

**STAGECOACH PROPERTY OWNERS ASSOCIATION**

Meeting of the Board of Directors  
Resort Group Conference Room  
Steamboat Springs, Colorado  
July 1, 2017

Board Members Present: John Troka (President), John DiNicholas, Zed Ogle, Vicky Weber and Rob Walker

Board Members Present by Teleconference: Barb Houston, Art Fine, Tom Watts

Management Present: Bryan Ayer, Association Manager

Owners and Guests Present:

Ted Ferrick – Meadowgreen, Sky Hitch 1 and South Shore  
Bryant Scrafford – Black Horse II

John Troka called the meeting to order at 9:00 am.

With 9 Board Members attending, a quorum was present.

**Approval of Board Meeting Minutes and Ratifications:**

Approval of May 13, 2017 Board Meeting Minutes

**Motion:** Zed Ogle moved to approve the minutes as written. Rob Walker seconded. The motion passed without dissent.

Ratification of June 10, 2017 Email Decision on Trail Construction

A motion was made by John Troka via email to approve project/reserve funding not to exceed \$12,500 for the construction of a trail within the Association's common area (Meadowgreen CA #3) which is located along the northern base of Young's Peak. The Motion was seconded by Tom Rashid. The email motion passed unanimously with all Board members voting.

**Motion:** John DiNicholas moved to ratify the email motion from June 10, 2017. Art Fine seconded. The motion passed without dissent.

**Member Comments:**

There were no member comments at this time.

**General Business Summary:** Bryan Ayer provided an update on Association business matters.

**Request for cluster box at South Shore:** The Manager had received a request from the Oak Creek Post Office to install an additional cluster box as all current boxes are filled. Currently there are two cluster mailboxes and a parcel cluster box that are using all the available space on the concrete pads that are there. In order to install another cluster box, a new pad will need to be built parallel to the existing pads.

**MOTION:** John Troka moved to approve an amount not to exceed \$2,500 of project/reserve funds for the purchase and installation of a new concrete pad and additional cluster box. Rob Walker seconded. Motion passed. Dissenting: John DiNicholas

**NYP Trail Maintenance:** At the May 14, 2016 Board meeting, the Board agreed to provide financial assistance for mowing and weed mitigation on the public trail system within the Neighborhood at Young's Peak. The agreed funding was 50% of the actual incurred cost with a maximum contribution not to exceed \$600. The NYP Owners Association had the public trails mowed at a cost of \$337.50 resulting in a reimbursement amount from SPOA of \$168.75.

**ACC/CCR/Rules:**

New construction: There are currently 2 house applications in the informal review process. Due to the potential reopening of the ski area, it was believed that it would be a busy summer for applications. However, with the purchase of the ski area in limbo, that has not occurred.

Covenant Violation: Bryan presented a summary of ongoing violations. There are still two ongoing violations that are in need of review from the Rules Committee. The Rules Committee is made up of the three Board Members that are in their last year of their term. There is still part of an illegally built cabin on lot 87 in South Station III. There is also an issue with too many buildings on lot 47 in Eagles Watch. After the annual meeting, there will be three new Board members on the Rules Committee. The manager was asked to put together a list of compliance issues for the new committee and come up with possible dates of solution. Covenant Violations within SPOA have been at a minimum. The manager has been in contact with several owners concerning the disarray of items on their lots. In general, the cooperation of the ownership to clean up their lots as requested has been excellent.

**Accounts Receivable:** The A/R currently shows 348 lots that owe a total of \$54,577 as of June 29, 2017. In comparison on May 9, 2016 there were 413 lots that owed a total of \$53,674. Of the 9 owners for which foreclosure action was previously approved, four owners have paid in full. The other five are still going through the foreclosure process. Of these, two had a Motion of Default filed and are moving towards a Sheriff's sale, one in holding as it is being refinanced and one still under Notice of Publication. The Association's legal counsel continues to move forward with the process. All legal costs associated with the foreclosure process are billed back to the owners account. The four owners who paid in full

paid all legal costs associated with collection of the debt.

**Treasurer's Report:**

Current Financials through May 31, 2017: John DiNicholas presented the financial report.

**Total Cash** at the end of May was \$520,712 of which \$157,916 are restricted road funds held for Horseback, Morningside and South Shore.

**Accounts payable** at the end of March was \$14,900.

**Operating income** for the first 5 months of 2017 was \$43,665. This amount reflects net operating assessments of \$40,681 and \$2,974 in other income which is predominately late fees. It is important to remember that although the Association bills and collects its annual assessment once per year, the operating income is recognized ratably throughout the year.

**Operating expenses** for the same period totaled \$35,539 and includes management fees, professional services such as accounting and legal expenses, meeting and member communication costs and common areas maintenance costs for the park and Nordic trail. All line items are running within budgeted amounts. As of May 31, 2017 the net operating fund surplus was \$8,106.

