

CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION

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2008 Annual Meeting Minutes August 10, 2008 - Sunset Hall, 3 pm Crested Butte South, Gunnison County, Colorado

Board Members Present: Al Smith, Peter Carey, Dave DiBerardino, Erin Dellaporta and Carlos Gonzalez-Brito

Staff Present: Chris Behan, Linda Roberts

Property Owners Present (per sign-in sheet): Les Wilbanks, Pat Wallace, Bart Laemmel, Charley & Angie Dumas, Roger & Marsha Henson, Robert & Courtney Baker, Nettie & Alan Gruber, Carl & Judy Jones, Paul Greenberg, Donna Kindervatter Novak, Jeff Hanggi, Joanne Reynolds, Nancy Graham, Leah Fischer, Fran & Diana Wickenhauser, Berek Novak, Kathy Norgard, Kevin & Sondra Donavan, Ilene Spector, Brian Dale, Holly Emerson, Margie & Kley Hughes, Ellyn Houghton, Judy Stark. (visual head count approximately 38)

Call to Order, Welcome, Introductions

Al Smith, current President of the P.O.A. Board of Directors, called the meeting to order at 3:05 pm. Al introduced Board Members Peter Carey, Dave DiBerardino, Erin Dellaporta and Carlos Gonzalez-Brito. Chris Behan, Association Manager introduced himself and Linda Roberts, Association Accountant.

Reading of the Minutes of the 2007 Annual Meeting

Reading of the Minutes of the 2007 Annual Meeting was waived. Time was allowed for all members to ask questions or comment on the 2007 Annual Meeting Minutes, as copies of the minutes were available at the meeting for all in attendance. The 2007 Annual Meeting minutes were approved by the Board of Directors in September of 2007.

Year-to-Date Financial Report

The 2008 yearly ordinary income will be approximately about \$267,564 this year, \$168,000 of that comes from property owner's association dues. The budget also includes an additional \$100,000 of income which represents our fundraising goal for new hockey rink boards. Ordinary expenses for 2008 to run the Association have been estimated to be approximately \$276,758. Additional capital improvement expenditures are included in the budget for Hockey Boards (\$86,000) and Zamboni Garage (\$40,000). Currently, unpaid dues from delinquent homeowners total about 5% of 2008 annual dues. We continually strive to improve collections and the Association will begin to put liens on those properties, later in 2008, in order to collect delinquent dues. An income statement with Budget and Actual amounts for 2006, 2007 and year-to-date 2008 was available for property owners to examine. The 2008 P.O.A. Budget is also available on-line at www.cbsouth.net. Chris noted that the P.O.A. has been able to keep expenses down by having only one full time employee and using part-time employees for accounting, maintenance and ice. The budget process starts in October of each year and anyone

who is interested is welcome to participate. The P.O.A. through the Community Foundation of Gunnison Valley (CRGV) has raised \$12,000 in actual funds and received an additional \$15,000 in pledges for the new hockey boards. The opportunity to asphalt a portion of the Teocalli Path came up at the last minute, so this was not in the 2008 budget. With the increase in oil prices, the Board determined that the P.O.A. should take advantage of the available asphalt. We have received a lot of positive feedback from doing this.

Officers Report

Al Smith explained that the P.O.A. is operating on a bare-bones budget. Currently, the covenants limit increasing dues to 10% per year. Any change in our covenants has to be voted in by at least 51% of all of the property owners. Due to low membership response, the Board has determined that any changes to the covenants via a vote will not be successful. The P.O.A. had hoped to address some of the items that are lacking in our covenants and to improve the development potential of the commercial area in CB South, through the Special Area Regulations (SAR). The SAR was on target to be passed by the County Commissioners until the August 2008 meeting when the County Attorney announced that he wanted to re-review them. Chris will continue to work diligently on this in hopes that the SAR will be adopted by the County in September of 2008. If the SAR is adopted, the P.O.A. will need to establish a five member Architectural Review Board. The P.O.A. Board of Directors will take on an appellate function.

Manager's Report

Summary List of P.O.A. Board Accomplishments from August 2007 through July 2008:

- 95% of P.O.A. dues collected to date!!
- New Playground equipment installed and \$10,000 of it's cost was paid for by grant money from the GCMRD
- Finished Teocalli Path (thanks Metro District)
- Painted additional Crosswalks
- Paved first 800 feet of path
- Booked for September 28, 2008 - Music Fest in CB South to Benefit Hockey Rink Improvements (i.e. New Boards), David Allen Coe will be the headlining—Steve Keim of CB South is organizing this.
- Special Area Regulations scheduled for another approval hearing by BOCC on September 2nd
- Financial Feasibility Analysis of Municipal Incorporation Completed
- 40 new Aspen trees planted in and around the Park
- Annual Cleanup day filled four (4) 30 Yard Dumpsters!!—Joanne Reynolds requested that the dumpsters have steps as they are too tall to reach.
- Free Cross County Skiing was available to CB South Residents on Niccoli Ranch—Feedback from the membership at the meeting has been very positive
- Bicycle Pump Track complete in Park
- 2 lighted sheets of curling ice were created and used this past Winter (thanks Norman Whitehead, Metro District, and Keith Henning)

- 12 Community Bikes were purchased and are Free for use by the residents of CB South...50% of the cost of these Bikes was provided by the Gunnison Valley RTA (\$1,250 of matching funds)
- We've bought more P.O. Boxes – call the P.O.A. office to rent one and eliminate one more trip to Town!

