

**RED SKY RANCH ASSOCIATION**  
**Board of Directors Meeting**  
**October 9, 2023**  
**via videoconference**

A regular meeting of the Red Sky Ranch Association (“the Association”) Board of Directors was held on October 9, 2023, via videoconference. Board members in attendance were Bill Simon, Marcella Barry, and Scott Wylie. Also in attendance were Lee Hoover, Association Manager; Dana Miller, Financial Analyst; Ramsey Romanin, Ranch Manager; Jerry Hensel, Director of Resort Operations; Chris Burns, Sr. Manager of Beaver Creek Mountain Services; and Carol Floyd, Secretary for the Meeting. Bill Simon called the meeting to order at 1:03 p.m. Lee Hoover verified the presence of a quorum and that proper notice had been provided.

**Approval of the August 22, 2023, Board of Director Meeting Minutes**

**Scott Wylie moved to approve the August 22, 2023, Board of Director Meeting Minutes as presented. Marcella Barry seconded the motion and it was unanimously approved.**

**Board Member Election**

Lee Hoover explained Bill Simon’s and Dennis Grindinger’s terms will end on December 31, 2023. In addition, there is currently one vacancy on the Board with Eric Kurzweil’s resignation. Carol Floyd has sent a call for candidates to all property owners. She will forward any interest received to the Board for consideration. The Board will then decide on the nominee to run for election to fill the vacant Board seat. Bill Simon indicated he and Dennis Grindinger would be willing to serve on the Board for another three-year term. Bill said they have received notification of interest from one individual. The Board has also created a short list of potential candidates that they will discuss in Executive Session.

**Design Review**

In Steve Nusbaum’s absence, Lee Hoover relayed that there are currently no noteworthy or conflicting matters to report.

**Financials**

Dana Miller reviewed the financials as of September 30, 2023. The Association has \$1.475M in assets. \$1.5M is liquid in the First Western Trust (“FWT”) accounts and one CD of \$153K will mature in January. Marcella Barry spoke about items needed to complete the transfer of funds to Vanguard. A letter transfer form must be filled out and a letter from the bank is needed. Marcella recommended making Dana Miller a limited agent on the account. Dana explained this is within audit controls and would allow her to obtain bank statements and inquire into the accounts without going through Lee Hoover or Marcella. She would not have full access or be a signer because she reconciles the accounts.

**Bill Simon moved to appoint Dana Miller as a limited agent on the Vanguard account. Scott Wylie seconded the motion and it was unanimously approved.**

Dana Miller said she will work with Marcella on the documentation needed to transfer \$1M to the Vanguard account. Additional funds will be transferred once the annual assessments are billed and revenue is received. Marcella recommended investing in a Federal Money Market fund. Scott Wylie spoke about laddered CD and Treasury Bill options at FWT and offered their consulting services. Dana Miller continued to review the Association’s balance sheet. \$282K in refundable deposits will be kept with FWT in the checking account to allow for compliance deposit refunds. Equity includes \$50K in the improvement reserve, \$51K surplus from the operating fund through September, and \$1.2M brought in from prior years. The income statement shows revenue of \$420K, \$153K favorable to budget, driven primarily by real estate transfer assessments (“RETA”). Dana said RETA was budgeted conservatively at \$100K and came in at \$220K for three home sales and one lot sale. There are currently two homes and two lots listed. There is favorability in interest income of \$19K on a budget of \$1,500, with CDs and a preferred rate from FWT. Expenses of \$368K are favorable to budget by \$11K. Unfavorable variances include gatehouse operations for vehicle stickers not budgeted, \$6,200 in the Ranch Manager facility for boiler repair and roof snow removal, and \$3,500 over budget for weed spraying. Dana noted \$18K has been budgeted for marketing the past two years and not utilized. This will be discussed in the 2024 budget. \$85K has been spent of the \$100K budgeted for legal expenses. Favorability in Design Review is because of an open Admin

position that has since been filled. There was no depreciation because the purchase of a vehicle approved in last year's budget did not happen. Lee Hoover was able to secure a Vail Resort's vehicle for Ramsey's use. When asked about the variance for weed spraying, Ramsey explained the contractor he had used for the past decade retired. The new contractor did a good job and charged a higher rate. Discussion took place regarding the importance of Vail Resorts treating noxious weeds on the golf course. Ramsey said he is hopeful the golf course superintendent will agree to use the new spraying contractor next year. Dana reviewed the 2023 improvement projects. \$74K has been spent year to date on a budget of \$82K. Fence and trail improvements will hit the budget next month. Overall, improvements are expected to end the year under budget.

