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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 51<sup>st</sup> Annual Meeting August 8, 2021, Sunset Hall**

Board Members Attending: Allison Butcher, Mary Haskell, Margaret Loperfido, Liz Jordan,  
David Neben

Staff Attending: Dom Eymere, Benita Bellamy, Sue Wallace

Public in Attendance: See Sign in Sheet

### **Call to Order**

Mary called the meeting to order at 4:05 pm.

### **Welcome and Introductions**

Mary thanked everyone for attending the 51<sup>st</sup> Annual Meeting. Mary introduced the Board Members in attendance along with the Association Manager and P.O.A Staff. Mary noted that Board Members Matt McCombs and Scott Thomes had been called away for personal reasons and were unable to attend.

### **Proof of Notice of Annual Meeting**

The Annual Meeting Notice, Annual Newsletter and two ballots were mailed to all members of record as of July 9, 2021. The Annual meeting was posted at the Crested Butte South Property Owners Association main office at 61 Teocalli Road, on July 26, 2021, and on the website on July 31, 2021. The meeting agenda was published in the Crested Butte News on July 30, 2021, and August 6, 2021.

### **Approval of the 2020 Annual Meeting Minutes**

Mary requested comments and/or corrections to the August 9, 2020, minutes; none were identified. In lieu of reading the August 9, 2020 Minutes, a Motion was made by David to approve the Annual Meeting Minutes and Liz seconded the motion. The Motion carried.

### **Year-To-Date Financial Report**

Dom presented the Year-To-Date Financial Report. For the last calendar year ending 2020, Total Income was \$415,370 and Total Expenses were \$353,296 resulting in Net Income of \$62,074. Additions to Capital Reserves totaled \$25,000. A Net Income Comparison chart was presented showing Total Income, Total Expenses, and Net Income for 2019, 2020 and 2020 year-to-date. We are currently projecting a Total Income of \$458,535, Total Expenses of \$408,531 and a Net Income of \$50,004. Projected Net Income for 2021 is higher than budgeted primarily due to unforeseen increases in residential and commercial application fees and property transfer fees.

The next chart outlined the main sources of income and expenses projected for this calendar year-end. 76.7% of Income for the Association comes from Annual Dues Assessments. Other sources

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of income include Application fees, Interest & Finance charges, Property transfer and Short-Term rental fees, Mailbox rents, and Grants and Donations. On the Expense side of things, Compensation, Payroll Taxes, Education & Training encompass 50.2% of Association expenses. As our community grows, member demands also grow, and increased staffing will be a focus of budget planning for 2022 over the next few months. 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 7th consecutive year. The Association's contribution was \$13,548. We have been notified that RTA will now be running 39 trips a day starting this November through CB South. This change eliminates the need for Mountain Express to supplement our transportation needs and therefore we won't have this substantial expense after 2021.

From a Balance Sheet perspective, as of June 30, 2021, Total Assets were \$1,329,000. Cash Assets and Undeposited Funds total \$854,000, Fixed Assets total \$466,000 and Accounts Receivable is only 0.7% of Total Assets at \$10,000. Breaking out the Cash Assets into subgroups, Operating checking and money market accounts totaled \$287,000, which will be drawn down as expenses are incurred through the balance of the year. Reserve Funds are currently \$362,000 and Refundable Performance Deposits amount to \$203,000 and are held in segregated accounts. Total Liabilities were \$208,000, the majority of which are Refundable Deposits. The mortgage on the POA building was paid off last year. Therefore, Total Assets of \$1,329,000, less Total Liabilities of \$208,000, equates to Total Equity of \$1,121,000.

In 2021, Dues per 1-unit property were set at a rate of \$392.00, an increase of 4% over 2020. 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 \$202 to \$222, or by almost 10% as we gradually move vacant land dues to the match the 1-unit property factor. A slide showed the comparison of the 1-unit dues amount from the past 9 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 approximately \$10/year. For comparison purposes, percentages of 1-unit dues increases were compared with rates of inflation on another chart. For example, in 2013 dues increased by 4% while inflation rose 1.5%. In 2014 dues increased by 3% while inflation rose 0.8%. As time went on increases were close to the rates of inflation until the spike in 2019. The higher-than-average increase in 2019 was mainly triggered by the need to cover significant increases in the costs for insurance. Insurance continues to be a large portion of our annual expenses, currently comprising 10% of our total expenses. We just received another 17% increase in insurance costs and are aggressively shopping for a better value.

