

**Stagecoach Property Owners Association
Minutes of the Annual Meeting of Members**

***** DRAFT *****

**SOROCO High School
July 22, 2017 – 9:00am**

John Troka called the meeting to order at 9:05 am. He introduced all Board members present which included Tom Watts, John DiNicholas, Art Fine, Zed Ogle, Vicky Weber and John Troka. Also present was Steve Colby from the MCWSD, as well as the Manager Bryan Ayer and the President of SAM, Steve O'Rourke.

With 277 of the owners represented in person or by proxy, a quorum was established.

Approval of minutes of 2016 Annual meeting

The annual meeting minutes from July 23, 2016 were presented to the ownership. Chris Zuschlag made a Motion to approve the 2016 annual meeting minutes as presented. Doug Jones seconded the Motion.

Motion passed without dissent.

Presidents Report – John Troka:

John Troka discussed the newly adopted **Stagecoach Community Plan** developed by Routt County. The overall goal of the plan is to help foster growth in an efficient and responsible matter with consideration to the desires of the overall community. The plan not only takes into consideration those properties that are part of SPOA, but the entire area including the ski area, surrounding ranches and other possible development parcels. The plan discusses the existing conditions of water and waste water systems, roads, electric and other factors important to the overall growth of the area. It also discusses planning opportunities and current and future land use including other possible commercial centers in the area. The plan can be found on the County's website and is posted at www.stage-coach.com.

The Board continues to fund **Trail construction** projects and has constructed two trails to expand the existing trail system in the northern part of Stagecoach. Both trails were built on SPOA common area by a local trail builder, Routt County Riders, and link to the upper and lower halves of the public trail system within the Neighborhoods at Young's Peak. The Board will continue to work on developing an interconnected community trail system and welcomes and appreciates ideas that the ownership may have on this subject.

Development and maintenance of the **road infrastructure** at Stagecoach continues to be a complex issue given the disparate road conditions and large number organizations with responsibilities for maintaining various road segments in the community. Most of the county maintained roads are in relatively good condition and passible year-round while other roads are essentially overgrown two tracks trails through the forest. Although there is not a requirement for SPOA to build and maintain roads, SPOA has been working to maintain access to large areas of the community through the grading of main roadway arteries in several subdivisions including Colt Trail, Filly Trail (North and South) and Hoch Eye Way. This year the Board has funded projects to fix drainage issues that threaten roadways in critical locations by replacing crushed or failing culverts. Specifically, in 2017 culverts will be replaced at the intersections of Whiffle Tree and Shay Way as well as Filly Trail South and CR16. Areas of concern will continue to be identified and improved as needed to ensure at least a minimal level of access to owner properties and common areas of the Association.

Wildfire mitigation continues to be a Board priority. The Association has contracted with Natural Resource Solutions Group (NRSRG) to assist with fire mitigation efforts. NRSRG made great progress last winter and spring with the burning of the community slash pile and 21 other slash piles still located on the common areas throughout community. These slash piles are the remnants of the Association's previously funded beetle kill removal projects. This summer NRSRG will be doing slash pile clean up and consolidation in preparation for burning this coming winter and spring. It is the hope that most, if not all, of the piles on common areas and in right of ways will be gone at the end of this next process. Most of the dead, beetle killed trees that remain are located on private lots. The Board will be working with NRSRG on an overall forest health and fire mitigation plan which will outline options and assistance for lot owners to get these dead trees removed.

Access to the BLM land via a location at the top of the South Shore subdivision has been a subject of discussion. The general public has been using a point to access the BLM parcel by crossing a SPOA common area and a private lot. It is the Board's position that a legal public access point does not exist at this location. The Board conducted an owner meeting on April 8th to share information and gather feedback on the possible use of this location as a public access point. Based on member feedback, at the July 1st Board meeting it was decided to build a three-sided buck rail fence in order to enclose the common area with the of purpose limiting access across this area to SPOA members and their guests as well as to clearly outline and separate it from the surrounding private lots.

