

Quarterly Board of Directors Meeting

Stagecoach Fire Station

January 26, 2014

Board Members Present: Dave Hackett (President), Mike Koponen (Vice President), John Troka (Treasurer), Skip Moyer, Art Fine, Tonja Elkins, and Ben Mahrle

Staff Present: Ken Burgess, Corky Fisher

Owners Present: Tony Stitch, Tom Watts

Dave Hackett called the meeting to order at 9:00am.

Ratifications

Motion: John made a motion to ratify the approval of the October 26, 2013 meeting minutes. Tonja seconded and the motion passed.

Motion: Ben made a motion to ratify the approval of the statement "SPOA accepts the new grant proposal to pay up to \$3000 in sale prep and administrative costs for a grant of \$7050 and at least three opt-in private lots at \$150 each. Additional opt-in lots will be accepted until completion of the 15 acres." Skip seconded. The motion passed with Art abstaining.

John noted that the net cost to SPOA is \$3000 because the loggers will be paid by SPOA and then SPOA will get money back from the state. John wanted to clarify that private lots will need to be approved for the grant each time. The forest service approves each additional acre beyond the 15 acres. Ken has spoken with Bret Brown from the forest service and Bret has agreed to pay for the additional acres.

Motion: John made a motion to spend no more than \$470 per acre not to exceed what is accepted by the state. Skip seconded the motion. The motion passed with Art abstaining.

Corky clarified that a private lot owner who wants logging through this program would need to pay SPOA the \$150 for mapping and flagging.

Motion: John made a motion to access each owner opting in \$150 per lot to cover the fee for mapping and flagging to be paid in advance of logging. To the extent that the owner does not pay, logging will not start. Mike seconded the motion. The motion passed with Art abstaining.

Treasurer's Report

John pointed to the previously distributed financial reports. He specifically noted the increase in the operating expense and the dues increase that cover those numbers. Skip asked if there had been any issues with the new billing. John reported that things are going smoothly. Art asked about the line item, "land" and John commented that he is

getting clarification on that item. Ken thinks it might be Horseback Common Area 5 that is owned by SPOA.

Corky asked about the wood chipper. Ken reported that it was reported to the insurance company but it did not reduce the premium. Tom Watts asked about the income statement and specifically labor expenses. John clarified that labor expenses include all labor expenses (payroll taxes, workers comp, etc.) for the two employees (Ken and Corky). Tom warned that “contract” employee status can be tricky. Dave confirmed that SPOA is aware and carefully considering contracts.

John noted that property assessments in general have gone down in the Stagecoach area. He reminded the group that the assessment timeframe goes back to June 2012. The next assessment will include the period from July 2012-June 2014.

John then spoke about the proposed change of SPOA’s fiscal year. He reminded the group that the annual assessment cycle is fixed by covenants, whereas the fiscal year is outlined in the Association’s by-laws. Changing the fiscal year will require a vote of the membership. A vote to change the by-laws to match the Association’s fiscal year to a calendar year similar to the annual assessment period will be held during the annual meeting in July.

Budget Review of Legal Costs

Dave noted that SPOA has spent the majority of its annual legal budget on recent ACC enforcement actions. John identified where these numbers are listed in the reports under “professional services.” Skip spoke about collecting back dues. He reported that ACC can use additional legal services to collect on back dues but while there is a cost, the return is fairly high and therefore worthwhile.

RFP Approval and Execution Strategy

Dave referred to the request for proposal for management and accounting services document.

Motion: Skip moved to accept the RFP as written. Tonja seconded and the motion was approved.

Dave spoke about next steps. He would like to get this RFP out to potential bidders quickly. Tonja commented that in her professional opinion, it is going to be difficult to find a local provider. Dave agrees that odds are that a local provider will be a high cost bidder but he would like to put it out locally first. Tonja agreed to be responsible for getting the RFP out to local companies. Ken noted the importance of looking at “criteria.” Tom commented that there is a difference between those companies who specialize in homeowners association versus property management companies. He suggests that SPOA would want companies that specialize in homeowners associations. Skip noted the value of accessibility to the provider. He believes SPOA needs to be prepared for higher costs and lower accessibility. Art noted that there might be some

law firms who could handle this kind of work. He also recommended extending the RFP to Grand Junction as well as front range providers. Dave talked about advertising in the local papers and the Community Association Institute publications. Dave plans on getting an RFP synopsis out to the community immediately. Dave confirmed that Jean and Corky will be sent the RFP.

