

**STAGECOACH PROPERTY OWNERS ASSOCIATION**

Meeting of the Board of Directors  
Resort Group Conference Room  
Steamboat Springs, Colorado  
October 3, 2015

Board Members Present: John Troka (President), Tom Rashid (Vice President), John Di Nicholas, Zed Ogle, Barbara Houston, Bradley Church and Art fine.

Board Members present by teleconference: Tom Watts and Larry Wilson.

Management Present: Bryan Ayer, Association Manager for Steamboat Association Management (SAM) and Steve O'Rourke, Vice President of Steamboat Association Management.

Owners Present: Ted Ferrick from Sky Hitch.

Guests Present: Darci Mohr, Superintendent South Routt RE-3 School District

John Troka called the meeting to order at 9:05 am.

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

Approval of July 11, 2015 Minutes

**Motion:** John DiNicholas made a Motion to approve the minutes as written. Art Fine seconded. The Motion was approved unanimously.

Approval of July 25, 2015 Minutes

**Motion:** Zed Ogle made a Motion to approve the minutes as written. Brad Church seconded. The Motion was approved unanimously.

Approval of September 21, 2015 Teleconference Minutes

**Motion:** Art Fine made a Motion to approve the minutes as amended. Brad Church seconded. The Motion was approved unanimously.

Ratification of Sept 2015 Email vote on road maintenance funding

**Motion:** Brad Church made a Motion to ratify the Email Vote to authorize spending of the remaining \$5,000 of the 2015 road maintenance budget on the projects as recommended by the Road Committee

which included the grading of 5000 lf of Filly Trail (completed), adding 10 truckloads of roadbase to Filly Trail in Black Horse I and regrading as necessary and the maintenance of critical culvert and roadside ditches along Colt Trail in Black Horse II. Tom Rashid Seconded. The Ratification was approved unanimously.

The original Email Motion was mad by Tom Rashid and seconded by Brad Church, with Brad Church, Barb Houston, Art Fine, Tom Rashid, John Troka and Tom Watts approving. Zed Ogle abstained and John DiNicholas did not vote.

### **Member Comment:**

There were no Member comments

### **Presentation by Darci Mohr:**

Darci gave a presentation on the Proposed Strategic Plan for South Routt. She stated that she is working with multiple entities to move forward with use of the School District property at the corner of County Roads 16 and 212. She handed out information on Routt County population trends, pupil enrollment numbers for South Routt and Steamboat and the loss of students in South Routt due to students enrolling outside the South Routt District.

She described the vision of a building that could be used for educational purposes as well as being multiple use, including a pre-school, library, community center or possibly even some commercial offices.

She described an alternative curriculum that could focus on such items as outdoor education, agricultural programs and certified clinical nursing programs.

From the Teleconference Board meeting on September 21, 2015, the Board had decided to help support the effort by approving \$3000 to help fund a matching fund DOLA planning grant for the South Routt Development Group.

### **Community Manager's Report:**

Bryan Ayer of Steamboat Association management provided an update on Association business matters.

### **General Business Summary:**

#### **Burn Pile Update:**

As of the last report in the Spring, Chief Wisecup had used \$2,828 if the \$5,000 approved for burn pile mitigation. It was expected that once 6 inches of snow is on the ground that the burning would

continue. The Board discussed the possible opening of the slash piles to the ownership, under the direction from the Board and Management, to cut firewood. It was directed to ask our insurance agent about liability coverage for such activity.

There was also discussion on having a contractor come in and take all the dead timber, including that of lot owners, for firewood. The issues of ownership permission, the covenant prohibition of commercial activities as well as a contractor profiting from cutting of wood that is ultimately that of SPOA members would need to be considered. There is nothing that precludes individual owners from contracting with third parties to cut and remove dead timber from their lots. No action taken.

#### Cluster Boxes:

The Oak Creek Post Office contacted the Association regarding the need for an additional cluster box at Willow Island Trail in Meadowgreen due to the construction of new homes in the area. In addition the post office request the addition of a cluster box with two large parcel lockers at Morningside.

**MOTION:** Larry Wilson motioned to allow the manager to spend up to \$3,000 for the purchase and installation of additional cluster boxes for Willow Island Trail in Meadowgreen and Morningside. Tom Rashid seconded. The motion passed unanimously. The funds will come out of the Project/Reserve Fund.

#### ACC/CCR Rules:

Since July there have been 12 applications that have been through the approval process or are currently in review; three(3) house applications, 3 sheds, 2 decks, a fence, house siding and an agricultural building. The email approval process has been going well as stated by a couple ACC Committee members.

#### Compliance & Enforcement:

Incomplete Houses: The list of incomplete houses currently includes 10 houses. Bryan Ayer stated that it has not changed much except there is progress on 2 of the houses that should be reaching completion soon. Bryan stated that direction on how to proceed needs to come from the ACC. It was noted that in accordance with an ACC rule adopted in 2014 that states: "If the project is not complete within the three year time line, the owner must apply for another County building permit and SPOA will require that another application be submitted to the ARC.