As we look to the future, Chris recommended that the P.O.A. members develop a vision for the community, i.e. 5 and 10 years out and long term goals, as well as the steps needed to be taken in order to reach these goals. This will assist the Board when making decision as the representatives for the members. E-mail is a great tool for communication. As a first step, the Board had an Incorporation Feasibility Study completed this past year.

Incorporation Feasibility Study Review

Chris introduced Don and Patrick Howell representatives for PReMA which performed the Study. The Study sets out 3 alternatives: 1. Incorporate and keep Metro and the P.O.A. in existence separately, 2. Incorporate and dissolve the P.O.A. while keeping Metro separate, 3. Incorporate and have Metro and P.O.A. current functions performed by the new town. The purpose of the Study was to examine the economic feasibility of incorporation, using our current data and data from other similarly sized and situated Colorado towns. Because Metro has been an excellent steward of our tax dollars, alternative 3 has little savings. Gunnison County's lack of a separate road and bridge tax and lack of a separate law enforcement tax is a disadvantage for potential sources of tax revenues. Incorporation is only feasible if voters are willing to accept additional property taxes at present. Property taxes would change for the members; with more expensive homes paying more and vacant land paying more because property taxes are based on valuation and vacant land is taxed at a higher rate. Members would no longer pay dues which would offset a part of the tax increase. Additionally, property taxes are deductible for income tax purposes whereas P.O.A. dues are not. Property taxes would go up 3-9 Mills. Sales tax would contribute 9-10% of the revenues assuming a 3% sales tax was voted into existence for this newly incorporated Town of CB South. Incorporation would require at least 2 votes, first on the question of whether to incorporate or not, and second on the issue of taxation. TABOR requires a separate vote on any new tax, and taxation can only be voted on in odd years, except in years with a national election. Property owners who are not registered voters in CB South would not have a vote on either issue.

Advantages of incorporation include:

- Community Control, i.e. controlling our own destiny.
- Elimination of the County involvement and override on zoning issues
- State and County revenues would help fund operation of the town
- Grants are available to towns such as GCCO and transportation funds
- Borrowing authority

Disadvantages of incorporation:

- Another layer of taxation and government

Election of Directors – Three (3) Seats

State law (CCIOA) requires a vote even when there are no contested seats. The majority of votes cast were mailed in prior to the meeting. Those who had not voted were given the opportunity to vote at the meeting. A tally of all votes showed that Al Smith, Patrick Wallace, and Carlos Gonzalez-Brito were each elected to a 2 year term. The final count will be verified, and results will be announced on the website.

Property Owners Comments / Questions Time

Question (Barbara Crawford): If we incorporated could we get a school?

Answer: While we would not have more leverage to get a school, we would have more media coverage, which might help influence the School District, which is empowered to deal with existing and new schools in Gunnison County.

Question (Patrick Wallace): What property was included in the Study?

Answer: The Study was based upon the current P.O.A. boundaries. This does not include River Rim or Allen Home Sites. One of the issues to address when planning is what would be included in the town boundaries and what are future growth potential areas.

Question (Kathy Norgard): Could we be annexed to Crested Butte?

Answer: No, not easily. A town can only annex a maximum of 3 miles per year, any annexation must be contiguous and “flag pole” annexing is much more difficult.

Question (Les Willbanks & Ilene Spector): Why isn't Blackstock paved? How can we get it paved?

Answer: Paving is under Metro's jurisdiction. The P.O.A. believes they (the CB South Metro District) paves when the lots along a street are all built out and as funds become available. Interested members should call Metro to follow up.

Question (Kathy Norgard): How is the bike community bike system working? Could there be additional drop stations?

Answer: Great! We have received a lot of positive feedback & not one of the bikes have disappeared. We can look into another bike rack location. The members in the 3rd and 4th filings will be at a disadvantage whether we have bikes or bus service since neither will cover their need to come down the hill to access the bikes or bus.

Question (Alan Gruber, Sandra Donovan, Charlie Dumas) How can we address the weed problems in CB South?

Answer: Alan suggested that we hire an qualified expert to spray. Sandra expressed concern about the use of chemicals. Dave DiBerardino pointed out that the right-of-ways are the responsibility of Metro. It was also noted that killing the weeds is only part of the process. In order to eliminate weeds, the area must also be re-seeded with something desirable. Owners need to call Waste Management to determine if they will pick up bags of weeds.

Question (Fran Wickenhauser): Is it legal not to have a fence around the Cement Creek Condos pond?

Answer: According to our attorney, it is legal. If it is a priority of the members to fence this area, we can explore the cost and consider it in the budgeting process.

Question (Brian Dale): Can we make acquiring river access for CB South residents a priority?

Answer: Metro has the right to control the river access at the place often used by our residents. We could get a land survey to see if we have any usable access. Metro may be working on this issue.

Question (Holly Emerson, Leah Fisher): How do we address mail delivery issues?

Answer: You can talk to the mail carrier directly or file a complaint at the Post Office in Crested Butte. We do not have the possibility of having an official Post Office until we are a town. We can inquire about getting a box for mis-delivered mail.

Question (Chris Behan): What is the status of the bike trail between Town & CB South?

Answer (Brian Dale): There are 40 land owners involved, including Lacy's holdings of 750 acres held for future development. Brian plans to hold a "trail summit" with the land owners to see if the current proposed trail is feasible. If not, he will begin looking for other options. He is seeking a route away from the highway.

Adjournment

Al Smith adjourned the meeting at 5:05 pm. The picnic commenced with attendance much higher than at the meeting.