurance company. When new policy quotes were gathered, the best offering was almost \$23,000, an increase of over 350%, significantly impacting the decision to raise dues to cover costs.

An independent financial audit is typically conducted every other year, and is scheduled to be performed next spring on the 2020 fiscal year. Copies of these reports as well as other financial records are available for review at the P.O.A. office during regular business hours.

Every year the Board of Directors works closely with Staff to develop a fiscally responsible budget for the upcoming year while keeping in mind long-term goals. Initial stages of the 2021 Budget process have begun, and Budget development will be an agenda item in upcoming monthly Board meetings. Meetings are open to the public and meeting minutes can be found online on our website www.cbsouth.net.

In summary, the CB South Property Owners Association remains in very good financial condition.

Financial Questions Time: Matt offered to host any questions from the meeting participants; no questions were put forward.

Committee Reports by Dom Eymere

Dom presented a recap of the current CB South committees along with the participating community members. The Climate Action Committee is supporting the subdivision and homeowners by looking into greenhouse emissions, both current and future, identifying ways to reduce these emissions, track potential savings and present their recommendations to the Board. The Committee is working along with representatives of the County's climate action groups such as One Valley Prosperity Project. The committee recommended to align its reduction goals with Gunnison County's Sustainability department and has set a goal of 20% reduction in GHG emissions by 2030. The first step was surveying energy use and a survey was issued to residents. A recommendation was made to sign up for ten solar panels that will offset our largest usage areas. They are also working with GCEA to review sites for a possible solar garden at \$4.71 per month per panel. Matt F. shared that the savings will offset the cost of the panel per month.

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Dom presented the work of the Covenant Amendment Steering Committee. Covenants and Restrictions serve as a unified vision for land use and development within the subdivision. These documents identify the most common and approved uses for all lots within the platted subdivision. A concise set of documents provides clarity to the Board of Directors for decision-making purposes as well as the POA membership and potential owners. The committee was formed to review the covenants and the associated amendments. The original Covenants and Restrictions were written in 1970 and layered with many amendments. The objective for CASC is to review and provide comments on a draft version. Public meetings are being held to continually address the “hot topics” as seen by membership. All meetings are noticed with a published agenda regarding the specific articles to be discussed. The draft Restated Declaration is being developed by Staff with input from our legal advisor, and reviewed and discussed by CASC with input from the community. When the draft is complete and has been vetted by the Board of Directors, community forums will be scheduled to present the recommendations. As of this time, the target date for these meetings is summer of 2021.

The Design Review Committee (DRC) is a five (5) member Committee with up to two alternates, established to review and act on plans for improvements on any lot to ensure compliance with Residential Design Regulations. Meetings are held on the second to last Thursday of the month. A quorum of the DRC shall be three (3) members in order to hold a meeting and conduct business. Decisions rendered at meetings where only three (3) members are present must be unanimous. Projects are either approved, denied or approved with conditions. Each member shall serve a two year term, and terms shall be staggered. Dom presented the chart of the Construction Project Approvals that included the building trends from 2016 through May 2020 by structure type. 2018 has the record growth rate with a total of twenty-four (24) approvals including residential, commercial and minor remodel submittals.

Association Manager’s Annual Report by Dom Eymere

Dom kicked off the discussion with the purpose of the Strategic Plan as we enter its fifth and final year. This is a critical document to provide guidance to the Board and Association by identifying objectives and goals along with milestones. Completed line items as of this meeting include adding Wi-Fi spots within the park, a revised and county approved Commercial Area Master Plan and Special Area Regulations, expansion of the mailbox units and accessible ramps to the facility, the formation of CASC and an updated website with improved communications to members. We continue to focus on improving cell phone service and walkability. The easement from Elcho Avenue to Cement Creek Road will be established soon and a new sidewalk along Elcho Avenue, connecting the Teocalli path to the commercial district will be completed later this summer.

