

Eaton Pagosa Estates Home Owners' Association
MEETING MINUTES
Annual Meeting: 9:00 AM, Friday, June 30, 2017
203 Port Avenue
Pagosa Springs CO, 81147

Susan Hampton - President, Present
Joyce Scahill - Vice President, Present
John Vander Horck - Secretary, Present
Glenn Woodruff - Treasurer, Present
Robert Taylor - Member at Large, Present

Call to Order:

The meeting was called to order and members welcomed by HOA President

Susan Hampton at 9:34 a.m.

Previous Meeting Minutes:

The minutes of the 2016, Annual Meeting was approved without discussion. Minutes of the 2017 Annual Meetings will be mailed to the property owners.

Old Business:

Road Maintenance – A discussion concerning the condition of the road was held. We are currently under a two-year contract with J Asphalt to maintain our road. J Asphalt will return next month and again next July to fill cracks, as needed, under the two-year \$8,000 contract.

A review of the Eaton Pagosa Estates HOA Balance Sheet (copy attached) reveals the following concerning the road:

Road Reserves \$42,597.47

Other assets, some of which may be applied toward road maintenance/ repair/replacement in the future include:

24 Month CD \$99,086.14

Citizens Bank CD \$16,912.69

Our goal is to continue to maintain our road by having cracks filled and sealed as long as possible to avoid having to replace the road at great expense to the HOA.

Road Shoulder Repair – A&M Construction is scheduled to deliver six loads of gravel on or about July 5, 2017, and repair deteriorating shoulders on our roadway.

County Bridge Repair on N. Pagosa Blvd. – Mr. Dave Chadsey reported on a meeting with Mr. Bob Perry, Archuleta County Road & Bridge, concerning the repair of the bridge on N. Pagosa Blvd. adjacent to the Village Lake Dam. Last year during the temporary bridge repair, our roadway became the de facto detour around the bridge causing excessive traffic and wear to our roadway. Mr. Perry reported that they will be conducting another two-day temporary repair sometime in July or August this year. A barrier will be established at Glen Eaton Dr. to preclude traffic from driving through our neighborhood. They will also be filling cracks and applying chip seal on N. Pagosa Blvd., north of the bridge. Only one lane at a time will be affected. A permanent bridge repair will be made sometime next year. It is anticipated to take several weeks to complete.

Common Area Annual Mowing – The mowing of the HOA common areas is progressing. Weed control is at an acceptable level this year and much improved over previous years by a systematic policy of spraying and mowing.

Standing Committees – President Hampton confirmed continuing members and solicited new members to the following committees:

Legal Committee – Dave Bates & Dave Chadsey

Dock Committee – Snow removal duties:

December 2017 – Dave Bates

January 2018 – Curtis Door & Rich Hampton

February & March 2017 – “Mac” MacNamee, James Vincent, Glenn Woodruff & John Scahill

Landscape Committee – Steve & Brenda Jennings, Desi Dundics and Deb Jennings.

President Hampton solicited a new member of the Architectural Review Committee (ARC). Curtis Door will join Judi Stansbury as the two alternates to the Committee. President Hampton commended the committee for their diligence and fortitude in rejecting an inferior proposed new house plan for the neighborhood.

A recommendation from the floor suggested that the contact e-mail addresses of the ARC Committee members, Rich Hampton, Barbara Alger and John Scahill, be posted on the association’s website. President Hampton agreed and will facilitate the recommendation.

New Business:

President Hampton reported that the Board is considering retaining an attorney versed in Home Owner Associations either on retainer or by-the-hour basis to address occasional legal questions and to review any Covenant and Restriction amendments or other legal documents, as may be necessary.

Mr. Dave Bates suggested that the Board consider joining with other like HOAs for legal services, as a cost saving measure.

Financial Report

President Hampton presented and explained the financial reports including the Eaton Pagosa Estates POA Balance Sheet, through June 23, 2017, the Profit & Loss document, dated July 1, 2016 through June 23, 2017 and the Proposed Budget for 2017-2018 (See attached Balance Sheet, Profit & Loss statement and the Proposed Budget for 2017-2018).

