

STAGECOACH PROPERTY OWNERS ASSOCIATION
Quarterly Meeting of the Board of Directors
Oak Creek Fire Station
June 14, 2014

Members Present: Mike Koponen (Vice President), John Troka (Treasurer), Skip Moyer, Art Fine, and Ben Marhle,

Staff Present: Ken Burgess, Corky Fisher, Jim Landers and Bryan Ayer from Steamboat Association Management (SAM)

Owners Present: John DiNicholas and Tony Stich

Mike called the meeting to order at 9:00 am

Approval of May 3, 2014 Minutes

Motion: Skip moved to accept the minutes. Ben Seconded. The minutes were approved unanimously.

Ratification of contract with Steamboat Association Management

Motion: John moved to ratify the email from May 29, 2014 which was to accept the final contract with SAM and that the contract was in affect as of June 1, 2014. Skip seconded. Motion passed unanimously

Transition Progress - Troka, Burgess, Fischer, Moyer, Koponen

Accounting: John discussed the accounting progress. Jean Stetson resigned earlier than expected at the end of May and will be transferring all information to SAM. SAM is working on bringing on line a new software system that will help to compile all the needed account information hopefully by the end of the month. SAM will send a truck out to Jean's place to pick up all the records.

Some challenges are that membership and A/R was maintained differently than what needs to be loaded into VMS (Village Management Software). The information needs to be loaded by property not owner names.

After this fiscal year we will be moving to full accrual accounting, meaning a change in the balance sheet. There was not an A/R line item previously. The Board wants to change the bylaw to change fiscal year to assessment (Calendar) year. The current Bylaw states: The fiscal year of the Association shall begin on the first day of September and end on the 31st day of August of every year, except that the first fiscal year shall begin on the date of incorporation.

The ability to change the Bylaws is stated in Article XIII of the Bylaws. It states: Section 1. These Bylaws may be amended, at a regular or special meeting of the Members called for that purpose, by a vote of a majority of a quorum of Members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is

Class B membership if any areas of Stagecoach are approved for FHA or VA Financing.

The outcome of this change being that in 2015 the fiscal year will match the annual assessment year.

The Annual Meeting materials are to be mailed by the 25th of June. They should include delinquent notices. In order to be able to vote the owner must be current on their assessments.

Banking Resolutions: SPOA currently Banks with Vectra.

Motion: Move to open an additional checking account with Vectra bank and close the current one in the transition and that this account will have signers from SAM as well as John and Mike. The signers from SAM will be Anna Harcourt, Jim Landers, Kathie Sack and Debbie Marten. SPOA signers will currently be John Troka and Mike Koponen. Skip seconded. Motion passed unanimously

Motion: to remove Ken Burgess from a signer on the current money market account at Vectra Bank effective immediately. Ben Seconded. Motion passed unanimously

Motion: The association open another money Market account with same security structure and deposit all the restricted funds with the same signers on the other Money Market Account which are John Troka and Mike Koponen. Art seconded. Motion Passed Unanimously

Discussion: Bank Charges will not be incurred due to the account balance being over \$10,000

NOTE: Recommendation to change Bylaws that requires the treasurer to be a signer on the account. Proposal to change this at the annual meeting with a vote by the ownership. John will investigate the process.

General Management: Phone transition will be a forward of the number to Bryan Ayer's office number. Email change is coming through Zirkel Wireless. All records will be transferred to SAM. Bryan to change voicemail answer to reflect Steamboat Association Management. Bryan is also to work on a general new owner packet that is sent out to all new owners.

Announcement of change was sent out in a letter as well as the Spring Newsletter.

Field Operations: Skip discussed field ops. Skip expressed several concerns: 1) Operations that are not during business hours. Jim Landers discussed the biggest challenge is discovering infractions that cannot be seen because they are not easily accessible. Want to establish a procedure that would include documentation through photos, following the Declarations and Governing Policies and being consistent in enforcement.

Ken Burgess stated that the ACC was not intended to be for rules enforcement. There is supposed to be a separate committee for Rules and Regulations. SAM in conjunction with SPOA is working on correct owner contact info such as phone emails and correct mailing addresses. One of the reasons for going with a third party is for the board members to not be in conflict with the other owners of SPOA because of rules enforcement. It will drive consistency for SAM to do the processes appropriately as they do with the other associations that they manage.

Ken stated that there are 3 goals of ARC committee. To collect ARC forms for all exterior modifications to property within SPOA, protect the trashing of open lots, and protect open space. Mike also added that enforcement is driven by a complaint process.

The goal is to come up with a Rules and Regulations document with interpretations of Declarations and according to The Governance Policies. This will be sent out to the ownership with an opportunity to respond or comment within 30 days. Following the 30 days, at the next board meeting, the Board will motion to adopt the new Rules.

Welcome packet should also be sent out to ownership.

From July 1, 2014 all questions and applications and emails and phone calls go to Bryan. Ownership has been notified that Bryan Ayer is main point of contact.

Need to address what the transition will mean to the ownership. i.e. ADT calls, illegal off-roading, shooting of guns, culverts collapsed. Jim and Bryan to put together a list of examples of when to call SAM vs. calling the Sheriff or police.

BREAK TAKEN 10:22: Jim Landers left the meeting

Treasure's Report – Troka

Current Budget:

Same income most likely as last year. Revenue collections have slowed dramatically due to most being received December through February. SPOA has received an additional \$6,000 over the last two months greater than last year. All line items right in line with expectations and budgetary amounts. There is currently \$288,000 in accounts.