**Project/reserve income** reflects \$46,758 from annual assessments and \$134 in interest for five months of 2017. Year-to-date project/reserve spending was \$12,376. The majority of that amount was spent for wildfire mitigation, specifically the burning of slash piles still left over from the Association's 2012 beetle kill mitigation project.

**Restricted Funds income** reflects \$66 of interest income earned on funds held. There are no year-to-date restricted fund expenses.

**Accounts Receivable – Collections:** Accounts Receivable as of March 31, 2017 was \$57,713.

**Old Business:**

Annual Meeting – July 23, 2017:

There was general planning discussion concerning the upcoming annual meeting to take place on July 22, 2017 including potential candidates for the Board. Tom Watts will be seeking reelection as incumbent. Art Fine has served his two terms and thus is not eligible to run again at this time. Tom Rashid has stated that he will not be seeking reelection. There were interested individuals at the previous Board meeting and the manager will reach out to them to see if they are still interested.

#### Wildfire Mitigation:

There was discussion on the best way to move forward with an overall fire mitigation plan. Keith Kyle and Natural Resource Solutions Group has been working on the existing burn piles and will be consolidating and separating piles this summer in order to burn the piles more efficiently this fall and spring. NRSNG employs a professional forester that has retired from the Forest Service with a specialty in Forest Management plans. Bryan Ayer will meet with her and Keith and take them on a property view of the SPOA area in order to move forward with an overall plan for SPOA including common areas still not cleared as well as private lots. Overall the Board feels that to move forward on private lots there would have to be coordination between any contractors hired and NRSNG in order to remove trees from the lots and transport them to community piles where NRSNG can burn them as they are qualified to do so.

#### Trails and Recreation:

The trail approved to be built on Common Area 3 in Meadowgreen has been completed and serves as a connector trail from RCR 212 to the Neighborhoods at Young's Peak trail system. The common area was surveyed to assure correct location and Routt County Riders built the trail in approximately a week. The manager has already received positive comments regarding the trail.

At the last meeting there was discussion regarding the Nordic trail parking lot on Stirrup Way. The manager had presented a bid to replace the current buck rail fence. The Board directed the manager to come back with a new proposal for a nicer split rail fence. The Manager presented a bid for a split rail fence replacing the old one and including new gravel.

**MOTION:** Tom Watts moved to spend up to \$3,500 of project/reserve funds to replace the Nordic trail fence with the split rail and to add gravel to the area. Art Fine seconded. The motion passed.

Dissenting: John DiNicholas. Abstaining: Zed Ogle.

#### South Shore BLM access point for members:

At the May 13<sup>th</sup> Board meeting there was a Motion approved to build a three sided buck rail fence to enclose SPOA common area 3 with an opening for pedestrian and bike access. The manager has hired a contractor and the work is almost complete. The manager is also in contact with the owner of adjacent Lot 78 and given him a contractors estimate to place barbed wire across the back of his lot to deter any trespassing issues and to coincide with the common area fence that is being installed. The goal is to completely block the current unauthorized vehicle access to the BLM property.

#### Road Maintenance:

Inadequate drainage along existing non-county maintained improved and primitive roads continues to be the greatest obstacle to maintaining owner and emergency responder access to residences, lots and common areas throughout the community. As such, the recommended road projects for 2017 are focused on repairing/improving drainage. The manager had presented a bid for two large culverts at the intersection of Whiffle Tree and Shay Way. John Troka presented a road maintenance recommendation

document that included these two main culverts as well as the replacement of two culverts at the intersection of Filly Trail South and RCR 16 as well as grading, ditching, the addition of road base and two culverts in the area of Shay Way and Cutter Trail.

There was discussion on whether or not the proposed culverts and drainage recommendations are correct and the Board asked the manager to speak with an engineer for an opinion on the proposed work.

**MOTION:** John DiNicholas moved to spend up to \$1,000 of project/reserve funds for an engineer to review the road construction proposal. Tom Watts seconded. The Motion passed without dissent.

South Shore Electrical Infrastructure Project:

At the Board Meeting on May 13, following discussion on the proposal, the question arose as to whether the South Shore restricted funds can be used for a capital improvement other than roads. After further research it has been determined that the South Shore/Morningside road settlement agreement does not allow for the funds to be used for project other than roads and related drainage. The discussion continued with the idea since the South Shore and Morningside roads are built and to be maintained by the County, the Association should petition the court to allow use of the remaining restricted funds for other infrastructure projects benefitting these subdivision. Art Fine is working with the clerk of the court to research if this petition has been previously made and granted.