Our Total Equity and Total Liabilities are balanced at \$176,283.44 (See attached Eaton Pagosa Estates POA Balance Sheet).

Our Profit & Loss statement indicates a total income of \$27,001.40 and Total Expenses of \$14,403.28 (See attached Profit and Loss statement).

Proposed Budget – President Hampton presented the members with the Proposed Budget for 2017-2018 (See attached Proposed Budget for 2017-2018). Property owner dues remain unchanged at \$700 annually (\$235 per lot plus \$465 per lot for the Road Reserve Fund). Our total income is estimated at \$31,358.00. Our budgeted & anticipated expenditures are estimated at \$13,688.00, plus a transfer to the road fund at \$17,670.00 for a total of \$31,358.00.

A motion was made and seconded to approve the proposed 2017-2018 Proposed Budget. The Proposed Budget was approved.

A recommendation from the floor was made to conduct an e-mail vote of owners to agree to realign account balances (savings to checking) to preclude assessments for unanticipated expenditures. This would also eliminate the need to obtain a short-term loan with interest expenses. A show of hands indicated a favorable response to the recommendation.

Resignation of the President:

President Susan Hampton announced that she has submitted her resignation as president of the association, effectively immediately. She further advised that Mrs. Joyce Scahill will become the new association president. Mrs. Hampton expressed her desire to become an alternate Board member, if needed. The Board members and owners thanked Mrs. Hampton for her many years of volunteer service as the association president.

Selection of New Board Member(s):

During the meeting, Mr. Dave Chadsey was nominated for the vacant Board position. His nomination was accepted and approved. Dave Chadsey is our new Board member.

Dark Sky Ordinance, January 2017:

Dave Chadsey reported on both the County's and Pagosa Lakes Property Owners' Association's (PLPOA) Dark Sky Ordinance. The ordinance requires shielded outside light fixtures and opaque glass limiting light emissions. Since 2011, any unshielded outside light fixture in our neighborhood is non-compliant. It's apparent that many of our outside light fixtures are in violation. Mr. Chadsey suggested that we be courteous to our neighbors and extinguish outside lights by 10:00 p.m. precluding any necessary enforcement action by PLPOA or the County. Motion Sensor lights are the exception as long as they don't stay lit for longer than 5 minutes.

Results of the Recreational Vehicle/Watercraft Fourth Amendment change to the Association's Covenants and Restrictions:

The final ballots were collected and the tallied at the meeting by volunteers Dr. and Mrs. Street and Mr. Dave Chadsey. The results are 27 ballots in favor of the recommended change, 4 votes opposed to the recommended change. The matter is passed. The Fourth Amendment will be recorded with the Archuleta County Office of Clerk and Recorder, at which time it will become effective. Owners will be apprised of the effective date upon recording.

Progressive Christmas Dinner:

President Hampton proclaimed herself as the association's social director and announced that there will be progressive Christmas dinner on December 14, 2017, commencing at 5:00 p.m. It will involve three member's homes, one for appetizers and adult beverages, one for the main course supper and one for dessert. More information will be forthcoming at a later time. Mrs. Hampton encouraged all homeowners to participate.

Introduction of Mr. Alan Roth, General Manager, PLPOA:

President Hampton introduced and welcomed Mr. Alan Roth, General Manager of the PLPOA. Mr. Roth is an experienced manager of homeowners' associations. He discussed the positives and negatives of short-term-rentals (STR's) and their impact on homeowners' associations.

Mr. Roth indicated that short-term rentals are not only an HOA issue but a municipality issue as well. Some HOA's and municipalities throughout the country have already and are enacting limitation rules, regulations and ordinances concerning the issue.