Skip asked about timing. Dave answered that a decision needs to be made by the April 2014 meeting. Dave asked about those on the board who would be interested on serving on the selection committee. Both John and Tonja agreed to serve. Dave agreed to be on the committee as well but would like to see more board members volunteer. Ken will also be available to help. Dave confirmed that RFP responses are required by April 4th with hopes of recommendations to the board by the committee by April 18th in preparation for the next board meeting on April 26th. Dave also noted that site visits and pre-meetings from interested parties would occur in late March. Dave also noted that he would send the RFP to Sally for legal review ASAP.

Skip asked the board to begin thinking about a plan B. He is concerned that all proposals could come back prohibitively high. Tom asked about the timing on licensing requirements. Dave said that July 2015 is the actual deadline according to the state. Tom noted Plan B might include Jean and Corky taking over some of Ken's responsibilities but that does not consider the legal requirements of licensing. Everyone agreed that a Plan B should be prepared.

ACC Discussion Items

Skip spoke about the settlement reached with a property owner over a long running ACC enforcement issue. In the settlement the property owner agreed to pay the majority of SPOA's legal fees. Skip then distributed a document titled "ACC Rules & Regulations – January 2014." The proposed additions to the existing ACC rules and regulations are: Maximum time to build and applications to the ARC (see article on page 10.) Tom asked about notification of these additions. Skip confirmed that Sally said that newsletter notification is all that is required. Skip noted that one goal is to tighten up this process and that these rules would be given to all those requesting to build. Tony asked that there be a sign-off requirement..

Motion: Ben made a motion to approve the ACC Rules & Regs – January 2014 as written. Tonja seconded and the motion passed.

Skip spoke about the poor status of SPOA's membership contact list. This makes collecting on past dues challenging. Dave noted that CCIOA requires a payment plan option be given to anyone who is behind in dues before entering into collection procedures. John noted that under CCIOA, the Association has six years to enforce its assessment liens. The clock starts when a property owner's account goes past due. John

clarified that a lien runs with the property but that the liability runs with the owner of the property at the time the assessment is due.

Corky asked about a specific situation with a quit claim deeded property and past dues. John noted that Sally might need to get involved and try to collect from the previous owner. Dave asked that John follow up with that situation.

Skip spoke about nonprofit owners. John said that ARC would need to work with the county on these issues.

Old Business

Slash Pile Consolidation/Burning

Corky reported that there are approximately 185 piles that have not been burned and 88 piles of partially burned slash. There are a couple companies that have the ability to remove the piles if SPOA consolidates the piles. The cost of the trucking is the big expense so burning would be less expensive. Corky does not have any commitments yet. Ken clarified that the world of logging is changing rapidly because of the value of the wood. Not much can be done until the snow melts and these companies can see the piles. Because Robert was not present there could be no clarification that there are sufficient approved funds for this project.

Corky confirmed that he will be working on locating all the piles this spring—the cost of which is included in the already approved \$5000 consolidation budget item.

Newsletter Production

Dave reported that Ken has produced and distributed the past two newsletters and he is not available to do so going forward. Tonja noted that she has received positive comments about the articles in the last newsletter. The newsletter is supposed to be produced 30 days following each board meeting. John agreed to do the desktop publishing and distribution of the newsletter. Corky offered to help with the advertising piece. John agreed to follow up with soliciting input from the community (i.e. fire district, etc.). Dave asked about content. Skip will write an article for ARC and include the new Rules & Reg. Dave will submit a president's comments article.

Halter Way Road Construction Survey Status

Ken reported on the 43 Halter Way lots involved (30 owners). There was a 70% response rate on the roads interest survey. About 55% agreed but this does not get to the 2/3s requirement. The question is what to do with the results. Does this mean that people are not interested in building roads? Tom would encourage that further steps be taken. Ken clarified that the cost numbers presented in the survey were based on 100% participation. Mike agreed that the results shouldn't just fall to the wayside and be dismissed. Dave concurred that SPOA should go back to those owners and explain the results—what it means to them individually and as a community. SPOA can act as

facilitator. Tom offered to assist with follow-up communication and Corky offered to help with any questions about costs.