John Troka next spoke to a new **Neighborhood Grant Program** that is modeled after one from the town of Ft. Collins to help promote community and neighborhoods. Grants will be awarded two times in 2017 with Deadlines of May 15th and August 15th. Applications submitted after the event/activity has occurred will not be considered. Grants must be utilized for projects benefiting the entire neighborhood and will be for

no more than \$500 to any neighborhood in a calendar year. The Board hopes the program can be successful and grow along with the growth of SPOA. A survey was presented at the annual meeting seeking owner's feedback and input on Board priorities, desired community amenities and two possible **Covenant Amendments**. The Board has discussed possible covenant amendments to section (m), Animals, to allow for horses, chickens and other animals; and section (f) Temporary Residences, to address the parking and storage of trailers within the subdivision which is currently prohibited per this section of the covenants. The survey will also be emailed to try to collect as much data as possible.

John Troka next spoke to the pending renewal of the Associations' **management contract with Steamboat Association Management**. The current contract, originally signed in June 2014, ends on December 31, 2017. After considering its options, the Board is focused on renewing the contract with Steamboat Association Management given their large staff of certified community managers, technology platform, and overall past performance with SPOA.

The president finished his report by highlighting several ways for owners to help the Association move the community forward. There are opportunities to participate on a committee, such as the architectural or road committees, being an event or project coordinator for community activities such as holiday celebrations or seasonal festivals, helping with the newsletter by being an editor or contributor or joining other community organizations such as the Oak Creek Fire Protection District or the Morrison Creek Water and Sanitation District.

Treasurer's Report – John DiNicholas:

John presented a financial summary for the current fiscal year through June 30, 2017 including the balance sheet, income statement for operations, and project/reserve spending report. The reports were highlighted with graphs to show the financial results for the past three years.

Total assets at the end of June was \$566,337. Of this balance, \$157,929 are 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 \$48,930 with other income (i.e. finance charges, late fees, fines, etc.) of \$4,018 for a total income of \$52,948.

Operating expenses for the same period totaled \$44,634. These expenses include management fees, professional services including accounting and legal, insurance, maintenance costs, including the grooming of the Nordic trail and the maintenance of the Coyote Run playground as well as meetings and postage.

Through June 2017, the Association's YTD **operating surplus** (income minus expenses) is \$8,315.

Project/reserve income through June from annual assessments and interest was \$56,300. YTD project/reserve spending was \$13,276 which is primarily for trail construction and wildfire mitigation projects.

Through June 2017, the Association's YTD project/reserve surplus (income minus expenses) is \$43,024.

Restricted Funds income reflects \$79 of interest income earned on funds held. There are no YTD restricted fund expenses.

Accounts Receivable: At the end of June 2017, accounts receivable was \$57,808. Thirty one (31) members who own 39 lots are delinquent 3 or more years and account for 48% of the accounts receivable balance. Of the receivables balances, 26% is for owners who owe no more than the current year's assessment. By state statute, the Association has liens on all properties where owners are past due on payment of their assessments. For owners with long outstanding assessments owed, the Association will pursue foreclosure of its liens if the property value makes it economically viable when considering the costs to foreclose versus the amounts owed.

The 2017 budget and assessment were discussed by John Troka. The assessments have been stable at \$95 for the last two years. While contributions to the project/reserve fund balance have increased in 2016 and 2017, the Operating Fund contributions have actually been reduced. In accordance the Association's covenants, the maximum allowed annual assessment for 2018 is \$120.36/lot. The final 2018 assessment will be determined by the Board when the 2018 is adopted this fall. Notice of the assessment will be sent to the ownership at least 30 days prior to the end of the fiscal year as stated in Article VII section (2c) of the Association Bylaws.

Board of Directors Election:

An election was held to fill three (3) positions on the SPOA Board, all of which were for a three year term. The three board seats up for election were held by Tom Watts, Tom Rashid and Art Fine. Tom Rashid decided not to stand for re-election and Art Fine was not eligible for re-election as he reached his two consecutive term limit as set forth in the Association's bylaws.

Candidates for the Board election identified prior to the meeting were:
Tom Watts (incumbent) – Lot MF18 South Shore
Matt Kaufmann – Lot 32/58 Black Horse I

The floor was opened to nominations and the following owners were nominated:
Seann Conway was nominated – Lot 33 South Shore
Erik Albin was nominated – Lot 56 South Station I

With no further nominations from the floor, the nominations were closed and voting for Board members occurred during the Member Voting portion of the agenda.

