



## RED SKY RANCH™

### RED SKY RANCH ASSOCIATION NOTICE OF 2024 ANNUAL MEMBERS MEETING

November 27, 2024

Dear Red Sky Ranch Association Member:

When you purchased property in Red Sky Ranch, you became a member of the Red Sky Ranch Association. The Association enforces protective covenants and provides design review, construction compliance enforcement, caretaker services, gate operations, common area maintenance, and recreation and landscape improvements within the community. Please take notice that the Association's 2024 Annual Members Meeting will be held on **Friday, December 20, 2024, at 10:00 a.m. MST**, at the Red Sky Golf Club Member Clubhouse and by conference call at 855-378-8822, code 407245130#, for the following purposes:

1. To vote for two Directors for election to the Association's Board of Directors;
2. To vote for approval of the Association's 2023 Annual Members Meeting Minutes;
3. To review and consider the Association budget for 2025 approved by the Board of Directors; and,
4. To transact such further business as properly comes before the meeting.

As a property owner in the Association as of November 15, 2024, you are a member entitled to notice of and to vote at the Association's 2024 Annual Members Meeting. To that end, in addition to this notice, please find enclosed biographical information for the two candidates for election to the Board, the 2023 Annual Members Meeting Minutes, the Association budget for 2025, and a directed proxy and ballot form. **The deadline to complete and return the directed proxy and ballot form as provided on the form is Thursday, December 19, 2024, at 6:00 p.m. MST.**

Alternatively, the Association offers the option to vote online. If we have your email address, you will receive an email with a registration code for and link to the voting website where you can execute an electronic directed proxy and record your vote. If you would like to vote online and did not receive this notice by email, please contact Mike Heaphy at [mjheaphy@vailresorts.com](mailto:mjheaphy@vailresorts.com) / (970) 754-6905. **The deadline for online voting is Thursday, December 19, 2024, at 6:00 p.m. MST.**

All members are encouraged to complete and return the directed proxy and ballot form OR vote online before the meeting.

We look forward to seeing you at the annual meeting.

Sincerely,  
RED SKY RANCH ASSOCIATION

Signed by:  
  
684E9C290716400...  
Lee Hoover  
Association Manager

Enclosures

## **CANIDATE BIOS**

### **Peter Mason**

The majority of Peter's professional career was serving as a business lawyer from 1976 until 2018. In 1983, he was a founder of the Chicago-based law firm Freeborn & Peters and led that firm for many years. Between 1997 and 2003, he served as CEO of a public company in the information services space, May & Speh, Inc., and as CEO of JobsOnline, a data analytics business. He has served on many public and private boards in the technology, food, insurance, printing, and infrastructure spaces. In addition, he has been a private market investor for many years. He has been active in the Young Presidents' Organization for over thirty years. He was president and Trustee of The Goodman Theatre in Chicago from 1997-2008. Peter currently focuses on advising families with significant business interests, often serving as trustee, executor, and advisor. He's an active investor and advisor to a broad range of businesses and assists on strategy and financing matters.

### **Marcella Barry**

Marcella is a lawyer by education and worked at the Ayco Company, a financial planning firm, for 25 years. Her title there for the last 15 years of her employment was Chief Policy Officer, in which capacity she was responsible for determining tax policy (federal income, estate and gift, and state taxes) for the company, including the positions on complex and unclear tax issues that her colleagues would take in making recommendations to their clients and in preparing client tax returns. She was also responsible for ongoing education to be sure that their associates were current in tax law. The Ayco Company was purchased by Goldman Sachs in 2003; as a principal in the firm, she was required to work for one year after the purchase, at which point she retired.

From 2016 – 2018, Marcella was involved in planning and implementing the charity auctions for the Vail Mountain Rescue Group, which has freed their volunteers from fundraising duties and which has allowed the group to build an endowment that will fund their ongoing cash needs indefinitely.

Marcella would like to continue on the Board because Red Sky – the neighborhood, the people, and, by extension, the club is an integral part of her husband's and her life and is very important to them. In fact, they recently sold their apartment in Chicago and are now full time Red Sky residents. Red Sky is a unique community because of the involvement of Vail Resorts and she thinks she could add an additional voice as a resident of the community. As a lawyer, she has some background in contracts, assuming that would be useful, and has excellent research skills should that be necessary.

