

SUMMIT RESIDENTIAL OWNERS' ASSOCIATION
Meeting of the Board of Directors
January 18, 2023 – 4:00 PM
Via Zoom

Present: Peter Esselstyn
Bruce Fauser
Craig Batchelor (“Hollywood”)
Tracey Haas
Paul Peebles
Alex Summerfelt, Toad Property Management
Jon Schumacher, legal counsel

Alex called the meeting to order at 4:02 pm and confirmed a quorum.

Alex said attempts would be made to give notice of meetings at least 10 days prior to the meeting in accordance with the Association governing documents. Alex explained the Agenda was posted on the website prior to the meeting and owners could attend the meeting.

Peter explained the Association’s governing documents did not specifically address short term rentals. Jon Schumacher said the Covenants addressed leasing and an amendment of the Covenants would require at least 67% approval of owners. Peter said he had spoken with the Town of Mt. Crested Butte and the Town said they had not received any complaints about short term rentals. Peter explained the Town could deny short term rental licenses if complaints had been received from the Association. Peter requested that only Board members sign the annual short term rental documentation with the Town and licenses could be denied if complaints had been received. At the present time four houses were currently short term renting and registered with the Town.

Hollywood said the Town of Mt. Crested Butte had good neighbor guidelines which owners agreed to by obtaining a short term rental license from the Town. Peter said additional guidelines, specific to the Summit, would be beneficial as the Town would not cancel a license during the year and did not seem to have teeth in enforcement. Hollywood said warnings to the owners and property managers should be the first approach and the Board could decide if there would be one warning, two warnings, etc.

Alex said working with the property manager of the short term rental house was the best approach. The Town required that manager to be within 45 minutes of the property and Alex said the Town had a list of rental homes within the Summit and the property manager for specific homes. Alex explained the Town of Mt. Crested Butte did not currently limit the number of short term rental properties. Alex shared the link to the complaints page on the Town of Mt. Crested Butte website. Alex explained all property owner associations in the community were currently dealing with short term rental discussions. Many associations had rules and regulations in place and generally those rules could be enforced and were accepted by most owners.

Alex explained rentals of 29 days or less were classed as short term rentals. Hollywood said from an informal discussion with local property managers in the neighborhood homes were rented more than 100 days per year. Peter said it was difficult to control bad behavior of the rental guests without the support and enforcement of the local property manager.

Jon explained the Board could draft rules and regulations and policies for enforcement or fining for violations of those regulations. Jon recommended preparing governance policies as soon as possible. Alex said there might be changes to the 2022 House Bill and that could result in changes to any newly adopted policies.

It was generally agreed rules and regulations for short term rentals was required. Jon agreed to research how to present rules and enforcement methods to owners. Jon cautioned against the Board introducing rules which might be in conflict with language in the Covenants and said an amendment to the Covenants might be worth considering. Peter asked if short term rentals were legally considered a commercial operation and how a commercial operation could be operated in a residential community. Jon said there was a case in Colorado law and he would review that case. Hollywood said the Association was made up of three different filings and Jon agreed that also needed to be considered. Jon agreed to report back to the board after his research.

Minutes for the July 13, 2022 meeting would be discussed at a future meeting.

Alex explained Hollywood and Bruce had terms expiring on the Board and both Hollywood and Bruce said they would be willing to put their names forward for another term on the Board.

Alex said All County Survey would be willing to work on the survey of the easements and All County Survey had worked on projects in the immediate area in the past. The work would be conducted in late Spring/Summer. It was agreed there needed to be permanent markers for the ski easements and it would not be necessary to mark the utility easements. Alex said he had also reached out to SGM Engineering.

Prior to the meeting Alex distributed two Budgets, one proposing a dues increase and one keeping dues at the current level. Hollywood said he was not aware of any large expenses and the Association had money in reserve for unforeseen expenses and recommended reducing dues or keeping them at the current level. Alex said a Budget needed to be approved prior to the annual meeting on January 20th and Alex said the Bylaws did permit the Board to approve a Budget by email.

Peter left the meeting.

Tracey said higher interest accounts should be reviewed for the reserve funds. Alex said reserve funds needed to be low risk and also easy to move to operating if necessary. Alex explained the money was currently with Community Banks in a Money Market Account and Alex agreed to notify the Board of the current interest rate.

Alex said he had reached out to a couple of owners and obtained current email addresses. Alex confirmed he would be emailing all owners with reminders about the January 20th annual meeting.

Alex said a photo-eye had been installed at the entry sign and efforts had been made to keep the photo-eye out of the snow. In the Spring it would be necessary to troubleshoot problems with the electrical supply at the entry sign. Alex said he would share an example of a suitable lighting solution which had worked well at another property in Mt. Crested Butte.

In the past there had been discussion about proxies held by non-owners for the annual meeting. Alex agreed to follow up with legal counsel and find out if non-owners could hold a proxy for an owner.

Alex said the Board could vote via email on some items instead of holding a Board meeting. Alex explained it would be necessary to follow a specific procedure for the voting and it was essential that all Board members responded. As there was no opposition Alex said the Budget could be the first test of the process for voting without a meeting.

Hollywood suggested reducing the legal expense line item in the Budget and after a short discussion it was agreed to leave the Budget line item at \$6,000. Budget B, keeping dues at the current level and operating at a slight deficit unless interest on the Reserve Account could make up that difference, was the preferred approach. Alex confirmed the Budget keeping dues at the current level would be the one presented to owners at the annual meeting. Alex said he would provide the Board with financial reports for the 3rd and 4th quarters.

It was generally agreed two meetings a year would be adequate especially as some matters could be approved by email.

At 5:38 p.m. Bruce made a motion to adjourn the meeting. Tracey seconded the motion and it was unanimously approved.

Prepared by Rob Harper, Toad Property Management