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An independent financial audit is typically conducted every other year and is almost complete for the 2020 fiscal year. Preliminary reports support the Association's compliance with standard accounting practices and satisfactory reporting. Copies of 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 preparation of the 2021 Budget process has begun, and budget development will be an agenda item for upcoming monthly Board meetings. Meetings are open to the public and meeting minutes can be found online on our website [www.cbsouth.net](http://www.cbsouth.net).

In summary, the Crested Butte South Property Owners Association remains in very good condition.

## **Update on Amended and Restated Covenants and Restrictions Ballot**

Dave provided an overview and history of the Covenant Amendment Steering Committee (CASC). The committee was formed of volunteer community members over two years ago. They have gone through the current covenants and amendments line by line to get to this point and have taken the responsibility very seriously. The Draft was developed with input from the CASC, community members and meeting attendees as well as review by legal counsel over the past two and half years. David turned the presentation over to Sue. Sue thanked all the committee volunteers who have helped get us to this point.

Sue presented the most current timeline and key dates. There have been three public meetings to date with the final meeting will be on Thursday, September 2<sup>nd</sup>. The Draft will be approved by the Board very shortly and be published for review on the website. The ballot vote will open on October 1<sup>st</sup> and close on October 31<sup>st</sup>. A voting open house will be held on Thursday, October 7<sup>th</sup> at Sunset Hall for members to walk in and vote. The New Covenant menu on the website will be the home to all the necessary information on the covenant language, ballot and a link to the Draft document. Sue noted that we are going to also provide the ability to vote with an electronic voting format. The voting results will be counted by a non-member voting official and will be kept secret. She explained the ballot mailing format and how it will remain secure.

Sue reviewed the four ballot questions. The first question asks the member to approve or not approve replacing the 1970 Covenants with the Amended Covenants. Questions 2 and 3 will address questions regarding camper parking and camper habitation. The member will be asked to answer yes or no to each question. Language that has been developed evolved from comments and feedback from community members who participated in the CASC meetings. The fourth question addresses Short Term Rental limitations asking the member to vote on a finite number of days or unlimited the number of days. Sue provided an overview of the language, clarifying what voting yes or no means. A preview of the website was also presented. Sue emphasized the importance of voting. All questions require a majority vote to change the language. Allison encouraged the members to vote, whether it is yes or no, and noted that it represents the best way for a member to get their voice heard. Several questions were fielded regarding Short Term Rentals. Limiting the number of Short-Term Rentals is not on the ballot and would be set by a

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board policy process. Enforcement will be managed through third party software. Liz noted that the Board cannot make policy without the covenant change to address Short Term Rentals and the current covenants do not address this topic, making it important to vote. An attendee complimented Sue for making this process easy to understand.

## **Crested Butte South Metropolitan District - District Manager, Ronnie Benson**

Ronnie thanked the Board for the invitation today shared several Metro District updates. The District has been working on a water efficiency plan over the past several years. It encompasses water rights and sustainability. They worked with the engineers, along with the State. It has been approved by the Metro District Board and is at the state level for approval. Once approved, the document will be shared with the community. Sue noted that the document will help address the water use for residential, multifamily and commercial properties. A question on metering water usage by residence was asked and Ronnie noted that each home is currently metered, even though they do not bill that way. It may be considered in the future but would require additional workforce and infrastructure. It was clarified that the Metro District makes and enforces policy around water use.

A question was asked regarding roads and subdivision growth. As a special district, Metro has the responsibility and ownership to decide on how the streets are maintained for growth. Funding for paving all the roads does not exist. Due to growth, several roads would need to be corrected to match the original platting of the subdivision. Drainage is also impacted with asphalt. Liz shared that the P.O.A. has contracted with a traffic study consultant; it is a three phase project and Phase 1 is nearing completion. David noted that the P.O.A. will be doing more outreach with the Metro District continuing the conversation regarding water usage and high-density growth.

A member asked if there is any consideration for private roads to become public roads. An example referred to Elcho Avenue as it dead ends into Cascadilla through the Cement Creek Condo Association. Ronnie stated that an agreement was made many years ago making that a private road for the condo association and there are no plans to open the road. Chris Ward, President of the Cement Creek Condo Association, remarked that if this was to happen, their association would be responsible to bring the roads up to code which is too costly.