**RED SKY RANCH ASSOCIATION**  
**Annual Member Meeting Minutes**  
**December 21, 2023**  
**Red Sky Golf Club Member Clubhouse**

The 2023 Annual Member Meeting of Red Sky Ranch Association (the “Association”) was held at the Red Sky Golf Club Member Clubhouse on December 21, 2023, and by conference call. Board members present were Bill Simon, Marcella Barry, and Scott Wylie. Also in attendance were Greg Perkins, Legal Counsel for the Association; Lee Hoover, Association Manager; Dana Miller, Financial Analyst; Ramsey Romanin, Ranch Manager; Andrew Hedrick, Director of Golf Operations; Steve Nusbaum, Sr. Manager of Design Review Administration; Jerry Hensel, Director of Base Area Operations; Ken Marchetti with Marchetti & Weaver; Carol Floyd, Secretary to the Meeting; Steve and Pam Stroker, and Peter Mason, property owners.

**Call to Order**

The meeting was called to order at 10:01 a.m.

**Verification of Proper Notice and Quorum**

Greg Perkins confirmed proper notice was sent out timely for the meeting and that a quorum was achieved.

**Introductions**

Bill Simon introduced fellow Board members and support staff. He also introduced Andrew Hedrick, Director of Golf Operations, and Ken Marchetti, with Marchetti & Weaver.

**Association Description**

Greg Perkins described the Association as a Colorado non-profit corporation that all property owners are members of. The Association is governed by its Board of Directors. Owners are responsible for ratifying the budget which has been approved by the Board. Greg noted the budget is approved unless there is a motion to disapprove it.

**Election Results and Approval of 2022 Annual Meeting Minutes**

Greg Perkins offered the opportunity for anyone to vote during the meeting who had not voted through the online platform. He further stated sufficient votes had been received for the election of Directors and approval of the 2022 Annual Meeting Minutes.

**Community Updates**

**Golf Update:** Andrew Hedrick said the golf courses closed in mid-October for winterization before the snow set in. May 17<sup>th</sup> is the target date to reopen with a good schedule of events planned for 2024. Business and activity levels were up from the 2022 season. Andrew announced the Fazio course superintendent has retired and that role will be filled within the next few weeks. Seasonal ramp-up and recruiting efforts will commence soon. There are 13 full-time employees; 140 are needed for the summer season to be fully staffed. No major facility projects are planned for 2024. The focus is on driving membership with new programs to be offered. When asked about the impact of tipping at the Club, Andrew said it has reduced the turnover rate and retained staff at a higher level. He added that the staff are very appreciative and thankful that the membership is supporting them in this way. He further spoke positively about the end-of-season recognition program.

**Finance:** Dana Miller stated the Association remains in a strong financial position. A deficit of \$179K from the Operating Reserve Fund was budgeted for 2023 and will end the year at \$165K favorable to budget. The real estate transfer assessment (“RETA”) was the main factor. RETA was budgeted conservatively at \$100K. Two lot and residence sales generated \$220K in RETA. Operating expenses were \$24K favorable because of an open position in Design Review Administration and the use of a Vail Resorts vehicle by the Ranch Manager rather than the purchase of a new vehicle as budgeted. Overall, the Association is forecasting to end the year with \$1.3M in the Operating Fund. \$80K was spent on improvements including gates, landscape, trail trees, and \$50K for fire mitigation. This brought the Reserve Fund balance down to \$44K at the end of 2023. Dana reviewed the 2024 budget. Dues will remain flat at \$2,500 per property. Operating expenses are increasing by approximately 5% including merit increases for staff and inflation. The improvement budget for 2024 is \$52K, including trails, landscape, road gates, and \$20K for fire mitigation. The Board is in the process of moving funds from First Western Trust to Vanguard for a better return on investments. Dana stated the budget will be ratified unless there is a motion to disapprove it. Hearing none, the budget was deemed ratified.

Design Review: Steve Nusbaum reported construction has remained consistent with the previous couple of years. There are currently five homes under construction. Two homes were completed and received certificates of compliance in 2023. Three homes have active approvals but have not started construction. Two or three approvals expired in 2023 that did not proceed with construction. The Design Review Board (“DRB”) has seen a lot of wildfire mitigation with roof replacement and shrub and tree removal. DRB tries to expedite applications accompanied by a wildfire assessment from Eagle County or the Eagle River Fire Protection District. There is no fee for tree removal if the application is accompanied by such an assessment. DRB will work with the Association Board to reduce or eliminate fees associated with roof replacement if a cedar shake is being replaced with a fire-compliant composite shake.