One essential cost to the overall South Shore electrical project is the upsizing of the main switch which is needed to serve all of the South Shore lots. YVEA has agreed to fund half of the cost for this switch. The cost of the switch and corresponding infrastructure of the proposed project is approximately \$45,000. Given the opportunity to secure the YVEA funding offer, the Board discussed possibly using \$45,000 from the project/reserve funds to initiate the project with a reimbursement from the restricted funds if/when the court approves the use of the funds for infrastructure other than roads.

**MOTION:** Tom Watts moved to use \$45,000 of project/reserve funds to be used for the 3 phase backbone of the South Shore proposed electrical project subject to approval of lot owners agreeing to a special assessment for the electrical distribution system as defined by the electrical project scope as presented at the May 13 Board Meeting. There was no second to the Motion.

As the Motion is subject to the working of the notice that is sent to the Lot owners, Tom Watts will work on a new motion with comprehensive wording and send it to the Board for review with a possible teleconference meeting of the Board for a vote.

New Business:

Lot Consolidations:

The manager has been contacted by several SPOA owners over the past year that are interested in

consolidating their lots, not necessarily for septic reasons, but for the purpose of being able to build additional structures such as a garage on what would currently be considered a separate lot. There are many lots within SPOA where the width of the lot is preventative for a residence and a separate building to be on the same lot.

There was discussion regarding if the Board can vacate trail easements without ownership approval. In consulting with the Association's legal counsel David Firman of Hindman Sanchez, he indicated the Board can make this decision as it is not real property owned by the Association. The easement is a merely a right to use another individual's property. Additionally the easements are not "common area" as defined by the Association's governing documents so the covenant requiring approval of the members to dispose of common area is not applicable.

#### Possible Covenant Amendments and/or Rules Adoption:

There was discussion regarding a possible amendment to Section m. of the Covenants. Currently the Section reads: *Section m. **Animals.** No animals, livestock, or poultry of any kind shall be housed, raised, or kept on any track or property either temporarily or permanently, except that commonly accepted domestic pets may be kept provided that they are not kept or maintained for any commercial purposes.* There have been requests from SPOA members and inquiries from Board members to change the Covenant language to allow for horses and possibly other small animals such as chickens. The discussion revolved around the details of requirements that would be needed in order for the Covenant change to be efficient. Questions such as how much acreage would be needed for how many allowable horses; Would a communal area for housing of the horses be more advantageous or private lots; What would be the requirements and enforcement for cleanup of corrals or stables? In regards to chickens: How many chickens would be allowed per lot; Would Roosters be allowed? How do you regulate cleanup of pens?

Additionally the Board discussed the current covenant on the prohibition of trailers. Specifically the covenants state: Section f. **Temporary Residences.** No structure of temporary character, trailer, basement, tent or accessory building shall be used on any tract as a residence, temporarily or permanently, and no used structure of any sort shall be moved onto any Lot. Exceptions may be granted by the Association for a period not to exceed one hundred twenty (120) days during construction of a permanent residence by the owner on his Lot. Except for the above exception, no trailers of any type shall be placed or kept on any Lot unless such trailer is in an enclosed garage.

The enforcement of this covenant has been inconsistent over the years. In a drive around through the community, John Troka took note of a total of 88 out of 272 houses that had trailers of some sort. Some of these residences also had multiple trailers. Many tow behind campers, boats and storage trailers are too long and/or tall to fit in a garage. Additionally the ACC guidelines restrict garages to be less than half the square footage of a house, thereby limiting available storage. The Board discussed how many trailers would be acceptable outside a garage and/or if they were sheltered from view. It was also discussed on whether it would be beneficial for SPOA to build a storage facility for the membership to

allow for owners to store their equipment off site of the residence, thus making the area more appealing.

**NOTE:** Art Fine left the meeting at 1:05 p.m. With a quorum still in attendance the meeting continued.

In order to establish a baseline for the membership's opinion on the subjects of changing the covenants regarding horses/small animals as well as trailers, John Troka will work on a survey to be presented at the annual meeting and also sent out to the ownership.

**NOTE:** Barb Houston left the meeting at 1:15 p.m. With a quorum still in attendance the meeting continued.

2017 Property Tax Valuation Notices:

John Troka presented a spreadsheet summarizing the County's recent property valuation notices valuation for both developed and undeveloped properties within SPOA. The market values in the notices are as of June 30, 2016 and are based on sales data from the period July 2014 to June 2016. In general residential properties and lots with available infrastructure show market value increases while the market value for undeveloped lots in the areas with limited infrastructure decreased. The information will be shared with the membership at the annual meeting and in an upcoming quarterly newsletter.

Next Board Meeting: The next Board meeting is scheduled immediately following the annual meeting. The agenda for this meeting will be limited to the election of officers for the coming year Board term year (July 2017 – July 2018) and the scheduling of the next Board meeting.

**The Meeting was adjourned at 2:15 PM**