The issue with the rule is that after 3 years the owner must only apply for an extension to the original permit and not another full application. It was determined that the ACC needs to look at the rule again and possibly come up with an enforcement mechanism (e.g. fine structure) for those projects that have been started, but remain uncompleted for an extended period of time.

## **Treasurer's Report:**

Brad Church presented the 2015 YTD Financial Statements as of August 31, 2015.

**Total Cash** at the end of August was \$391,927 of which \$157,348 were restricted road funds for Horseback, Morningside and South Shore. **Accounts Receivable** at the end of August was \$51,006 and \$49,427 as of September 30, 2015 reflecting the Association's ongoing collection efforts. The increase to the A/R from the July 6, 2015 numbers is a result additional finance charges and collection costs such as lien fees that have been charged back to the delinquent owner's account.

**Accounts payable** at the end of August were \$3,138.

**Operating income** from for the period January through August was \$79,819. This amount reflects net operating assessments of \$74,065 and other income (i.e., finance charges, late fees, fines, etc.) of \$5,755.

**Operating expenses** for the same period totaled \$57,568. These expenses include management fees, professional services, such as accounting and legal expenses, maintenance costs, meeting costs and property owner communications. As of August 31, 2015 total operating expense were approximately 58% of the total annual budget and the Association has a YTD operating surplus (operating income minus operating expenses) of \$22,251.

Through August, the Association recognized \$38,752 in general project/reserve fund income from annual assessments and interest. Project/reserve spending through August was \$2,679 from expenses in the common area and legal project line items. The forecasted project /reserve spending for FY2015 is \$40,560 which includes \$4,000 of non-cash depreciation expense.

**Accounts Receivable:** Collection efforts have shown progress. Since May 2014, the number of members that were more than one year past due has been reduced from 227 down to 68. In August, the Association filed liens with Routt county against 108 lots with delinquent annual assessments. 80 liens were recorded on August 4, 2015 with the remaining 28 recorded on August 13, 2015. Since filing of the liens, assessments for 5 lots have been paid. Of the 103 remaining unpaid, no return receipt has been received for 11 lots and 26 lots had the mailing returned with unclaimed or bad addresses. It was suggested to hire a service to find the individuals with the bad addresses.

John Troka discussed a meeting he had with Steve Caragol of Outback Investments, LLC on October 2, 2015 to discuss the payment of approximately \$6,100 in past due amounts owed on 28 lots owned in Blacktail Meadows. John indicated Mr. Caragol offered to pay the past due assessment amounts, the accrued interest and \$500 of the \$2,100 incurred by the Association to file liens with Routt County. After discussion, the Board chose not to accept the offer and indicated an unwillingness to settle for amounts less than the full amount owed the Association.

## **Road Committee Report:**

Appointment of Committee Members: The Board was asked to vote on appointing two individuals to fill vacant positions on the Road Committee. Current owners that are interested in serving are: Judith Hiester, Wayne Schneider, Robert Skorkowsky, Jim Williams and Sarah Woodmansee.

The Board voted to appoint Sarah Woodmansee to the committee, but before making the final appointment they asked that John Troka reach out to each of remaining candidates to see if they were still interested in serving on the committee.

## **Old Business**

### SAM Evaluation

All board members were asked to fill out a performance rating sheet for the period Dec 2014 – May 2015 focused upon subjects contained within the Management Contract. A committee comprised of John Troka and Tom Rashid met with SAM for review. Overall the results of the review were “meets expectations”. There will be another performance evaluation on the 2nd anniversary of the contract in June 2016.

2013 Covenant Amendment: In 2014 the Board voted to pursue Court approval of the covenant amendment originally proposed in 2013. The amendment provides a mechanism whereby a subset of property owners in a particular area wanting to construct infrastructure improvements could seek a special assessment for that purpose. Currently the Association’s covenants require any special assessment to be applied against all owners. Voting on the proposed amendment was closed on March 31, 2014 and while a majority of property owners who voted approved the amendment, the number of votes fell short of the 67% required to approve the amendment outright without having to petition the Court. Having reviewed the Associations process and all relevant documents and voting materials, the Association’s legal counsel is prepared to move forward with the process to petition for the Court’s approval of the amendment.

**MOTION:** Art Fine made a Motion to move approve spending up to \$5,000 to pursue the 2013 covenant amendment via a Court petition. Tom Watts seconded the Motion. The Motion passed unanimously.

## **New Business:**

Update on High Cross Covenants: The High Cross subdivision was found to have unique set of covenants filed in 1973 that while similar, is different than the 1971 set of covenants which govern all other Stagecoach subdivisions. Both sets of covenants make SPOA the entity responsible for administering and enforcing the covenants. Due to differences in covenants, SPOA will be required to prepare a separate budget and set of financials statement for the High Cross subdivision. Zed Ogle, Board

member and High Cross property owner, spoke to the desire of a large number of High Cross property members (there are 65 lots in the High Cross subdivision) to amend their covenants in such a way as to effectively secede from SPOA. Some of the property owners have retained legal counsel in the pursuit of this goal. The Board indicated its willingness to consider a change to the covenants however no action would be taken until a proposal from the High Cross owners is presented and can be reviewed by the Board and the Association's legal counsel.

