

**STAGECOACH PROPERTY OWNERS ASSOCIATION**  
**Minutes of the Board of Directors Meeting**  
**Oak Creek Community Center**  
**Steamboat Springs, Colorado**  
**August 17, 2019**

The Board of Directors meeting was called to order at 9:00 am.

Board members present: Kayleen Cohen (President), Scott Okerstrom, Tony Borean, John DiNicholas, and Tom Watts.

Board members present via teleconference: Kate Rachwitz (Secretary)

Management present: Bryan Ayer, Association Manager

Owners and Guests present:

Amber Stewart – owner by relation of multiple lots in South Station I

John and Shannon Troka owners of Lot 112 South Station II

Lori and Todd Raper owners of Lot 102 Morningside

Jeff Rachwitz owner of multiple Lots in Sky Hitch IV

Bruce Kilhefner owner of Lot 47 Meadowgreen

Frank Murphy owner of Lot 48 Eagleswatch

Marc and Melissa Sheridan owners of Lot 22 Black Horse II

Peter Patton of Patterson Associates Inc was present by teleconference to discuss the proposed Master Trails plan

With 6 Board Members attending, a quorum was present.

**APPROVAL OF BOARD MEETING MINUTES AND RATIFICATIONS:**

**MOTION:** Kate Rachwitz moved to approved the board meeting minutes dated May 18, 2019 as presented. The motion was seconded by John DiNicholas and with no further discussion, the motion passed without dissent.

**MOTION:** Tony Borean moved to approve the board meeting minutes dated July 20, 2019 as written. The motion was seconded by John DiNicholas and with no further discussion, the motion passed without dissent.

**ACTION:** At the Annual meeting in July, John DiNicholas, Tony Borean and Amber Stewart were elected to serve on the Board of Directors. Prior to this Board meeting, it was discovered that Amber Stewart was not eligible at the time of election as she needs to be a “Member of the Association” as dictated by Article IV, Section 1 of the Bylaws. Although Amber’s husband Todd Stewart owns several lots, her

name is not on any of the deeds. The Board decided for transparency to send notification to all owners that the board position for Amber Stewart is technically vacant and any Owners interested in the position should contact Management. Amber stated that she will add her name to one of the deeds and at the next board meeting will be eligible to be appointed to the position as well.

**Change of Agenda:**

**Trail System Projects** - At the board meeting that followed the annual meeting on July 20, 2019, the board approved project/reserve funds not-to-exceed \$25,000. Peter Patton presented the trails team and described the process and phases. He reported a \$500 reduction in the overall fee estimate. A master plan needs to be developed, and the team would like to schedule a meeting to finalize the plan, after which a public meeting would be held for owner input. The goal is to attach this master plan to the County Stagecoach Master Plan.

The board discussed the need to sign the proposals for PAI, MC Designs and Wheland Designs and scheduling a meeting with the trails team for mid-September or mid-October.

**MOTION:** Tom Watts moved to sign the contracts for MGC Designs and Wheland Designs as presented, and the amended proposal from PAI. Scott Okerstrom seconded the motion and with no further discussion, the motion carried. John DiNicholas was opposed.

**Public Comments:** The Manager asked those in attendance if they had any other business that they wanted to discuss that wasn't already on the agenda. There were no comments at this time.

**GENERAL BUSINESS SUMMARY:** Community Manager Bryan Ayer provided an update on Association business matters.

- The cluster boxes at Morningside and South Shore are damaged and cannot be repaired.
  - **MOTION:** Tom Watts Moved to approve up to \$3,500 for new cluster boxes in Morningside and South Shore. Tony Borean seconded the motion and with no further discussion, the motion passed without dissent.
- The State Park trees were planted as a cost of \$3,228, noting the approved budget for this was \$3,300.
  - **ACTION:** Pictures of the new trees will be taken and plans for a commemorative plaque for John Troka will be finalized. The plaque will be placed at the Morrison Cove area.
- Coyote Run Signage – The Coyote run sign has fallen over due to the rotten timbers.
  - **MOTION:** Tom Watts moved to approve up to \$2,000 to repair the Coyote Run entry signage using metal posts. Scott Okerstrom seconded the motion and with no further discussion, the motion passed without dissent.

**ACC Activities:** All applications received have been informally approved. Some house applications are pending formal approval depending upon verification of the plans being informally approved being the same plans submitted to the Routt County Building Department.

