

STAGECOACH PROPERTY OWNERS ASSOCIATION

Meeting of the Board of Directors
Resort Group Conference Room
Steamboat Springs, Colorado
November 16, 2019

Board Members Present: Rob Walker, Kayleen Cohen, John DiNicholas, Amber Stewart, and Matt Kaufmann

Board Members Present via Teleconference: Tom Watts, Kate Rachwitz

Management Present: Bryan Ayer, Association Manager

Owners and Guests Present:

Todd Stewart – South Station 1, Lots 7-12

Tony Stich – Horseback

Corky Fischer – Lot 27 Black Horse 1

Bryant Scrafford – Blackhorse II

Gayle & Martin Gaeth– Lot 4 Morningside

Doug and Karen Campbell – Lots 72 & 73, Lot 60, Sky Hitch and Meadow Green

Frank Murphy – Lot 48, Eagles Watch

The meeting was called to order at 9:02 am.

With 7 Board Members attending, a quorum was present.

Approval of Board Meeting Minutes and Ratifications:

Approval of minutes from the August 17, 2019 Board Meeting

Motion: Rob Walker moved to approve the minutes as written. Kate Rachwitz seconded. There was no more discussion. The motion passed without dissent.

Approval of minutes from the October 14, 2019 Work Session

Motion: John DiNicholas moved to approve the minutes as written. Rob Walker seconded. After discussion, the motion carried. Tom Watts was opposed. The minutes are approved for posting to the ownership.

Motion: Kate Rachwitz moved to appoint Amber Stewart to the 9th Board position with a term of three years, terminating in 2022. John DiNicholas seconded. There was no more discussion, the motion passed without dissent.

Member Comments:

RFP Update: Corky Fischer asked for an update on the RFP for management of SPOA. Kayleen explained the process and noted the RFP process has been finalized and the board is in discussions with Steamboat Association Management. Mr. Fischer noted it doesn't appear the RFP was sent to other entities and he is disappointed that there was no discussion about the three companies he was knew were interested. The board noted that, due to the timing, it is impossible to adjust now.

Two Trailer Request: There was a request to modify the covenant to allow two trailers, as opposed to the one trailer requirement. At this time the Board has decided not to move forward with putting it to the ownership and/or changing Covenants due to the potential cost and they feel that their decision was made on a compromise. Tom Watts, who was on the Board then and now stated that they chose to go to one trailer because of a compromise. The results of the survey were that 15 people supported not changing the Covenant at all and 41 did. Of those 41, 11 chose 1 trailer and 11 chose 2 trailers, many left that option blank. Of the nine people on the Board it was about split with some of the board against changing it all and some in support of changing it to 1, however none of the Board was in favor of allowing 2 trailers. Thus, a compromise to even proceed forward with the change. It was also mentioned at two of the annual meetings. As a result, they have chosen to take no action at this time.

Peter Patten Presentation

Peter presented an update for the Master Trail Plan, stating that he couldn't have made this much progress so quickly without help from Bryan Ayer, Association Manager.

Goals of the Board:

- Great deal of open space to use.
- Use of road/trails now; nice to have options and more actual trails that are safer and pleasant to explore.
- See trail system as good for the community but feels that there are more important projects.
- Cross country/mountain bike/hike – what restrictions?
- Positive aspect of giving something to the community – good use of resources.
- Would like to see more winter trail experiences as well.
- Proposed parking lots.
- Dog friendly trails important.
- Connect trails in southern subdivisions to the lake.
- Possible Nordic race in the future.

Peter recommended the following:

- Bring to County and make part of the Stagecoach Community Plan, so that any future development takes the plan into consideration.
- Discussed existing trails, potential trails, and trail destinations.
- Goal of creating a trail connecting North/South.

- Firming project/Morrison Creek – how are they getting water to the reservoir; there will have to be upgrades to roads from the county.
- IDEA: Plan some sort of horse trail system, due to change in covenants, with connection to forest roads, Silver creek (Sarvis Creek); better to not mix horses with other uses.
- Schedule public meeting (auxiliary meeting).
- Public/private use: grant money vs. SPOA money.

Management 2020 Contract Discussion

Bryan Ayer presented a new three-year Steamboat Association Management (SAM) contract as well as another one-year extension to the 2018 contract. Tom Watts sent a new red-lined version with many proposed edits for SAM to consider.

Motion: Kate Rachwitz made a motion to approve a one-year contract renewal with a 3% increase, as presented, and to pursue sending out an RFP to other agencies. Tom Watts seconded the motion and with no further discussion, the motion carried with one member opposed.

ACTION: *John DiNicholas volunteered to do the packing, shipping, and mailing of the RFP. Tom suggested that Kayleen be responsible for a timeline breakdown and approach board members to commit to each step individually, noting what is specifically being required of each member. Kayleen will prepare a timeline and actionable items with a goal to finish within the first quarter.*

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

Kayleen reported that break-ins and package theft has occurred in the Red Hawk Village area. This information will be published in the newsletter.