Dave wondered about SPOA's role in development. John commented that it is well within the purview of SPOA to increase the value of properties. Ken commented that roads only have value if owners can sell the property. Skip added that maintenance costs are also an issue.

Nordic Trail Contract and Chipper Status

Corky reported that the Nordic trail has a maintenance contract for \$3600, which is under budget. The trail is being used and is beautiful. There have also been some donations for its maintenance. Corky reported that the wood chipper is still broken. Corky is in the process of following up with people who are interested in buying it.

BREAK – Tonja left the meeting.

New Business

State Legislative Update

John reported that there is not much on the docket that applies to property owner associations other than a proposal to eliminate transfer fees when properties are sold.

Survey Response Rates

Ben asked the board to consider incentivizing members to respond to surveys in the future (i.e. enter into a drawing, etc.).

Stirrup Culvert Repair

Corky noted that there are culverts that have collapsed. The one off of Stirrup near the Nordic trail is very deep and dangerous. Corky has talked to a couple people who could reduce the size of the culvert. Dave asked if it is a county road. Ken reported that yes it is, but that the county has not accepted responsibility for maintenance on this road.

Corky reported that it would cost approximately \$5000 to fix. He also noted that a culvert off Hawkeye and a third culvert are also desperately in need of repair. Repairs could only happen after the snow melts. John asked about the 60" culvert requirement. Ken noted that a permit from the county would be required before work to ensure that standards are met. John wants to make sure that if repairs are undertaken that they are done to standards. Mike is confused about the county's responsibility. Dave clarified that regardless of who is responsible for paying for maintenance (this goes back to the old lawsuit) SPOA must meet county standards for these roads.

John clarified that SPOA understands that these culverts need to be fixed. Dave asked Corky to investigate requirements and costs and bring his findings back to the board.

Road Signs

Corky noted that there is some building occurring in Stagecoach but that there are some missing road signs. This is dangerous. He is questioning Mike Mority of Routt County Road and Bridge about the corner signs but is not getting a response. Tim Corrigan is the councilman. Tom recommends that Corky work with the councilman on behalf of the board communicating the severity of the situation. Dave asked that Skip represent the board with Corky in these discussions.

Splitter – Corky noted that the new splitter is great. It cost \$1799.99 and has been rented out 9 times already. Dave asked John to include a note in the newsletter that the splitter is available for rent.

Website Costs/Redesign – Ken noted that the hosting contract is up in April (about \$250 per year). The people who are maintaining the web site are asking if SPOA would like to redesign the site. The provider proposed \$1,100 for a redesign of the whole site and then taking over the hosting at the current cost. Creative Bearing is the company and is a local company.

Motion: John made a motion to solicit proposals to redesign the SPOA web site. Ben seconded and the motion passed.

Dave would like to wait until the RFP process is complete because a management company may have ideas. John commented that the hosting contract is up in April.. Ben commented that there are so many unknowns. He recommends proceeding with the web site redesign and not waiting on the RFP. It was agreed that Ken talk with the hosting company about renewing the hosting contract and seeing if there is any flexibility. Ken will speak with Creative Bearing and let them know about the RFP and ask them about options.

Buildable Lots and Roads

Ken reminded the board that there are different road requirements regarding different types of lots. He has spoken with people about the MRE (mountain residential estates) requirements and consolidations. He recommends that the board speak with the commissioners about excluding Stagecoach from “county subdivision” regulations. It might make it easier for owners to consolidate lots and/or make properties more attractive. Ken has worked with the head of planning and requirements are complicated and there are interpretive issues. Dave noted that this is one of a series of issues that SPOA should be talking about with the commissioners. Skip also mentioned that the fee/cost structure should be discussed.