Tom Watts reported the 2018 requirement for sheds has been working well and is an example of the policy speeding up the approval process.

Covenant and Rules Enforcement: Bryan provided a report on current violations. Discussion included earth works on trail/drainage easements. Tom Watts suggested that the board work on adopting a guideline. It has been reported that some berms have been created along a property line on Colt trail that possibly encroaches on SPOA Common area. The discussion raised the issue of how to treat “earthen non-structurals” in an easement. The board agreed that as long as members can “traverse” the easement, drainage is not obstructed, and does not run into a structure like a fence or shed, it is still an open easement.

- **MOTION:** John DiNicholas moved that since it is unclear whether the berm developed by Jeff Erickson is an actual structure requiring Board/ACC approval, that as long as the berm doesn’t impede access, the berm is approved. Kate Rachwitz seconded the motion.
- **MOTION:** Tom Watts made a motion to call to question which was seconded by Tony Borean. With no further discussion, the motion carried without dissent.
- **MOTION:** John DiNicholas moved to allocate funds for SPOA to pay for a survey to confirm the property lines. There was no second and the motion failed.
- **MOTION:** Tony Borean moved to have Bryan Ayer work with Jeff Erickson to establish corners at his cost. If the berm is on SPOA property, Mr. Erickson will be required to move it. Tom Watts seconded and the motion carried. John DiNicholas was opposed.
- **NOTE:** *An ACC policy needs to be created that defines what constitutes a structure and list those items that are not considered a structure.*

Accounts Receivable: As of June 30, 2019, there were 425 lots that owed a total of \$65,655. As of August 14, 2019, 340 lots owed a total of \$51,346, compared to August 14, 2018 when 369 lots owed \$44,807. There are 31 Lots that owe more than \$300, 75 lots owe between \$200 and 91 Lots owe more than \$100. These amounts are highlighted as they reflect accounts which owe more than one year’s assessments. As of August 7, 2019, the current A/R is \$51,346 with 340 Lots still owing assessments.

Bryan reported that SAM is exploring new options for processing incoming checks and is considering a Mutual of Omaha lockbox option. He will update the board when he has more information.

**MOTION:** Tom Watts moved to accept the Management Report as presented which was seconded by Tony Borean. With no further discussion, the motion carried without dissent.

#### **TREASURER’S REPORT:**

The Manager presented the final 2018 Financials that included depreciation. These financial reports will be posted to the SPOA website in its final form.

**Annual Review** – Bryan reported he, in coordination with the accounting department, has not been able to locate a CPA to do the annual review. The previous company that was performing the Review is no longer doing Associations. The current quoted cost for this service was \$4,500 and only \$3,000 has been budgeted. It was noted the bylaws require the annual review but also states the review does not have to be performed by a CPA.

**ACTION:** Management will contact other accounting firms in an attempt to stay within the \$3,000 budget. Altitude Law may be able to recommend someone.

The Associations financial reports Through June 30, 2019 were discussed. The financials were the same as those presented at the Annual meeting.

**Total assets** at the end of June 30 was \$737,871. Of this balance, \$519,681 with \$18,554 in the checking account, \$201,073 in the Money Market account and \$300,053 in CDARS investment accounts. There is also \$150,069 of restricted road funds held for use in the Horseback Morningside and South Shore subdivisions.

**Operating income** from annual assessments for the period January through June was \$53,403 with other income (i.e. fines, late fees, finance charges, etc.) of \$5,394 for a total income of \$58,798.

**Operating expenses** for the same period totaled \$51,124. These expenses include management fees, professional services including accounting and legal, insurance, maintenance costs, including the groom of the Nordic trail and the maintenance of the Coyote Run Playground, as well as meetings and postage.

Through June 2019, the Associations operating surplus (income minus expenses) is \$7,674.

**Project/Reserve Income** through June from annual assessments and interest was \$82,699. YTD project/reserve spending was \$48,348, which includes \$12,900 in wildfire mitigation, \$18,199 in road maintenance, \$4,296 in legal covenant enforcement issues, \$11,572 in governing document cost related to the proposed Covenant amendments and \$1,381 in common area/parks.

Through June 2019, the association's YTD project/reserve surplus (income minus expenses) is \$34,351.

**Restricted Funds income** reflects \$3,352 in interest income earned on funds held. There was no spending of these funds through June.