Motion: Tom Watts made a motion to approve up to \$3,500 of project/reserve funds for the purchase and installation of a 4 door CBU mailbox at Maricopa for packages. Matt Kaufmann seconded the motion. With no further discussion, the motion carried unanimously.

Motion: Tom Watts made a motion to repair and repaint the Coyote Run sign with fir posts for \$2,700. There was no second and the motion failed. Management will continue to seek bids to repair the sign with metal posts and report to the board.

Motion: Kate Rachwitz made a motion to approve renewal of the Nordic trail maintenance contract Matt Kaufmann seconded. With no further discussion, the motion carried unanimously.

There was discussion regarding spending \$250 for a vinyl banner signage on the trail and working on the verbiage for the burn pile and cross-country trail. Others favor metal signage which lasts longer. Bryan will investigate mounting metal signs on the existing signs that can be replaced with a summer sign.

Motion: Kate Rachwitz make a motion to authorize up to \$500 for a 3x3 metal sign and sign-in box for the trail which was seconded; the motion carried unanimously.

ACC Activities Discussion

The Manager reported that more people prefer to go through the formal vs informal review process and more new home construction has been requested this year with some new homes being built farther out into the south on Colt trail.

Covenant/Rules Enforcement Activities

There are a couple of non-concluded rules issues, including two unapproved fences and a greenhouse. The Rules committee is made up of Board members that are serving in their final year of their term. There are two lot owners that are storing vehicles on their unimproved lots and there is also an ongoing case that is close to going to court. The manager mentioned that it is important for the Rules Committee and/or the Board to be verifying the violations as well and helping to direct the manager how to proceed. Violations should be seen as an observation of non-compliance, not a complaint and the Board also needs to take part in this process.

The Rules Committee will schedule a meeting after December 3rd to review and schedule hearings. John DiNicholas stated that there are a couple of treehouses have passed the one-year statute of limitations but believes through notification that perhaps they would come into compliance. He will email pictures to the Rules Committee.

Current Accounts Receivable:

- November 14, 2019 = 287 lots \$40,623
- November 14, 2018 = 343 lots \$37,396
- August 14, 2019 = 340 lots \$51,346
- August 14, 2018 = 369 lots \$44,807

Taken out of Agenda Order per owner request:

Routt County – Restricted Road Funds

- Tony Stich reported that approximately \$15,000 was spent on a necessary road for a house to be built.
- Mr. Stich asked the board for funds to install an electric line. The board denied the request. Mr. Stich filed suit and was excused.
- Mr. Stich expressed his desire for those funds not to be used until the ownership decided what to do with the funds.

Treasurer's Report:

The Association's financial reports through September 30, 2019 were presented.

Total Cash at the end of September was \$658,948. There was \$29,830 in Checking, \$226,832 in a Money Market Account and \$200,914 in CDARS accounts. The Money Market account has a high balance due to a CDARS account maturing. There is also \$150,648 in restricted road funds held for Horseback, Morningside and South Shore.

Accounts payable at the end of September was \$2,225.

Operating income totaled \$87,045. This amount reflects net operating assessments of \$80,105 and \$6,940 in other income which is late fees, newsletter income and ACC Fees for house applications.

Operating expenses totaled \$81,745 and includes management fees, meeting and member communication costs and common areas maintenance costs for the Nordic trail. As of September 30, 2019, the **net operating fund surplus** was \$5,300.

Project/Reserve Fund income was \$126,144 and reflects \$4,369 in interest. Net project/reserve spending was \$96,412. This includes \$50,263 in road maintenance project which includes \$24,000 in reimbursements to owners that performed work in the ROW. There was also \$12,900 in Wildfire Mitigation, \$3,228 in Community Development for trees planted at Morrison Creek, \$4,241 in Common Area Trail Systems, \$2,906 in Covenant enforcement issues, \$16,830 in Legal for the Covenant changes, \$3,768 in Community Infrastructure for items such as new cluster boxes and \$2,276 in Parks for an upgrade to the tap at the Coyote Run playground and staining of the picnic shelter.

Restricted Fund income for this period was \$1,448 which was the interest earned on funds held.

Accounts Receivable – Collections: The Board discussed the current aging report. At the August 17, 2019 meeting, there was a motion to send final collection demand letters with notice of 30 days to pay to 11 owners severely in arrears. The Manager presented the results of that mailing, with 5 individuals still in arrears.

2019 Foreclosure Actions:

Motion: John DiNicholas made a motion to foreclose the Association's assessment lien against the property of Dynamic Group Enterprise LLC, owner of Lots 38 and 39 in Overland, INA Group LLC., owner of Lot 91 in Morningside and Jamie Jackson and Ryan Young, owners of 23025 Schussmark Trail Lot D BLK 14 in Project 1&2 THS Second Replat at Stagecoach and, therefore to direct the Law Office of Sarah D. Claassen P.C. to commence suite against the above named, seeking judgement and a decree of foreclosure; to authorize Claassen to submit the decree of foreclosure, when and if received, with the Routt County Sherriff's Office to proceed to

foreclosure sale. Amber Stewart seconded the motion. There was no more discussion and the motion passed without dissent.