### **2024 Proposed Budget**

Common assessments are budgeted flat to 2023. In 2020, the assessments were increased from \$2,500 to \$3,500; in 2022, they were dropped back down to \$2,500. Transfer fees are budgeted flat to 2023 at \$100K. Interest on investments was increased to \$40K. \$382K in revenue is an increase over the current year's budget of \$349K. Most expenses are driven by Vail Resorts' budget which includes an inflationary 4% - 5% increase or 3% - 5% for increased wages. Depreciation is budgeted in the event the Board decides to purchase a new vehicle. Assuming a new vehicle would last ten years, Lee Hoover suggested he and Dana model a comparison of the cost to purchase a vehicle and insurance coverage vs. a ten-year monthly fee for leasing a vehicle from Vail Resorts. Ramsey added his current vehicle works and has 4WD. It does not have a bed for wildlife removal or trash can transport. Dana has put a placeholder of \$100K for legal expenses, noting this will be at the Board's discretion. The financial audit, historically conducted every other year, was done for in 2023, and will not be budgeted for in 2024. \$18K in marketing for website upgrade and design remains in the budget. Bill Simon commented on the need for improved website design. As presented, the 2024 budget will result in revenue of \$382K and expenses of \$548K, exceeding revenue by \$165K and requiring a withdrawal of this amount from the operating reserve fund. Improvements for 2024 include \$6,500 for landscape, \$2,750 for trails, \$2,700 for fence, and \$12K for trail trees. Maintenance will be performed on the ATV, and \$6K is budgeted for the replacement of the Red Sky Road gate. A new line item for holiday lighting has been added for \$1K. \$20K is budgeted for wildfire mitigation maintenance. Ramsey explained he would not pursue pigeon mitigation because the chemical makeup of the bait is not environmentally friendly or right for Red Sky Ranch. Dana will follow up with Lee Hoover on any needed adjustments before forwarding the budget to the Board for electronic approval.

### **Ranch Manager Update**

Ramsey Romanin gave an update on gate maintenance. At the Staghorn gate, the repeater will be relocated to the caretaker's residence to help address the lag at the entrance gate. A bent shaft in the motor at the Lost Bear gate has been replaced. Now that the golf course is nearly closed, the Welcome Center hours have changed to 7:00 a.m. to 7:00 p.m., Monday through Friday, and 8:00 a.m. to 6:00 p.m., Saturday and Sunday. The Avant Gardener is currently doing fall clean-up. Ramsey is awaiting a bid for manicuring the east side islands as discussed in the last meeting. Wildfire mitigation is expected to start on the smaller parcels in mid-November and move to the larger parcels in late November and into December. The new Larkspur gate has been installed. When asked about wildlife sightings, Ramsey said his last email to the community reminded owners of bears going into their feeding stage and not to put trash cans out early. He said there have been no issues with bears or other wildlife this summer.

### **Holland Creek Metro District Update**

Jerry Hensel reported on the Holland Creek Metro District ("HCMD") capital projects. Lark Sparrow Lane and the water plant road were overlaid. Overlay projects scheduled for next year will be Saddle Rock and the East Lakeside entry. Guardrails will be stained with a UV and weather protectant this fall. Regulatory signage will be replaced as needed this fall. Jerry spoke about leveling and patching manholes before winter to support snowplowing and a patch to be done on Juniper Trail.

### **Annual Meeting Date and Record Date**

The Board agreed to hold the Annual Meeting in person with a conference call-in option.

**Bill Simon moved to set a record date of November 15, 2023, and the Annual Meeting date for December 21, 2024.**

**The Board entered Executive Session at 1:48 p.m. to discuss legal matters.**

**The Board exited Executive Session at 1:56 p.m.**

There being no further business, the meeting was adjourned at 3:56 p.m.

Respectfully submitted,

Carol Floyd  
Secretary for the Meeting