Meeting with Commissioners

Skip noted that SPOA has not done enough to build a relationship with the County Administrators and Commissioners. SPOA should agree to begin ongoing conversations not just one-issue items. He would like to invite Tim to SPOA board meetings. Skip offered to develop a strategy for working with the county. Ken

recommends starting with the story of Stagecoach, explaining why it is so unique and what the various problems are. There is an education that should take place. Dave would also like to be able to clearly communicate a vision for Stagecoach's future. Skip noted that not much gets done at the county without pressure and commented that SPOA should be prepared to take things to the next level. Dave noted that this is a "process" and will require time and attention. He wondered about beginning a relationship by noting specific issues. John added if SPOA does start off communications by listing specific issues, then SPOA needs to do the research and sell the solution. Mike noted that a long-term methodical set of communications should be structured under a statement of what Stagecoach wants to achieve. The specifics should come under that statement. Skip offered to start this process. Tom noted that communications should start with "our commissioner" and make note of what he gets in return for progress. Dave and Tom asked about inviting the commissioner to write something in the newsletter about his vision for South Routt and simply help introduce him to the membership. Corky and Skip are meeting with Tim later this week.

John commented that there are other officials that should be included in the relationship strategy. Skip noted that the strategy should include starting with the people at the local level before moving up the line. Ken noted that county road 16 seems to be a dividing line for the county. Tony noted that the commissioners control everything so SPOA should be contacting all 3 commissioners. Art noted that reduced density is a hot topic and consolidation is a tool. This is something upon which the county and SPOA agree. Tony commented that Stagecoach is a place for growth and there is limited place for growth in the county. This may be another place to start discussions.

Ken stated that local government has been getting some federal reimbursement for things like roads and schools. It is called PILT money and Congress left it out of the currently approved budget.

Short/Long Term Planning

John noted that there has not been enough done to identify SPOA's future needs (an example is the fallen culvert problem). Tom commented that part of this is surveying the membership. John noted that there are future wants and there are current needs like the maintenance of a common area playground. John requested a list of these current known needs.

Tom started a discussion about roads. The history is that that the roads in Stagecoach were built by the developer. The roads were then passed on to the county. The county has taken the stance that they have the right not to maintain these roads even though those roads belong to them. Corky noted that there are many questions about liability. Ken noted that SPOA has limited resources to deal with all the community issues from roads to schools to marketing.

Motion: Ben moved to form a long-term planning committee. Art seconded. A discussion followed. Ben amended the motion for the committee to include 3 board members. Art seconded the amendment. Skip, Ben, Mike and Art agreed to be on the committee. Corky also offered to participate on the committee. Skip offered to chair the committee. It was agreed that no action would occur on the committee until after the April meeting. A vote was taken and the motion passed.

Covenant Amendment

Motion: Skip moved that SPOA end the public vote on the covenant amendment on March 31, 2014. Mike seconded the motion. Dave commented that it is required to give public notice of the close of a vote. This will occur in the newsletter. A vote was taken and the motion passed unanimously.

Dave noted that the next step may be going to court to amend covenants. Skip noted that SPOA should make the most of going to court. Tom cautioned that this is the first opportunity SPOA has to go to court and amend covenants. John noted that this is a contentious issue. Plus there are members who don't understand the issue. Mike recommended that SPOA communicate again to the membership what this issue is all about. The cost of going to court has not been defined. Tom stated that the process has two steps where fees will be incurred. The first is in drafting the petition. It is estimated drafting the petition would take less than 20 hours. Then there is a cost of sending the petition to every SPOA member. If nobody opposes the petition (opposition must occur in the courtroom), there are no additional fees. Dave commented that Robert had previously agreed to lead this process. Skip asked that Dave talk with Robert about his progress. A decision will then be made about either going to court or letting it go.

Dave cautioned about making a motion without Robert, Ann and Tonja present. He recommends tabling motion on going to court until the April meeting. Tom warned that there may be a need to take a vote while the voting is still open. Tom will look into the requirements and Dave will let the board know by email. John reminded the board members to read his email about changing covenants.

Next Board Meeting

Dave noted that the next SPOA board meeting is scheduled for April 26, 2014. Art requested to change the meeting to May 3, 2014. The board agreed to the change.

Executive Session

Dave moved the meeting to executive session at 2:34pm.

Adjournment

The Board resumed the general session at 2:55pm and the meeting was adjourned at 2:59pm.