**CDARS Investment Proposal for Reserve & Restricted Funds:** Bryan reported that the CDAR interest rate has been declining; however, the rate is still better than the typical certificates of deposit (CDs). Vanessa will receive the rate scheduled two weeks before maturity and the board can determine how to proceed at that time.

**Financial Administrative Matters:** Bryan Ayer presented a list of owners more than 3 years in arrears.

**MOTION:** Tom Watts made a motion that the owners as recommended, all being delinquent more than three years in payments of their assessments be referred to the Association's attorney for the issuance of final collection demand letters with notice of 30 days to pay as well as recordation of liens (if not currently recorded with Routt County) prior to Board's consideration of lien foreclosure. Kate Rachwitz seconded. There was no more discussion. The motion passed without dissent.

**OLD BUSINESS:**

**Covenant Amendment Update:** The petition to approve the proposed amendments was granted on August 16, 2019. Kayleen presented a draft of the letter that will be sent to the membership, reporting the proposed amendments have been approved. Discussion included the number of trailers allowed in accordance with the approved covenant amendments and the possible registration of these vehicles as well as when enforcement would be started.

**ACTION:** The document needs to be signed by Kayleen; Bryan will then FedEx the document to Kate to notarize. He will begin tracking amendment violations with a spreadsheet, date of violations and include photos from compliance inspections.

**ACTION:** The letter to the membership will be finalized and sent by September 1, 2019. The covenant enforcement process will be included, noting enforcement will begin on October 31, 2019. Resource information for trailer storage, etc. will also be included.

**Wildfire Mitigation:** SPOA will be pursuing the mitigation of dead trees on private lots in a phased approach with Sky Hitch III being the primary focus for 2019-2020 based upon the identification of this area through research done by NRSRG and the SPOA management. For those within Sky Hitch III, you will be receiving an additional letter shortly that will identify next the next steps in the fire mitigation process.

A separate letter will be sent to the Sky Hitch III community with information for who they can contact with questions or need information and help with remediation. They will need to inform the Manager how they plan to mitigate the property, and they have one year after the first letter is sent to clear all dead trees. If the trees are not removed, SPOA may have the trees removed with the cost to be billed the owner(s).

**MOTION:** Kate Rachwitz moved to approve sending a general communication to all members stating the SPOA Board's plan to have the dead trees removed from all areas in phases. The Sky Hitch owners will be told they are receiving the communication as recommended by the board's consultant who has identified their locations as high risk. The motion was seconded by Tom Watts and with no further discussion, the motion carried without dissent.

**Adjustment to Agenda:**

Management Contract Discussion: The Board has developed a new RFP for the management of SPOA. This has been sent out to several possible firms. As Steamboat Association Management is one of the companies bidding to retain SPOA, Bryan Ayer left the room for this discussion.

Bryan returned to the meeting following discussion.

2019 Road Maintenance Projects:

At the July 20, 2019 Board meeting the Board authorized up to \$25,000 of Project/Reserve Funds for several road projects involving drainage and grading issues. Currently waiting for Halder from Rock Creek Logging to do the work.

The Manager next presented three requests for reimbursement of funds to owners that have performed road work on roads leading to their lots. These requests are from owners whom have provided access improvement to several lots besides their own. When considering reimbursement requests, the Board outlines which costs would be considered general maintenance that help improve seasonal access and drainage issues.

- **MOTION:** Tom Watts moved to approve the request for reimbursement from Dave Miller for \$5,768.25 from the project reserve fund. The motion was seconded by Scott Okerstrom, and with no further discussion, the motion carried without dissent.
- **MOTION:** Tom Watts moved to approve the request for reimbursement from Joe Dickenson for \$6,651 from the project reserve fund. The motion was seconded by Scott Okerstrom, and with no further discussion, the motion carried without dissent.
- **MOTION:** Tom Watts moved to approve the request for reimbursement from Todd Stewart for \$150 from the Project/Reserve fund. The motion was seconded by Tony Borean. After further discussion, the proposed amount was increased to \$800 due to the addition of the “alternative” (non-culvert) drainage items. The motion carried without dissent.