Dom addressed some of the Capital improvement projects being developed. With the funding from a Met Rec grant, the basketball court will be expanded to a full regulation size court with new nets and plans to incorporate a pickle ball court are being developed. A live rink camera in Red Mountain Park has been installed. Water conservation continues to advance with the installation of digital water meters in the park and public areas; benefits from last year’s Upper Gunnison River Conservancy District grant. Cement Creek Condos collection pond will be removed this fall. The P.O.A. entered into a tri-party agreement with the condo association and

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JRJ Holdings to share the costs of the construction with Cement Creek Condos, who will be paying for half of the project. Lacy Construction is scheduled to start in September.

We continue to grow our community programs and this year is our inaugural “Shop Fresh Thursdays” Farmers Market with Calder Farm and Gunnison Gardens as well as local prepared food vendors on occasion. Self-service composting has expanded our growing community of composters. Our weed management control program continues to show increases with each year as we do our part in the eradication of noxious weeds. We started our combat for the year focusing on treating and mapping the right of ways and park. The main focus is on scentless chamomile, Canada and musk thistle, yellow toad flax, houndstongue, and common mullein. A planning priority is the traffic study. We are currently sourcing proposals for later in 2020 or early 2021. The scope will include the commercial district as well as key intersections within the subdivision. Cell service improvement research is ongoing as we continue to look at solutions to improve the service. Matt F. mentioned that an Almont cell tower will be raised soon and may help to improve service. The Trails, Amenities and Parks committee has been on hiatus but a group of interested folks are looking to regroup and outline a list of possible projects. Some ideas suggested are a skate park, roof over the hockey rink and continued expansion of trails.

Property Owners Comment and Question Time

Sue Schappert thanked the Board members and Dom for all the work presented today. She asked for an update on Covenant Enforcement and what is done to enforce the rules and regulations of the Association. She feels that the enforcement has been missing in today’s discussion and asked if the covenant rewrite is focusing on updates or will it also include enforcement. Dom addressed that the Community Compliance Coordinator position was created at the request of the Board two years ago to oversee and enforce the subdivision’s rules. Dom did not include it in today’s report. The P.O.A. maintains a master database of all reported violations and the actions taken to resolve complaints and violations; there are ~ sixty (60) to seventy (70) infractions being tracked as of this meeting. Noncompliance of off highway vehicles, campers, and lighting as it relates to the Dark Skies initiative are just some of the items being tracked and addressed. Specifically, camper enforcement has increased since the pilot test was not approved. A written warning is the first step per our Notice and Hearing and Enforcement Policy. Matt added that enforcement remains difficult as most infractions happen at night or during the weekend and the Association does not have staffing that can address issues all hours of the day or night.

Sue also asked why the POA is paying for a quarter of the pond removal project and what the estimated project cost. Dom noted that the project is estimated at \$60,000. Dom and Matt F. both provided a history of the project. It has been an issue for several years with liability and safety concerns as well as aesthetics. The P.O.A. notified the County of the lack of maintenance which led to the county looking into ownership of responsibility after the installation of the pedestrian path. Since our path is adjacent to the pond, we felt that it was in the community’s best interest to be a good neighbor and contribute.

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Nancy Gruber Meier stated we are seeing more OHV's (off highway vehicles), 4-wheelers and dirt bikes on the roads. Is there anything more that can be done? Dom stated yes, there needs to be a policy created to address these types of vehicles on our roads as well as reaching out to the sheriff's department for more police presence. We have also notified the short-term rental owners that their renters need to be clear on the rules and regulations within our community.

Ellen Price asked how to reserve a spot within the community garden. Dom said she just needed to contact the office.

Matt F. reported the election results. As of 4pm Mountain Standard Time, 307 ballots were received for the 2020 Board of Directors vote. Matt McCombs and David Neben will be returning for second terms. Three new board directors will be joining the expanded Board of Directors, Allison Butcher, Liz Jordan and Scott Thomes. Matt F. congratulated and thanked everyone that ran in the election. The IRS Revenue Ruling 70-604 for 2020 was passed 277 votes in favor to 4 votes not in favor.

Matt McCombs took a moment to thank Matt Feier for his six years of service, as he steps down from the Board.

Matt F. adjourned the meeting at 4:58 pm.