

**Stagecoach Property Owners Association
Annual Meeting of Members**

**SOROCO High School
July 23, 2016 – 9:00am
Minutes**

John Troka called the meeting to order at 9:09 am. He introduced all Board members present which included Brad Church, John DiNicholas, Art Fine, Zed Ogle, Tom Rashid and John Troka.

With 239 of the owners represented in person or by proxy, a quorum was established.

Approval of minutes of 2015 annual meeting

The annual meeting minutes from July 25, 2015 were presented to the ownership.

MOTION: Member Kate Rachwitz made a Motion to approve the 2015 annual meeting minutes as presented. Doug Jones seconded the Motion.

Motion passed without dissent.

John Troka discussed the current operations of the Association and reviewed the role of Steamboat Association Management and their role in accounting, management's communications with owners, maintaining the website, monitoring projects, reviewing plans with the ACC as well as covenant enforcement. It was stressed that if any members have any questions regarding the covenants or would like to report any illegal activity to contact the Association Manager.

Mr. Troka spoke to the current projects that the Board has been working on including a new hiking/biking trail at the corner of Schussmark and CR 212, several road maintenance projects, and smaller projects such as the installation of signs to direct non owners away from SPOA property who think that they can access public land as well as the installation of more cluster boxes at needed locations. Wildfire mitigation still remains a priority with slash pile mitigation being on top of the list. Although most of the common areas and right of ways have been cleared of dead trees, the presence of significant number of dead trees on individual lots continues to pose a risk. The Board has begun to work on a cooperative solution to this issue.

Mr. Troka indicated the Board was successful in its pursuit of court approval for the covenant amendment allowing for area specific special assessments to make capital improvements within SPOA. Owners wishing to utilize this assessment process to pursue infrastructure improvements in their areas were encouraged to contact the Association Manager Bryan Ayer.

John Troka next gave an update on the Routt County's Stagecoach Community Plan. The County started the community planning effort with public meetings and feedback sessions. The final draft plan has been reviewed by the County's Planning Commission and is to be reviewed by the County Commissioners with a goal of a final adoption in September.

There was a brief discussion concerning the separation of the High Cross subdivision from SPOA. Mr. Troka explained that while High Cross has been a part of SPOA, their covenant document is separate and apart from the document governing all other SPOA subdivisions. The High Cross owners exercised their right to amend their covenants and on July 12th changed the entity responsible for managing and administering their covenants to a newly formed property owners association.

The president finished his report with highlighting several ways for owners to help the Association move the community forward. There are opportunities to participate on a committee, such as the architectural or road committees, being an event or project coordinator for community activities such as holiday celebrations or seasonal festivals, helping with the newsletter by being an editor or contributor or joining other community organizations such as the Oak Creek Fire Protection District or the Morrison Creek Water and Sanitation District.

Treasurer's Report –Brad Church

Brad presented a financial summary for the current fiscal year through June 30, 2016 including the income statement for operations, balance sheet and project/reserve spending report.

Total cash at the end of June was \$441,880. Of this balance, \$157,771 are restricted road funds for Horseback, Morningside and South Shore.

Operating income from annual assessments for the period January through June was \$47,983 with other income (i.e. finance charges, late fees, fines, etc.) of \$3,493 for a total income of \$51,476.

Operating expenses for the same period totaled \$46,134. These expenses include management fees, professional services including accounting and legal, insurance,

maintenance costs, including the grooming of the Nordic trail and the maintenance of the Coyote Run playground as well as meetings and postage.

Through June 2016, the Association's YTD operating surplus (income minus expenses) is \$5,342.

Project/reserve income through June from annual assessments and interest was \$56,679. Year-to-date project/reserve spending was \$5,637 and includes cost from common area improvements (hiking trail), community infrastructure (mailboxes/signs), legal projects and road improvements/maintenance.

Restricted Funds income reflects \$108 of interest income earned on funds held. There are no YTD restricted fund expenses.

Through June 2016, the Association's YTD project/reserve surplus (income minus expenses) is \$51,043.

Accounts Receivable: At the end of June accounts receivable was \$56,313. Thirty one (31) members who are delinquent 5+ years account for 38% of the receivable balance. This is down from the 55% at the same time in 2015. There are a total of twenty nine (29) property owners delinquent 2-4 years which represents 20% of the receivable balance. The largest percentage of delinquencies are for the current year only. There are 154 members that have not yet paid their 2016 assessments representing 43% of the receivable balance. The Association has liens on the properties of these delinquent accounts. The Association will also pursue foreclosure on the oldest and largest delinquent accounts if the property/lot value makes it economically sensible in light of the costs and amounts owed.

The 2016 budget and assessment were discussed by John Troka. The assessments have been raised in the last two years to help rebuild the project/reserve fund that has become depleted since the beetle kill mitigation in 2012. While contributions to the project/reserve fund balance have increased in 2015 and 2016, the operating fund contributions have actually been reduced due the cost efficiencies gained from moving to a licensed management company.

