

Statement Regarding Community Association Manager (CAM) Licensing Law Sunset Review
 For Colorado Senate Finance Committee Hearing on HB18-1175, April 10, 2018
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My name is Ed Seely. I'm on an homeowners association (HOA) board in Fort Collins. My HOA was self-managed for around 40 years, then went with a management company in 2012. After 5 years with the management company, our Board elected to become self-managed again. In that time, my HOA had the service of several community managers as well as having employees provided both by the management company and by our HOA. So, I've experienced having services provided by a management company as well as being self-managed. I'm also been a member of the CAI Rocky Mountain Chapter since 2010.

The current CAM law and its rules impact not just management companies and community managers, but also impact HOA's and direct employees of HOA's who are not seeking to be community managers. This impact is unreasonable and burdensome and adds unneeded costs to HOA's and their members in Colorado. Examples of problems created for HOA's include the following:

- The law limits the ability of an HOA Board to govern the HOA.
 - Makes it harder to hire the best employee to provide services such as maintenance. The skills and knowledge for a good maintenance employee have little in common with the skills and knowledge of a community manager
 - May cause an HOA to lose an employee because they have trouble getting licensed.
- The law's requirements can put the HOA in a bind if an employee must be replaced.
 - For example, if a maintenance employee who has become licensed leaves, there may be an interval when an HOA does not have an employee who is licensed.
 - An HOA may have greater difficulty in finding a replacement maintenance employee who is licensed (or who can be licensed). This is certainly the case for communities outside the Denver metro area.
 - May have to hire a maintenance employee who is less qualified.
- Cost to an HOA to get a direct employee licensed and keep the employee are significantly greater.
 - Direct costs include:
 - Cost of training
 - Cost of added insurance
 - Cost of lost time for training
 - Cost of maintaining the license including added insurance
 - Cost of compensation for a direct employee who can get licensed
 - Cost in finding a replacement employee if a licensed employee leaves
 - Cost of management
 - Complaints regarding a direct employee may go to the state of Colorado against the CAM license rather than to the HOA Board.
 - Understanding how the law impacts an HOA is an added burden for the HOA Board. The rules that appear to be necessary to implement the CAM law may be fine for a management company but are complex and unreasonable for an HOA Board composed of volunteers.
- An HOA can be required to license a maintenance employee as a community manager even though the HOA may also have a community manager from a management company.

Recommendation: Make direct employees of an HOA exempt from CAM licensing requirements. These folks are under the direct control of the Board of Directors. This recommendation would simplify the governance of an HOA and reduce cost and uncertainty in trying to follow the CAM law by an HOA.