Update on Billing Procedure

A new mailing procedure was discussed regarding billing of the Annual Assessment. The process will go through the Mutual of Omaha Bank with a dropbox type of system. This system is being implemented for many of the Associations that SAM manages. It was noted multiple lots owners will receive multiple mailings. This will allow for faster deposit time, save the manager and accounting lots of time and should end up being cheaper in cost. The money from assessments can be transferred to which ever bank the Board decides to use. Amber recommended investigating how the amount of outgoing mail can be reduced.

Old Business:

Bank Change Decision – The board prefers to keep funds at a local level and discussed how the transfer of funds will work with a transfer from Drop Box to Yampa Valley Bank. As there is no bank change, no motion was made.

The Board discussed the current amount of funds in the Money Market Account.

Motion: Tom Watts made a motion to move \$100,000 from the Money Market account to a 26-week CDARs account with Yampa Valley Bank Kayleen seconded and the motion carried without dissent.

Covenant Amendments Update – Bryan Ayer reported that Altitude Law has taken the amendments and is in the process of having the amendments combined with the original covenants. He also has been adamant about the upcoming trailer rule and most people are down to one trailer. The first letter of non-compliance will go out after November 30th and gives 30 days to correct the situation before fines may be implemented. There has not been any addition of horses or chickens to date.

Wildfire Mitigation Update

NRSNG had used \$12,500 of the previously approved funds with \$2,000 remaining. The remaining funds were used to separate the community pile and the piles near the Westbrooks property that were part of the first phase of the mitigation process. The Manager presented a bid for an additional \$6,800 plus \$35 for a new burn permit.

Motion: Kate Rachwitz made a motion to approve \$6,835 to burn these remaining piles. It was seconded by Matt Kaufmann. With no further discussion, the motion carried without dissent.

The progress of the mitigation letters sent out to Sky Hitch III was discussed. The letters discussed three options for owners; 1) to clear their lots of dead trees themselves, 2) hire a contractor themselves, or 3) to allow for SPOA to mitigate the property at an estimated cost that would be billed back to their

account. The process is in the first phases and many of those that responded answered number three. It is hoped that in gathering enough lots for a contractor to be able to process the timber, that a better price can be found or a grant can be applied for. The Manager will continue to reach out to those owners that have not responded. For the next step in the process next year, Filly Trail East was discussed as it appears to be the most dangerous due to concerns with homes and then Overland the next area of concern.

ACC Proposed Guidelines 2019-1 and 2019-2

Motion: Kate Rachwitz made a motion to adopt Guidelines 2019-1 and 2019-2. There was no second. After discussion, Amber Stewart made a motion to adopt Guidelines 2019-1 and 2019-2 with a change to the ancillary building item on preferred materials to “favored” instead of “unfavored.” Kate Rachwitz seconded, and with no further discussion, the motion carried. Tom Watts and John DiNicholas were opposed.

Trail System Project Discussion

The board discussed the Master Trail Plan, noting there is much more to Phase II to be completed and details that need to be clarified so the plan can be handed over to a contractor to bid on a project. Particular trail use was again discussed.

Motion: There was a motion to pay the invoice presented by Peter Patton which was seconded, and with no further discussion, the motion carried unanimously.

Road Maintenance

There was input from the ownership from to support a regular maintenance schedule on the roads in the South. The Manager stated that in speaking with the contractor that has been doing the majority of work, he was in agreement as well. The manager suggested that The Road Committee develop a formal grading and maintenance schedule as well as look at the clearing of the many overgrown cul-de-sacs.

New Business:

2020 Budget Discussion and Approval

The proposed 2020 operating budget for SPOA was presented for discussion and approval.

Motion: John DiNicholas made a motion to survey the members interest dissolving the non-profit corporation named Stagecoach Property Owners Association per Article XI of the Articles of Incorporation. There was no second.

Motion: John DiNicholas made a motion to allocate \$1,500 for a legal opinion for the possibility of dissolving the Stagecoach Property Owners Association (SPOA), following with a survey of the membership. Amber Stewart seconded. After discussion, the motion failed 4-3. Tom Watts, Matt Kauffman, Amber Stewart and Kayleen Cohen were opposed.

Motion: There was a motion by Rob Walker to approve the 2020 operating budget as presented which was seconded. With no further discussion, the motion carried. John DiNicholas was opposed.

Motion: Kate Rachwitz made a motion to approve the proposed project/reserve forecast as presented. The motion was seconded by Tom Watts. With no further discussion, the motion carried John DiNicholas was opposed.

Motion: There was a motion by Kate Rachwitz to approve the 2020 annual assessment of \$125 per lot which was seconded. With no further discussion, the motion carried. Kayleen Cohen and John DiNicholas were opposed.

County Updates Restricted Road Funds – Discussed earlier in the meeting.

Fourth Quarter Newsletter Articles

- Trails update with Peter Patton
- Publicize and list of board actions and accomplishments
- Wildfire mitigation
 - Reimbursement amounts for roads, mitigation, trees, trails

Executive Session

The board moved into Executive Session at 2:55 pm and returned to open session at 3:11 pm. No motions were made in Executive Session.

The Board meeting was adjourned at 3:12 p.m.