Ranch Manager Update: Ramsey Romanin encouraged the use of water devices and offered to provide further information upon request. He also recommended the use of low-temperature alarms and setting them at 55 degrees to allow the manager on duty time to react to a heat issue. With the recent break-in, he expressed the importance of arming alarm systems to protect property and keep the HOA team safe. Ramsey explained the Eagle County Sheriff would be the first to respond to burglar alarms to clear the scene before the HOA team responds. Ramsey asked property owners to ensure the manager on duty/security phone number is on their alarm call list: 970-930-1727. Regarding the trail dead fall tree project, the groundskeeper cleared trees from the end of Elk Bugle to Bellyache Ridge Road. Ascent Tree Services was contracted to spray for noxious weeds this year. This cost is covered by the annual assessment. The gate access system changeover from bar codes to TransCore is complete. Stickers are available at the welcome gate. Homeowners who are members of Bachelor Gulch Club can have their Club TransCore programmed for access to Red Sky Ranch. Ramsey noted Red Sky Ranch TransCore stickers cannot be programmed for access to Bachelor Gulch Club. When asked about TransCore interference with toll stickers, Ramsey advised separating the stickers by a distance or obtaining a clicker for access available at the Welcome Center. He spoke about issues with Tesla metallicized windshields canceling RFID frequency and the solution of a license plate tag. Garage-style openers for guests are available for checkout at the Welcome Center. Ramsey gave an overview of new gate protocols. All vehicles are issued hangtag passes. Colors will alternate monthly for construction. Gates will not be open during the offseason and will remain closed during staff breaks. The manager on duty may be called for access. New gate codes will be distributed monthly and are not to be shared with contractors. The Association and Holland Creek Metro District (“HCMD”) provided a combined \$100K to Eagle River Fire Protection District (“ERFPD”) who obtained an additional \$200K in grants for fuel reduction and fire breaks to mitigate the risk of wildfire in Red Sky Ranch. Old Growth Tree Services was contracted by ERFPD to do the work and has completed parcels near Aspen Bluff, Lark Sparrow Road, Bellyache Ridge Road, and the fire break above the member clubhouse. Currently, the contractor is working on the 280-acre parcel to the southwest of Setting Sun Road. Ramsey explained the \$20K budgeted for fire mitigation in 2024 is to maintain those areas. Ramsey revisited the package program noting the benefits of having packages delivered to the Welcome Center. There is a package log available through Google Docs for tracking. He offered a refresher on the services included in the Home Access Agreement for anyone interested.

### **Red Sky Metro District Update**

Ken Marchetti spoke about increased property values across the state. Colorado assesses properties for tax purposes every other year. 2023 is a reassessment year and will impact 2024 taxes. On average in Red Sky Ranch (“RSR”), the assessment has gone up 61%. This is determined by actual property values based on comparable sales. Through legislative action, the State is giving all residential property owners a \$55K reduction from the actual value that will be multiplied by the residential assessment rate of 6.7%. The assessed value that funds the Red Sky Metro District (“RSRMD”) went from \$17M in 2023 to \$27.5M for taxes that will be paid in 2024. The RSRMD will lower the mill levy for payment of operations and services within the district. Adoption of the annual budget including a reduction from 31 mills to 25 mills is expected on December 22, 2023. Ken explained the dual district structure between RSRMD as the financing district and Holland Creek Metro District (“HCMD”) as the services and infrastructure district. When RSR was being developed, debt was placed on HCMD and the developer covered the cost to service the HCMD debt until RSR had sufficient assessed values to pay back HCMD. RSRMD issued bonds in 2015 and 2017. With the recent increase in values, the agreement between HCMD and RSRMD calls for RSRMD to issue additional bonds. The debt service mill levy rate was 10.6 mills last year and is scheduled to go to 11.9 mills to pay off a portion of the bonds HCMD issued to fund infrastructure. HCMD originally issued \$12M in bonds and has paid down debt to approximately \$6M. With this anticipated bond issuance, HCMD debt will be paid down to \$2M. The RSRMD overall mill levy rate will go from 42 mills to 37 mills. The total mill levy including all entities is expected to go down between five and 10 mills

Holland Creek Metro District: Jerry Hensel gave an operations update. Mill and overlays were completed on Lark Sparrow Lane and the water maintenance facility road. All guardrails were stained and UV-protected. Some of the regulatory signs

have been replaced. Jerry said a light audit is done quarterly and asked to be notified if lights are noticed out. In 2024, the East Lakeside entrance and Saddle Rock will be overlaid. All lamp posts and address markers will be stained and UV-protected. One 22-year-old plow truck was replaced this year and the other will be replaced next year.