Ronnie concluded noting the snowplow contracts will be available on the CB South Metro District website by October 1<sup>st</sup>.

## **Association's Annual Report**

Dom opened with an overview of the traffic study and traffic counting currently in progress. The 2016-2021 Strategic Plan ends this year, and a new plan will be generated over the next several months. In collaboration with Met Rec grant funding, a park master plan will be developed to maximize the amenities within Red Mountain Park. Met Rec is interested in partnering with the P.O.A. to provide more recreation services in the north valley. A question was asked about the tennis court repairs. Maintenance is working on patching the court however cost for resurfacing is high and it will be reviewed during the master plan process. The Southside Skate Park

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committee will begin fundraising shortly; the skate park is slated for opening in 2022. They are working with the Community Foundation and the goal is to get approximately 80% funded. Several in kind donations that have already been pledged. Liz shared that this project is a good example of community members coming together, forming a committee to spearhead a project they are passionate about.

A discussion ensued around subdivision speeding and ideas to slow-down cars on subdivision roads. Dom shared that the Sheriff is aware of our issues and has provided more presence within the subdivision, issuing warnings. It was noted again that the P.O.A. has no jurisdiction over the county roads and it is important for the community to voice their opinions to both the Sheriff and with the County.

Dom presented the current development numbers. To date in 2021, approvals include nine single family residences, one accessory dwelling unit, one 2-unit residence, 18 units within a multi-family structure, and one commercial structure.

Dom reviewed the list of Capital Improvement Projects which include completion of the regulation size basketball court that was in part funded by Met Rec. and the installation of 58 new mailboxes costing ~\$3,100. The Board and P.O.A. continue to investigate permanent solutions for mailbox expansion. Tracks for the tool cat were purchased to clear snow along the Teocalli pedestrian path as well as help with track setting and a Nordic roll-compactor for compacting soft snow was also purchased. Both purchases help to keep our winter amenities groomed and save on staff hours. New soccer goals replaced the original, donated goals; we partnered with West Elk Soccer on the purchase. Events this year include Music in a Park on Saturday, August 21<sup>st</sup> and we are hosting our second year of the Farmers Market. Administrative projects include the development of a Business license and policy for the commercial district which helps us to better understand businesses operating within the district. This summer we have been working with the Metro District to gather data from the park's water meter install. The 2022 Budget will review increasing staff in support of the growing community, programs and amenities.

## **Property Owners Comment and Question Time**

The meeting was opened to members' questions. A question was asked on status of cell phone improvements and Dom explained this is part of the Strategic plan and continually looked at for ways to improve and enhance. David explained that installing a cell tower ourselves, would be one option at the cost of ~\$150,000. Service providers are not going to place something here since there is not a revenue source. We continue to research and look at ideas. An inquiry was made to add a second bike lane to the east side of Cement Creek Road. Since this is a county road that request is within the County's jurisdiction. It was asked if there are plans to pave the Teocalli recreational path. Dom shared bids requested were too costly. Dom explained the proposed solar garden installation did not meet the specifications of GCEA in terms of size and capacity, so it was not moving forward. An inquiry was made about the rules for Off Highway Vehicles (OHV) and who should be contacted when they are driving on the streets. OHVs are not permitted on

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subdivision streets unless they are licensed and registered. The Sheriff is the only one who can issue tickets and should be contacted. The P.O.A. has no authority on the County roads.

## **Ballot Results**

Margaret reported the election results. As of 4pm Mountain Standard Time, 251 ballots were received for the 2021 Board of Directors vote. The following votes were cast, 243 for Mary Haskell, 147 for Craig Maestro, 177 for Andrew Sandstrom, 1 write in for Tony Lambert. The new Board members for the 2021–2023 term will be Mary Haskell and Andrew Sandstrom. Thank you to all the candidates for running. The IRS Revenue Ruling 70-604 was passed with 289 ballots received: 279 in favor and 10 votes not in favor. As a retiring Board Member, Margaret gave her heartfelt thanks to the community for allowing her to serve on the board.

Mary thanked everyone for their attendance and invited everyone to join in the Annual Property Owners' Picnic. The meeting was adjourned at 5:45pm