He enumerated the positive aspects of STR's, as respect to landlords; they include:

- Extra Revenue for landlords and tourist related businesses
- Availability to guests and relatives in addition to the public
- A business venture opportunity
- Mortgage and home maintenance financial offsets
- Livelihood to community, particularly realtors

Mr. Roth also listed the following negative aspects associated with STR's:

- Some are strictly businesses with disinterested landlords as to local residents
- Too much local traffic
- Degraded atmosphere and harmony in the community
- Excessive noise factor
- Excessive trash
- Too many people in the community
- Unauthorized street parking
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Mr. Roth offered the following suggestions with regard to STR's:

- STR Management companies may be advantageous
- Renter rules and HOA regulations should be posted for renters
- Renters should sign a lease/rental agreement acknowledging the rules
- Landlords should keep local residents apprised of scheduled renters
- HOA's should seek legal counsel concerning precise wording in documents
- Renters should register with the HOA with names & vehicle license numbers
- Renters may be required to pay a fee to the HOA
- Rentals may be limited by percentage of allowable rental homes in the association

In response to a question from Secretary Vander Horck, Mr. Roth stated: "As the number of rentals increase in a neighborhood, the property values go down."

Owner Speaker Comments On Short-Term-Rentals:

President Hampton invited those who signed-up to address the group concerning the short-term-rental issue and a potential Covenant & Restrictions amendment to limit STR's. Each speaker was allowed three minutes to address the issues. The following comments are paraphrased except where enclosed with quotation marks:

Mrs. Brenda Jennings

Mrs. Jennings advised that she felt that three minutes was not sufficient time to make her case for short-term-renting. Unfortunately, neighbors have down-played the problems associated with their renters, according to Mrs. Jennings. They cannot fix any problems if

they don't know about them. If neighbors will tell them about any problems, they will fix them. They want to be good neighbors and be a part of the community. They have posted the rules in their rental home, as recommended by the Board. The Jennings anticipate it will be approximately two years before they may become more permanent residents, even then, they may spend time elsewhere, as Snowbirds. Mrs. Jennings strongly encouraged the Board to make compromises versus an outright ban on STR's.

Mrs. Susan McCool & Mr. Chris McCool

Mrs. McCool advised that she is not the devil or demon with horns or a tail; but has been unfairly demonized by some neighbors in e-mail conversations. The e-mails have not been a civil discourse, with regard to them personally. She advised that they have been residents for two years and short-term renting for eighteen months. In that time they have only received one complaint and handled it. She requested that if STR's are prohibited, that they be grandfathered in under the old covenant. She also requested that any vote on the matter be postponed until after any changes in their rental procedures have been made and the results demonstrated. She submitted a recommended list of Proposed Compromise re: STR in Eaton Pagosa Estates to the Board for consideration (See attached scanned document).

Mr. McCool stated that they do not rent to young people, but more often grandparent types. He wishes that the neighbors could meet their renters. "They are really nice people." He advised that they utilize a local management company to oversee and check on renters, especially on the first rental day and after hours. He has been made aware of some of the problems reported by neighbors and has taken positive steps to mitigate the problems. Mr. McCool also advised that he is a manager of people and manages their renters. He stated that since he has been made aware of some problems and addressed the complaints, there have been no reported problems with their renters. Finally, Mr. McCool advised the Board and other owners that if the problems with their renters continue over the next year, and they cannot fix them, they will be the first to cease short-term renting.

Mr. Curtis & Mrs. Candice Door

They are aware of some of the discussion concerning STR's but have not experienced any problems with STR's during their rather short tenure in the neighborhood, as new residents. Mrs. Door stated that she has professional experience in insurance and risk management and added that State Farm Insurance will not write home-owners' insurance for short-term-rentals. She questioned whether or not landlords can really know their renters and what they are doing. She stated to the McCools and Jennings, "You can't possibly know all of your renters." In an apparent response to a previous comment by Mr. Alan Roth, PLPOA, that realtors encourage, STR'S, Mrs. Door advised the members that "Realtors are not looking out for your interests." Mr. Door advised that he does not want to live in a STR neighborhood.

Mr. John Scahill

Mr. Scahill stated that many STR's are a business, prohibited by our current CC&R's; however, they have not been found to be such in the eyes of the law by recent court decisions. The only way we can limit STR businesses is to change our covenants, which we are permitted to do as an association. Unfortunately, complaints about renters are always after-the-fact. The problem has already occurred and cannot be undone. Lastly, Mr. Scahill advised, "I do not want to live in a rental community."

Mr. Jerry Alger

Mr. Alger advised that he has considerable experience with homeowners' associations as both a resident and board member. He stated that our only option to limit STR's is to change our covenants. He also advised that in his experience working with rental landlords to mitigate renter problems is not really feasible. He is in favor of limiting STR's to a minimum of 30 consecutive days. Finally, Mr. Alger advised that the group concept of comradery in a neighborhood creates an excellent environment. STR's do not facilitate that concept.

