
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 17, 2018

Board Members Attending: Matt Feier, Brett Henderson, Margaret Loperfido, Matt McCombs

Staff Attending: Dom Eymere, Benita Bellamy

Public in Attendance: Ian Billick, Kristi Hargrove, Andrew Haverkamp, Roland Mason

Matt Feier called the meeting to order at 6:07pm.

Approval of Minutes

Matt Feier requested updates and/or corrections to the September minutes. Matt McCombs motioned to approve the September minutes with identified corrections; Margaret seconded the Motion and the Motion carried.

Financial Report

The Board reviewed the prepared Financial Report for the period ending September 30, 2018. In summary, Total Income was \$366,740 and Total Expenses were \$251,511 resulting in Net Income of \$115,229.

Total Net Income is projected to be roughly \$30,000 at year-end, primarily due to higher than anticipated Application Fees from new construction activity. Of the Total \$30,000, it is projected that \$5,000 will be retained in the Operating account to cover normal operating expenses incurred in early January and the remaining \$25,000 will be transferred to Capital Reserves as budgeted before the end of the year. Total Expenses are currently projected to be approximately \$343,000 which is roughly \$18,000 above budget, primarily due to higher than anticipated insurance premiums and additional expenses for consulting services related to the Commercial Area Master Plan. The collection of Dues is on par with past years with \$11,367 in Accounts Receivable at month-end.

Margaret moved to approve the September 30, 2018 financial report and Matt M. seconded the Motion. The Motion carried.

New Business

Unscheduled Property Owner Comment Opportunity Time

Roland Mason, nominee for Gunnison County Board of County Commissioners, was in attendance. Roland provided a brief background of his community service. He recognizes CB South is one of the largest populations and understands the growth potential. Roland welcomed the Board to reach out to him regarding any needs of the community. He also noted that if passed, Proposition 110 - Authorize Sales Tax and Bonds for Transportation Projects, could be key to providing the County with funds for various projects regarding road infrastructure, bus services and bike connectivity.

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Kristi Hargrove was in attendance to share information regarding the proposed Amendment 73 - Funding for Public Schools. As a long time CB South and County resident, Kristi would like to encourage approval FOR this amendment. She is on the Board of Greater Education Colorado and provided statistics identifying current school funding within Colorado is \$2,800 below the national average per student. Kristi provided the details on the specifics of the proposed Amendment and how it would provide necessary funds to address the deficit.

Gunnison Metropolitan Recreation District Ballot Issue 7D

Ian Bilick, Treasurer of the Gunnison County Metropolitan Recreation District, provided an overview of Ballot Issue No. 7D and the impacts to the Met. Rec. District's operations and the future of the District, if not passed. Currently, the Met. Rec. District is the only taxing district in the County that has not been 'debruced' and is subject to TABOR regulations. Ian provided a very detailed explanation of how the additional funds would be applied, how current funding is not enough to sustain long term operations and the future impacts to the telecommunications infrastructure. A FOR vote is critical to maintain the over the air TV service to the valley and the support of recreation initiatives impacting programs such as helping to curb the abuse in the back country. Ian shared that if current infrastructure is abandoned, due to lack of funding, it will be impactful for future expansion of telecommunication services throughout the valley.

Requests for the Board to officially endorse the above ballot issues were made. The Board was in agreement that as elected officials of the Association, there is a responsibility to make the best decisions to support the measures impacting the membership of the Association.

Review Tassinong Farms' Refund Request of the Temp. Structure Deposit

Andrew Haverkamp was in attendance to request the refund of a temporary structure deposit retained during the completion of Tassinong Farms/ Food and Wine. Dom clarified the POA retained an additional deposit because the proposed container farm was a new industry and building type for CB South. Dom shared that all project requirements have been met and completed by Tassinong. All Board members were in agreement to refund the deposit since all project requirements have been met and completed.

Review and Approval of the new Conflict of Interest (COI) Policy

Dom presented legal counsel's update to the Conflict of Interest Policy. The policy is to protect the Board and the Association regarding personal conflicts of interests. It was discussed that any Board member will recuse himself or herself when conflicts of interest apply. Matt F. moved to approve the new policy as written and Brett seconded the Motion. The Motion carried.

Old Business

Consideration of Resolution in Support of GVRHA Ballot Measure 6A

The Board discussed the possible endorsement of Ballot Issue 6A. Matt Feier recused himself from the vote as a GVRHA Board member. Matt McCombs asked the Board if they have received any feedback, comments or concerns from their interactions with membership. Brett responded that he has heard from folks in valley and they are generally concerned about affordable housing.