Proposed Budget to Present to Members: John presented and discussed hypothetical budget drafts including Operational and Reserve budgets. John focused on the analysis of operational expenses and the amount changes per line item. John presented a hypothetical budget that includes possible projects and how that reflects upon the amount that the Assessments could go up. Some suggested projects and costs include GPS upgrades, Common area Wildfire mitigation work, Nordic Trail Expansion and a possible community center. Other items related to community development include a marketing program, road maintenance and dust mitigation. The Budget should consider what can be reasonably done in a year's time dependent upon priorities? Assessment doesn't have to be set until October and the board might want to integrate into the new Routt County Master Plan that is being updated.

The Board proposes to introduce a Reserve Forecast that includes suggested line items that the Reserve Funds would be appropriated to at the Annual Meeting.

Assessment Collection Progress: John Troka has been working with SAM on the direction of Assessment Collections. Since the Association will be moving to accrual accounting, the accounts

receivable will be shown on the Balance Sheet and to show a true number with which to budget. Bad Debt will need to be written off.

Legal Opinion – Maximum Dues Increase: John presented the legal opinion from Hindman Sanchez of the interpretation in covenants as it relates to Maximum Assessment Amounts. There is a constraining variable on what the board can set. This is 3% annually and can be applied and could have been applied to be the maximum from the date of inception with the Board's ability to work within this amount. If this was to be done since inception, the current dues could be \$100 today. The board could raise it to this amount now, but not necessarily recommended in order to maintain good ownership relations. DORA recommends that this should not be done without a future plan of use of funds. Being a pre-1992 organization, SPOA is not required to establish an operational and reserve budget. Although not being required to follow these CCIOA rules currently it is most likely going to be required in the next couple of years. In order to be proactive, John is recommending discussion on what SPOA needs to operate the Association and what is needed in Reserves for future projects.

Nomination Committee – Koponen

Currently there are people that the board would like to have serve on the board and Mike will contact them to encourage their interest. John DiNicholas, Rebecca Bailey, Renee and David Williams were mentioned.

Lunch

Mike called the meeting to order after lunch break at 12:20

Annual Meeting Prep

A/ R only sent out to Past due and let them know they can't vote unless paid in full.

Amendment to change fiscal year.

ARC Rules and Regulations.

Proxy and Meeting Notice- Where the meeting is.

Annual Meeting Minutes – copies brought to meeting 100 copies.

Agenda – presentation of new Routt County Master Plan by Christy Winsor then lead into the projects that are suggested to be added into a Reserve fund. Invite Song, Chris Wittemyer and Brian Stahl.

Old Business

ACC Update – Moyer: Letters have been sent out concerning Covenant Violations and a letter that concerned a compromise between an owner and SPOA.

Coyote Run Maintenance – Moyer:

There is an agreement that Coyote Run will mow the property at their cost and as a result SPOA will only pay for the water cost. SPOA paid to have the sprinkler system fixed. The fix was supposed to cost \$1275 and came in under budget at \$1175. The gazebo at Coyote Run needs to be stained. The playground seems sound and doesn't appear to need any work at this time. Weeding is under the agreement for SPOA take care of. Bryan will find contractors to spray weeds and to stain the gazebo.

Slash Pile status – Fischer: Rogue Resources has a forwarding machine that can move the smaller piles of downed trees to a larger manageable pile. Overland has the majority of Slash Piles, but because of soil conditions this is mostly inaccessible at this time. Confluence or Energy Resources could haul off the larger stacked piles or the piles can be burned.

Corky: Proposes to bring Ed out here as soon as possible and to get rid of everything possible. Overall the cost may be more than the \$5,000 which was the amount approved at a previous board meeting. The Board decided to go ahead and get the \$5,000 worth of work done and then proceed from there. Work will start at the end of June or beginning of July. Fire mitigation work is to begin around Seneca and to be moved into piles from the roads that are now closed at a cost of \$7,000. This work is to be done with grant money through the Fire District. This should start in two weeks. SPOA will take responsibility for the slash piles created. The Board agrees to have the Fire District start work when possible.

Proposal for legal work on overall road responsibilities – Troka: Who owns the Roads? In the bankruptcy the land was given to SPOA to maintain not the county, yet the County maintains an easement on the right-of-way. What are the liabilities for SPOA and the homeowners within SPOA?

Motion: Skip Motioned to pursue the legal opinion from Hindman-Sanchez on the ownership of roads in Stagecoach concerning the interpretation of what is the Association's responsibility and what is the owner's responsibility and liability at an amount not to exceed \$10,000. Ben seconded the Motion. Motion passed unanimously.

Ramuda Trail repair – Fischer: Resolved. 3 owners were involved and were to supply the machinery to complete the project with \$2,000 from SPOA. The homeowners will also complete the drainage part of the project.

Stirrup Culvert Status and Legal Opinion – Fischer: Culvert replacement from one contractor at an estimated cost of \$10,700 - \$12,900. The Board is requesting at least one more bid due to the scope of work. There is also an issue with the Culvert on Hawkeye.

Motion: Skip motioned to replace the Stirrup Culvert at a cost not to exceed \$13,000 with a galvanized culvert so the work may proceed with the stipulation that another bid be attained as well and with the stipulation that if the max to repair both the Stirrup Culvert as well as the Hawk-eye Culvert does not exceed \$25,000 and that there are three competitive bids, that work may proceed on both Culverts. Ben seconded the motion. Motion passed unanimously.

John stated that the PUD on Blacktail Meadows has been adopted by the County which changes the zoning from duplex building sites to single family building sites.

The Meeting was adjourned at 1:30PM