Community Signs: There have been several complaints from resident in South Shore and other subdivisions regarding hunters in the subdivision looking to access public lands and/or hunt in the area. In South Shore, there is BLM land which borders many lots and the common areas of the Association however there are no public access points. In the southern subdivisions, hunters often travel the subdivision roads looking for access to public lands. Public lands do not directly border any SPOA property in the southern subdivisions. This hunter activity has led to a request for signage in the community to deter hunting. The only access to the BLM lands surrounding South Shore is by crossing either SPOA common area or private land. This is also the case throughout the areas that are part of SPOA.

**MOTION:** Tom Watts made a Motion to: 1) mount metal signs on metal poles at the entrance to South Shore and other appropriate locations to advise hunters and others that the road does not provide access to public lands and that hunting on SPOA property is prohibited; 2) authorize not more than \$3,000 from our project/reserve funds to pay for the design, manufacture and placement of the signs; and 3) authorize John Troka and Tom Watts together to decide on the size of the signs, the design of the signs and the locations of the signs and to work with Bryan Ayer on the manufacture and placement of the signs. Brad Church seconded the Motion. Tom Watts, Tom Rashid, John Troka, Larry Wilson, John DiNicholas, Barbara Houston and Brad Church voted in favor. Art Fine and Zed Ogle abstained from the vote. With 7 Board members voting for the Motion and 2 abstaining, the Motion passed.

Acquisition of Multi-Purpose Tractor:

Zed Ogle gave a presentation on costs and abilities for two separate multi-purpose tractors. The tractor could be used for such items as road maintenance, grading, mowing and snowblowing. The cost of the machine and implements is approximately \$100,000. John Troka gave a breakdown of potential costs in relation including gas, an operator and storage facilities. Bryan Ayer was directed to find out about insurance coverage for this type of equipment and a working group was formed to gather additional information and prepare a more detailed presentation on the benefits and accounts to the Association. The working group is comprised of Zed Ogle, Brad Church and John DiNicholas and they will target having there presentation ready for the Board's meeting in the 1<sup>st</sup> quarter of 2016.

Trails Projects:

Tom Rashid gave a presentation on two potential sites for pedestrian/bike/equestrian trails to be placed on SPOA Common areas. One at the corner of County Road 212 and Schussmark and one South of Eagles Watch on 212. Tom has met with Rocky Mountain Youth Corp and is waiting on preliminary

numbers for cost. John Troka asked the Board for their opinion on the trails. All were in support for building both trails. No more actions were taken at this time. Tom will prepare a more detailed proposal on the costs for construction to be considered in the 2016 project/reserve budget.

2016 Budget and Annual Assessment Proposal:

John Troka presented the proposed 2016 operating budget for SPOA which includes the operating budgets for both Stagecoach (the area without High Cross) and High Cross. The proposed operating expense budget for 2016 was \$103,000. This amount represents a small decrease from the preliminary 2016 operating expense budget shared at the annual meeting which was for \$105,885.

**MOTION:** Brad Church made a Motion to approve the proposed final 2016 operating budget and associated operating assessments for Stagecoach and High Cross as reflected in the presented documents. John DiNicholas seconded the Motion. Motion passed unanimously.

Art Fine left the meeting at 2:10

John Troka next presented the project/reserve budget for both Stagecoach and High Cross. The approval of the proposed final 2016 project/reserve budget and associated assessment amount was tabled for more discussion with the final approval to occur prior to the 30 day notice of the 2016 annual assessment which is to be provided to property owners no later than December 1, 2015. The 2016 annual assessment will be the total of the approved operating assessment plus the approved project/reserve fund assessment.

Executive Session

MOTION: John Troka made a Motion to go into Executive Session pursuant to CRS 38-33.3-308(4)(f) to discuss communication with an attorney regarding a legal matter. The Motion was seconded and approved unanimously. The Board went into Executive Session at 2:30

The Executive Session was adjourned at 2:55 PM

Within the Executive Session the following Motion was made relative to the specific legal matter discussed.

**Motion:** John DiNicholas made a Motion to allow him the next 10 days to reach out to the owner in violation of the Association's covenants to offer them a chance to cure the violation and pay his Assessments in arrears as well as his collection fees prior to the Association commencing legal action. If the owner agrees, makes payments and corrects the violation by the October 31, 2015, the Board agrees to waive the owners covenant violation fines and suspend further legal action to resolve these violations. Brad Church seconded the Motion. John Troka, Brad Church, Zed Ogle, John DiNicholas, Tom Watts, Tom Rashid and Larry Wilson voted in favor of the Motion. Barbara Houston abstained from the

vote. With 8 members voting in favor the Motion passed.

**The Meeting was adjourned at 3:00 PM**