

RED SKY RANCH ASSOCIATION
Board of Directors Meeting
June 10, 2024
via videoconference

A regular meeting of the Red Sky Ranch Association (“the Association”) Board of Directors was held on June 10, 2024, via videoconference. Board members in attendance were Bill Simon, Marcella Barry, Peter Mason, Scott Wylie, and Dennis Grindinger. Also in attendance were Lee Hoover, Association Manager; Dana Miller, Financial Analyst; Jerry Hensel, Director of Resort Operations; Steve Nusbaum, Sr. Manager of Design Review Administration; Koby Kenny, Director of Public Safety; and Carol Floyd, Secretary for the Meeting. Bill Simon called the meeting to order at 3:00 p.m. Lee Hoover verified the presence of a quorum and that proper notice had been provided.

Approval of the April 8, 2024, Board of Director Meeting Minutes

Dennis moved to approve the April 8, 2024, Board of Director Meeting Minutes as presented. Peter Mason seconded the motion and it was unanimously approved.

Design Review Administration

Steve Nusbaum reported there are currently six homes under construction including lots 56, 68, 73, 78, and 81. Lot 50 is mostly complete. Two large-scale additions are underway at Lot 61 and Lot 20. Other projects include roof replacements with composite shingles and fire mitigation.

Financials

Dana Miller reviewed the financials as of May 31, 2024, noting a new line item on the Balance Sheet for the Vanguard account. \$1M has been transferred as an initial deposit to the Vanguard account, with a yield of just over 5%. \$690K remains with First Western Trust (“FWT”) yielding a little over 2%. Lee Hoover is a signer on both accounts. Dana has been granted access to transfer between the two accounts. She is planning to transfer additional funds to earn a higher interest rate. Approximately \$300K will be kept in the FWT account to cover one quarter’s expenses and a part of the Design Review refundable deposits. Dana noted the Association will pay taxes on interest earned. Although it is a non-profit organization, it is not tax-exempt. All owners are current on their annual assessments. Dana is working with FWT to set up an ACH option for payment of next year’s annual assessments. In equity, \$141K is in the improvement reserve. Operating expenses have exceeded revenue by \$30K. Slightly over \$1.1M remains in the operating fund. On the Income Statement, revenue of \$271K is favorable to budget by \$154K driven by real estate transfer assessments (“RETA”). Two assessments have been collected this year from one single-family residence sale and one lot sale. Another lot sale pending for June would generate an additional \$14K in RETA. Expenses of \$301K are \$29K unfavorable to budget because of legal fees. There were no changes in improvements from the last Board meeting. Those expenditures are anticipated to increase over the summer months. Dana stated McMahan and Associates have filed an extension and are preparing the Association’s income taxes. Once filed, the income tax owed will be posted on the Income Statement.

Ranch Manager Update

Bill Simon relayed the Ranch Manager report in Ramsey Romanin’s absence. Gate maintenance continues to be an issue that Ramsey is working through. The Board was asked about their preference to have the gate code changed monthly or to stay consistent during golf season. The Board agreed to maintain one code through the golf season. There is a surplus of budgeted hours to be utilized for fence repair. Wildfire mitigation is complete. Areas 13 and 15 have been recommended for mitigation and will be evaluated. Bill suggested obtaining an evaluation of Hole 6 on the Fazio course. The Board agreed to proceed with the repair of backflows to continue with improvements to the east side islands. Bill spoke about concerns raised regarding a build-up of sand and gravel along the side of the roads. Jerry Hensel said the sweeper was in Red Sky Ranch a couple of weeks ago. He will do an inspection and bring the sweeper back if necessary. The community is scheduled for noxious weeds treatment. Joufflas will be bringing in 350 head of cattle in June. Discussion took place regarding installing dog poop stations throughout Red Sky Ranch. Ramsey received a quote for 10 stations at a cost of \$1,250 per station and between \$2,500 and \$7,500 for installation. The cost to service each station is \$200. Estimating service three times per week in peak season and one-and-one-half times per week in off-season would equate to approximately \$20K per year. Consensus among the Board was that these stations would not change behavior or fit into the community aesthetically. The Board was unanimous in their decision not to have dog poop stations installed.

Wolcott Fire Station Email

Lee Hoover referenced an email from Chief Bauer regarding Eagle River Fire Protection District's ("ERFPD") consideration of adding a Wolcott fire station. They are asking for the community's questions and sentiments. Bill Simon asked the distance a fire station must be from a home to get relief from insurance companies. Lee will send the Board follow-up information received from ERFPD regarding this issue. Scott Wylie asked if the fire station would be staffed 24/7. Lee will speak with Chief Bauer and keep the Board informed.

Red Sky Metro District Update

Short-term Rentals: Bill Simon spoke about language finalized by the Board and reviewed by legal counsel pertaining to short-term rentals. It provides a guideline and recommendations from the Board and Association that encourages one-month or longer rentals.

Water Quality Report: Bill Simon stated the water quality update report received for Red Sky Ranch was clean and very positive. Of the 15 quality areas focused on, 14 had no violations. The one violation was the trihalomethanes issue from 2022 and 2023 which has been resolved. Bill reported discussions continue regarding litigation with Vail Resorts. A few updates will be discussed in Executive Session.

Holland Creek Metro District Update

Jerry Hensel said the mill and overlay projects on East Lakeside Trail and Saddle Rock Road have been completed. All address markers and lamp posts will be stained this summer. Reflectors that were damaged over the winter have been replaced. Bill Simon relayed an observation from a property owner of grass growing tall around street markers preventing street names from being seen. Jerry Hensel agreed to take care of this matter.

Other Business

Bill Simon moved to recognize Carol Floyd for her hard work and dedication to the Association as she moves on to retirement. Dennis Grindinger seconded the motion and it was unanimously approved.

Bill Simon moved to enter an Executive Session to discuss legal matters. The Board entered the Executive Session at 3:34 p.m.

The Board exited the Executive Session at 3:54 p.m.

There being no further business, the meeting was adjourned at 3:54 p.m.

Respectfully submitted,

Carol Floyd
Secretary for the Meeting