Member Comments and Discussion:

Steve Colby, District Manager of the Morrison Creek Metropolitan Water and Sanitation District (MCMWSD), presented himself and gave a history of the department and current plans. Mr. Colby has been the District Manager for 32 years. They have 3 full time employees. They currently serve 500 total units with 90 units on vaults that need to be pumped and then processed at the plant near South Shore. The District believes it can accommodate two to three times as many units as is being processed now. One of the current difficulties is monitoring of the vaults. In the past 5 years they have been rehabilitating sewer lines with a process of “Cured in Place Piping.” Currently 15,000 feet of pipe has been done. They are working on acquiring a screw press to allow for a more cost effective handling of sludge. Acquisition and installation of the press is expected this coming winter. They are also working on a backup power plan for the lift station in Meadowgreen.

The District is in the final steps of obtaining approval for its augmentation plan which helps ensure an adequate supply of water for the District’s residents. The plan will depend mostly on ground water supply as utilizing the District’s surface water rights would require construction of a water treatment plant. Currently four out of the eight wells that MCMWSD has drilled are in use. When approved, the plan allows the District to drill additional wells in and around the Stagecoach area.

For owners interested in following MCWSD, they have a website at www.mcwater.org. They also meet the 3rd Thursday of every month at the offices of Sharp, Steinke and Sherman, 401 Lincoln Avenue in Steamboat Springs. They also now offer the option for online payments on the website.

John Troka gave a brief update on the proposed Stagecoach Mountain Resort project. The latest information the Association has is the project developers continue to seek financial support and they are working towards a target closing date of August 31st.

Jeramiah Arnold, owner of lots 6 and 7 in Black Horse I, spoke to the ownership regarding a newly formed group in the valley named the South Routt Recreation Association. The group was formed in response to the South Routt School District moving to a four-day school week. The main goal was to provide opportunities for kids on Fridays. He stressed that parents do not have to have kids in the district or be a member of the district for kids to participate. The ultimate goal is to continue to provide recreational opportunities for kids in South Routt. The group has a nine-member Board and can be contacted at southrouttrecaasn@gmail.com.

There is an upcoming Forest Service project on Lynx Pass that is almost through the bidding process and will most likely begin the summer of 2018. They will be mitigating the wildfire danger in area covering 340 acres and pulling out over 12,800 cords of wood.

John Troka presented a 2017 Property Tax Valuation Summary based on information recently released by the Routt County Assessor. The summary reflects current property valuations based on sales activity from July 2014 to June 2016. Overall sales were generally up for developed residential lots and mostly down in for undeveloped vacant lots. Undeveloped 5-acre consolidated parcels are valued by the County at \$51,000. These same parcels were valued at \$70,000 in 2015. John Troka informed owners that for those interested in consolidating lots to allow construction of a residence, it is best to postpone the lot consolidation until they are ready to actually build as property taxes on consolidated parcels is significantly more than the tax on the individual lots.

Member Voting

Ballots were given to each member as they entered the annual meeting and completed registration. Member ballots reflected any proxies that individual owners had been given so that one ballot included all of an individual's votes.

There being no additional items from the floor to be voted upon, members were asked to complete their ballots for the election of Board members. Members were instructed to vote for three (3) individuals out of the four (4) candidates. As per the Bylaws, the persons receiving the largest number of votes shall be elected and cumulative voting is not permitted.

The ballots were collected and counted by representatives of Steamboat Association Management.

The results of the election to fill the three Board seats were as follows:

Tom Watts	187 votes
Seann Conway	185 votes
Matt Kaufmann	156 votes
Erik Albin	3 votes

Having received the largest number of votes, Tom Watts, Matt Kaufmann and Seann Conway were elected to fill the three Board positions for three-year terms expiring at the annual meeting in 2020.

Meeting Wrap Up:

The Board holds Quarterly Board meetings and the dates are posted on the Association's website. Meetings are typically held on Saturdays from 9:00 a.m. until 1:00 p.m. All members are welcome to attend.

2017 Annual Meeting:

The 2017 Annual Meeting is tentatively scheduled for July 21, 2018. Location to be determined.

All members were thanked for attending the annual meeting and invited to stay for a BBQ lunch and to enjoy some social time with their Stagecoach friends and neighbors.

MOTION: To adjourn the meeting. Motion was seconded and was passed without dissent.

Meeting was adjourned at 11:34 a.m.