Proposed ACC Guidelines:

At the May 18, 2019 Board meeting, the Board approved four new ACC guidelines regarding such items as colors, materials, the approval and disapproval process and the ACC voting procedure. These proposed policies were published in the newsletter as well as added to the website [www.stagecoach.com](http://www.stagecoach.com). After at least 30 days, the board takes into consideration any feedback that they may have received before officially adopting any policy, rule or procedure.

ACC Guideline 2019-3 was discussed regarding how the board handles informal applications and sets up an appeal process. After discussion, the board agreed to strike all of Section 1.

- **MOTION:** John DiNicholas moved to approve ACC Guideline 2019-3 with Section 1 stricken from the policy. Tom Watts seconded the motion, and with no further discussion, the motion carried without dissent.

ACC Guideline 2019-4 regarding the decision making/voting process of the ACC.

- **MOTION:** Kate Rachwitz moved to approve ACC Guideline 2019-4 with the removal of Section 7 from the policy. Tom Watts seconded the motion, and with no further discussion, the motion carried without dissent.

ACC Guideline 2019-1 and 2019-2 were discussed. Frank Murphy stated his opinion that these guidelines are too restrictive. Jeff Rachwitz suggested that both Guidelines 2019-1 and 2019-2 be stricken completely and presented to the membership for public comment with the hope of establishing a committee.

The Board agreed to several changes to both policies. For Guideline 2019-1 the language was changed throughout the document to remove the disallowed language in favor of disfavored and preferred colors as related to roofs, siding, trim and other highlights of the house. For Guideline 2019-2, relating to harmony of external design and location, most of the language was also changed from prohibited items in favor of language as disfavored or preferred. Item 2019-2(2) Roofs was stricken from the policy.

- **MOTION:** Tom Watts moved to adopt ACC Guideline 2019-1 as amended which was seconded by Kate Rachwitz. The motion was withdrawn.
- **MOTION:** Tony Borean moved to amend ACC Guideline 2019-1 as discussed and resend the revised document to the board for review and republish the revised document in the newsletter. Tom Watts seconded the motion, and with no further discussion, the motion carried without dissent.
- **MOTION:** Tony Borean moved to amend ACC Guideline 2019-2 as discussed and resend the revised document to the board for review and republish the revised document in the newsletter. Tom Watts seconded the motion, and with no further discussion, the motion carried without dissent.

#### **NEW BUSINESS:**

New Board Member Assignments by Term – Rules Committee

The Rules Committee will be comprised of Scott Okerstrom, Tom Watts and Matt Kauffman.

- **MOTION:** Tom Watts moved to select Scott Okerstrom as the Rules Committee Chairperson and the motion was seconded by Kate Rachwitz. With no further discussion, the motion carried without dissent.

The Roads Committee will be comprised of John Troka and John DiNicholas.

- **MOTION:** Tom Watts moved to appoint John DiNicholas and John Troka for the Road Committee for suggestion on the next road projects and reimbursement. Kate Rachwitz seconded. The motion carried with John DiNicholas opposed.

Alternate ACC Committee members are Rob Walter, Kate Rachwitz and Kayleen Cohen.

Financial Committee – There was a suggestion to select a treasurer from the membership with a financial background. Officers for this committee do not have to be on the Board of Directors, and the board will continue to seek someone qualified to do the bookkeeping.

Use of Restriction Funds – The board discussion using the Morningside/South Shore and Horseback Restricted Road Funds to spray magnesium chloride on the dirt roads, noting this could improve the longevity of the road and reduce maintenance costs. Also discussed the possibility of laying down chip/seal.

**ACTION:** Management will ask Routt County what would help the most with maintaining the roads and the possibility of splitting the cost of a mag-chloride application and report to the board.

*(Kate Rachwitz left the meeting at 3:00 pm)*

3<sup>rd</sup> Quarter Newsletter: Kayleen asked the Board members to submit any ideas or new articles for the 3<sup>rd</sup> quarter newsletter to Bryan by the 9<sup>th</sup> of September.

SPOA Directors Handbook – Tom Watts is going to draft a table of contents before the next board meeting for board review.

**EXECUTIVE SESSION:**

**MOTION:** Kayleen Cohen made a motion to go into Executive Session pursuant to CRS 38-33.3-308(4)(f). Tony Borean seconded the motion. The motion was approved without dissent.

The Board entered executive session at 3:20 p.m. and adjourned from executive session at 3:27 p.m. There was no motion made from Executive Session.

**The Board meeting was adjourned at 3:28 p.m.**