Mr. Dave Bates

Mr. Bates indicated that he is neither for or against STR's, but described the recent e-mails going back in forth between supporters of limiting STR's and our current renter landlords is "Over the top." He stated that this type of issue will not be resolved via e-mail, but requires meeting and discussing the issues by interested and impacted parties. He also admonished the Board by saying that Board members should not be advocating other owners to vote one way or another. The Board represents all of the homeowners not just those with whom they agree.

Mr. Rich Hampton

Mr. Hampton stated that, "It is not illegal to rent a home." While some owners are advocating a compromise instead of an outright STR ban, a 30 day STR restriction is a compromise. You may still rent out your home. According to Mr. Hampton, there is a "vacation mindset" among renters and that mindset is not in harmony with neighborhood residents. "It's time to vote on this."

Mr. Doug Ebersole

Mr. Ebersole told the group, "I have not been solicited by the Board." He also advised that several communities have restricted STR's including, Denver, CO, Aurora, CO, Santa Fe, NM and Santa Barbara, CA. He said that STR's are changing the fabric of our community. He related an incident wherein STR renters burglarized a neighborhood residence in Texas. Mr. Ebersole is of the opinion that renters should not be allowed to use the community dock.

Mr. Desi Dundics

Mr. Dundics advised owners that he lives adjacent to the community dock. He stated that he is private person but he enjoys relationships, especially within the EPE community. He related incidents of strangers, presumably renters, trespassing on his lot, using his personal dock & fishing boat and leaving trash on the community dock, which he feels obligated to pick up. He stated that this is not the "footprint" on our community that he envisions for EPE. He seeks an equitable compromise to the situation from the Board.

Mr. Dave Chadsey

Mr. Chadsey stated that he was initially undecided when the issue of STR's came up. He viewed all of the comments contained in the numerous e-mails that were exchanged among residents, with particular attention to all of the negative comments concerning STR's. He has since witnessed a "dramatic change in the character of the neighborhood" and has personally experienced disturbance problems with adjacent renters near his residence. Mr. Chadsey advised that he and his wife Lanice will sell and leave EPE is the noise issue is not resolved.

This concluded the comments by owners who signed up to speak on the issue of short-term-rentals.

Open forum discussion of Short-Term-Rentals:

President Hampton opened the floor to members for a discussion of STR's. The discussions lasted until everyone who wanted to comment on the issue had the opportunity to do so. During this open discussion, a question was posed to both the McCools and Jennings as to when they plan on moving to Pagosa Springs and becoming full or longer part-time residents of EPE. Both replied that they anticipate making the move within a two year timeframe, presumably negating the need to continue conducting STR's.

As the discussion progressed, the focus gravitated toward two main questions:

1. What does the EPE community want to do about what is perceived by some as a threat of STR proliferation and reduction in property values?

How will we treat STR's in EPE until long-term solution may or may not take effect?

A straw vote was taken by a show of hands to see whether residents would support an amendment change that may include phasing out STR's over a period of time and limiting owner STR's to a period of not less than 30 consecutive days? While not unanimous, there was overwhelming support for such a revised amendment.

There was also broad consensus that the Board should consider the needs of owners, (*The McCools & Jennings*) who are currently conducting STR's, with particular attention to their stated timeframes, two years.

In response to these questions, the Board will prepare a draft amendment addressing a potential STR phase-out over two years, limiting the rental period to not less than 30 consecutive days and the number of renters and vehicles allowed. Furthermore, the Board will also draft proposed rules & regulations concerning STR's, applicable to both a potential STR phase-out as well as a STR amendment not being passed.

The Board will take the owner comments and recommendations under advisement and present their findings to the owners in the near future.

Annual Meeting:

The next date for the Annual Meeting of the Pagosa Estates Home Owners' Association in 2018, is to be determined. The president will distribute notices to the members.

Adjournment:

There being no further business before the association, the meeting was adjourned at 12:26 p.m. by President Hampton.

(Revised Final 07-11-2017)