Looking forward to next year, John Troka discussed the maximum allowed **annual assessment for 2017** which is \$116.85/lot. The annual assessment was \$75.00 for 2015 and was increased to \$95.00 for 2016. The annual assessment is comprised of two components; the operating component reflects the amount needed to fund the proposed operating budget and the reserve/project component reflects funding ofr the projects priorities and reserve requirements set by the Board. The final 2017 assessment will be determined by the Board and sent out to the ownership at least 30 days prior to the end of the fiscal year as stated in Article VII section (2c) of the Association Bylaws.

Board of Directors Election

Currently there are three (3) open positions on the SPOA Board all of which are for a three year terms. The 3 year terms are for the board seats currently held by John DiNicholas, John Troka and Larry Wilson whose terms expire this year.

Candidates for the open Board positions were:

John DiNicholas (incumbent)

John Troka (incumbent)

Vicki Weber

Larry Wilson (incumbent)

There were no nominations from the floor.

MOTION: Doug Jones made a Motion to close the nominations. Bill Stouder seconded the Motion. The Motion passed without dissent.

Voting for Board members occurred during the Member Voting portion of the agenda.

Member Comments

Art Fine discussed his concerns with the Morrison Creek Water and Sewer district and how although it was supposed to serve all of Stagecoach in the original plans by the developer, it does not currently serve even one-half of all owners. It was stated the district is still not in a position to provide these services in the future. He believes that SPOA needs to work together and negotiate with Morrison creek district to work towards a solution.

Baxtor Eaton, owner of South Station II, Lot 70, spoke of concerns he had relative to several financial management issues. Specifically he expressed disagreement with the opinion provided by the Association's attorney concerning the limitation on increasing the annual assessment. He also discussed the process for establishing and reporting on reserves for an Association.

General Community Updates

John DiNicholas discussed opportunities for possible recycling in the area. He has been looking into providing a "green machine" somewhere in the community once a month. The issue is where to put the container. He is looking into the fire house, but it would

need the Fire Board approval. If more progress is made he will keep the ownership updated through the management company.

John Troka updated the ownership on the status of the South Routt County School District and the issues that have arisen due to a missed tax payment from Peabody Energy who recently filed for bankruptcy protection. The State has currently extended the District an emergency loan; however the District is still waiting for information on if and when Peabody Energy will make their delinquent tax payment.

Issues with SPOA Subdivision property surveys were discussed. A letter was presented to the ownership from the Routt County Surveyor. The issue has been communicated to the ownership through mailing and more information is available on the website.

John Troka discussed road development and maintenance. The Road Committee prepared a draft road policy which was presented to the Board. The document describes what types of permits and surveys are needed if someone wants to build a road and who is currently responsible for maintenance of each road in Stagecoach. The Board, with minor modifications, approved the draft policy for presentation to the membership for their review and feedback. A copy of the draft policy was given to those in attendance as well as it was published in the summer newsletter and is available online at the Association's website.. Prior to final adoption of the policy which is tentatively scheduled for the next Board meeting, members are invited to provide their comments and feedback and participate in the discussion at the meeting.

As there have been several inquiries about "tiny houses", Mr. Troka explained that the Covenants as currently written do not allow for their use in Stagecoach. Specifically state that the minimum square footage for a residence is 1,000 square feet of which a maximum of 200 square feet of deck space can be counted towards the total. Tiny homes typically are much smaller with less than 500 total square feet. Additionally, many tiny homes are built to be mobile and temporary structures are not allowed.

Along with inquiries concerning tiny houses, there have been many questions as to how many accessory buildings are allowed. The covenants as currently written indicate lots are to be used for a residence and one detached building over 120 square feet and less than half the square footage of the residence is allowed. Additionally, one building 120 square feet and smaller is also allowed essentially permitting up to 3 buildings on a lot. John Troka emphasized that while these limits and restrictions are outlined in the covenants, they merely reflect the restrictions already imposed by the zoning regulations of Routt County.

Finally John Troka asked the ownership for their interest, by a show of hands, in possibly amending the Covenants on several topics; Horses and other livestock, campers and trailers, administrative updates to modernize the documents and other possibilities.

The majority of the ownership in the room expressed interest in pursuing all of these options.

Member Voting

Ballots were given to each member as they entered the annual meeting and completed registration. Member ballots reflected any proxies that individual owners had been given so that one ballot included all of an individual's votes.

There being no additional items from the floor to be voted upon, members were asked to complete their ballots for the election of Board members. Members were instructed to vote for three (3) individuals out of the four (4) candidates. As per the Bylaws, the persons receiving the largest number of votes shall be elected and cumulative voting is not permitted.

The ballots were collected and counted by representatives of Steamboat Association Management.

Voting Results:

The results of the election were as follows:

John DiNicholas	229 votes
John Troka	231 votes
Vicki Weber	192 votes
Larry Wilson	42 votes

John Troka, John DiNicholas and Vicki Weber received the largest number of votes and were elected to fill the three Board positions for three year terms expiring at the annual meeting in 2019.

Meeting Wrap Up

2017 Annual Meeting: The 2017 Annual Meeting is tentatively scheduled for July 22, 2017. Location to be determined.

All members were thanked for attending the annual meeting and invited to stay for a BBQ lunch and to enjoy some social time with their Stagecoach friends and neighbors.

MOTION: To adjourn the meeting. Motion was seconded and was passed without dissent.

Meeting was adjourned at 12:15 PM.