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Matt F. shared that if passed, the funds could help with infrastructure to support affordable housing within the subdivision. Brett motioned to endorse the measure and Margaret seconded. The Motion carried. Dom will draft the letter for publishing to the newspaper after Board review and approval.

The ballot endorsement discussions continued for Ballot Issue 7D. Matt Feier motioned to support the measure with a letter of support and Brett seconded the Motion. The Board unanimously agreed. The Board discussed Amendment 73 and how it relates to the role of a local board impacting this statewide initiative. After a discussion, it was agreed that although an important initiative, their responsibility focus should remain at the local and county levels.

Trails, Amenities and Parks (TAP)

Matt F. provided updates on the TAP Committee. A subdivision bike ride took place to review the open space. Red Mountain Park was the main focus and the Committee agreed that an update to the Master Plan is the next step. The Committee is working to capture drone images to analyze the best use of space. The connection of Cement Creek Road to Block 6 was also identified as a key initiative. The Committee will focus on this easement and believes it is a critical for future access to the proposed Village Center.

Dom shared that a community member has contacted the POA about a possible donation of a land lot in memory of his loved one. One thought was to create a park or community area; Dom will continue to work with the member donor on how the property should be utilized. The Metro District is preparing budgets for 2019, which will include paving Blackstock Drive. Blackstock is not pedestrian friendly and Dom inquired on the possibility of including a 4-foot pedestrian lane with the project. Ronnie will present to the Metro Board for consideration.

Commercial Area Master Plan, (CAMP) and Special Area Regulations (SAR) Review

Dom provide an update of the Covenant 24.03 ballot results to date. A CAMP Executive Summary document was presented to bring new Board members up to date on the work that has been completed. The Summary was updated to include changes made by the previous Board at a June 27th Board of Directors work session. Dom outlined the next steps following the close of the ballot on October 31st. A November 7th Advisory Group meeting will be held to finalize the outstanding items within the SAR draft and a December 6th Board of Directors work session has been scheduled with the Advisory Group in order to finalize the draft. The December 12th Board Meeting will be targeted for final Board approval and recommendation to the Board of County Commissioners.

Review Draft of 2019 Proposed Budget, Dues and Capital Improvements

Dom presented 2019 Budget scenarios for Board consideration. One item identified as an increase in 2018 was the Association's new insurance policy. It was also noted that the Total Income can be difficult to predict in the areas of Application Fees and Property Transfer Fees each year. Historically, the Board has been conservative in determining this line item for budget purposes. If a Capital Reserve Contribution of \$20,000 is desired at the end of 2019, it is estimated that the Association will be approximately \$19,607 short of meeting that goal. A no dues increase is

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estimated at only breaking even and does not accommodate for a Capital Reserve Contribution.

Last year the Board moved to a unit base rate calculation for annual dues, where the unit base rate was \$345 and single-family units had a multiplier of 1 for that rate, vacant land had a multiplier of .5, and commercial had a multiplier of 2. This method was used again for budget preparation. In trying to find a unit base rate that will cover Total Expenses as well as provide a Capital Reserve Contribution of \$20,000, a budget scenario of a 7% dues increase was prepared for Board consideration. In this scenario, the unit base rate increases a total of \$25, going from \$345 to \$370. The 2018 Reserve Study also has a significant impact, identifying a deficit in funds required for the ongoing maintenance and replacement of the Association's property over time. A more detailed analysis of the comparison worksheets was conducted by the Board. The Board was not comfortable with the proposed increase of 7%.

The Board discussed an increase of 5% instead of 7%. The Board also requests a narrative to accompany the budget and specifically identify where the increases are going as identified in the Reserve Study for Common Area Maintenance, Capital Improvement Planning, and the insurance policy increase. The Board agreed to take under consideration 5% dues increase for the 2019 Budget, along with a decrease in the Capital Reserve Contribution. Dom will adjust the worksheets for the 2019 Budget final review and approval at the November Board of Directors Meeting.

Lastly, Dom requested Board consideration to adjust the dues assessment for construction projects to be upon issue of a POA approval letter instead of project completion. Margaret motioned to approve the dues assessment change upon POA project approval as opposed to project completion. Matt F. seconded the Motion and the Motion carried.

Manager's Report

1. Dom has approved the invoice to replace the ranch fence bordering the subdivision. A portion of the ranch fence will be replaced this fall with the remainder to be finished in the spring.

Identify November Meeting Agenda Items

1. Committee reports
2. Review of 2019 Manager's contract
3. Review and approval of 2019 Budget

Next Meeting – Wednesday, November 14, 2018, 6pm

Adjourn – 9:05 pm