Water Quality Update: In John Volk's absence, Bill Simon referenced the water quality report. He talked about previous high levels of trihalomethanes (“TTHM”) in the water supply and stated they have been in an acceptable range for the past two years.

**Election Results:**

Greg Perkins reported minutes from the 2022 Annual Meeting have been approved as presented to the ownership. Bill Simon and Dennis Grindinger have been elected to three-year terms. Peter Mason has been elected to fill out the remainder of Eric Kurzweil’s term ending December 31, 2024.

**There being no further business, Peter Mason moved to adjourn the meeting. Marcella Barry seconded the motion and the meeting was adjourned at 10:52 a.m.**

Respectfully submitted,

Carol Floyd  
Secretary for the Meeting

Red Sky Ranch Association

2025 Budget, 2024 Forecast & 2025 Budget Itemized



	2024	2024	2025	Variance	inc/(dec) From 24 Fcst	Notes
	Budget	Forecast	Budget	24 Fcst to 25 Bud		
<b>Revenue</b>						
Common Assessment	\$ 227,500	\$ 227,500	\$ 227,500	\$ (0)	0%	
Transfer Assessment	100,000	508,480	175,000	333,480	-66%	
DRB Fees	15,000	13,300	15,000	(1,700)	13%	
Interest	40,000	46,154	40,000	6,154	-13%	Interest on investment and money market accounts
Late Fees	-	200	-	(200)	0%	
Other Income	-	-	-	-		
<b>Total Revenue</b>	<b>\$ 382,500</b>	<b>\$ 795,634</b>	<b>\$ 457,500</b>	<b>\$ 338,134</b>	<b>42%</b>	
<b>Operating Expense</b>						
Gate Operations (utilities and maintenance)	\$ (8,200)	\$ (8,469)	\$ (8,700)	(231)	3%	
Gatehouse Operations	(92,686)	(92,630)	(98,817)	(6,187)	7%	
Ranch Manager Salary & Benefits	(92,783)	(91,065)	(95,137)	(4,072)	4%	
Ranch Manager Operating Costs	(200)	(145)	(200)	(55)	38%	
Ranch Manager Facility Expense	(65,179)	(61,019)	(67,625)	(6,607)	11%	Includes rent, snow removal and repairs
Ranch Manager Vehicle Costs	(6,000)	(4,000)	(7,500)	(3,500)	88%	2025 budget for purchase of new vehicle
Ranch Manager Vehicle Depreciation	-	-	(10,000)	(10,000)	100%	
Entry Landscaping	(10,000)	(8,504)	(13,500)	(4,996)	59%	
Roadway Landscaping	(11,000)	(12,158)	(11,000)	1,158	-10%	
Recreation Trail Maintenance	(4,750)	(4,529)	(10,000)	(5,471)	121%	
Roadway Fence Maintenance	-	-	(35,000)	(35,000)		Bellyache Fence Staining completed every 3 years
Noxious Weed Spraying	(15,500)	(15,500)	(15,500)	-	0%	
Insurance	(8,511)	(8,424)	(9,925)	(1,501)	18%	
Homeowner Functions	(4,000)	(2,285)	(4,000)	(1,715)	75%	
Homeowner Marketing	(10,000)	(3,000)	(1,000)	2,000	-67%	
Legal	(100,000)	(141,912)	(125,000)	16,912	-12%	
Audit	(500)	(500)	(10,500)	(10,000)	100%	Audit done every other year. Tax returns prepared annually
Management Fee	(40,807)	(40,807)	(50,486)	(9,679)	24%	
Accounting Fee	(10,758)	(10,758)	(11,300)	(542)	5%	
Income Tax	(5,000)	(4,040)	(6,000)	(1,960)	100%	
DRB Expense	(45,421)	(38,170)	(51,087)	(12,916)	34%	Open admin position during 2024
				-		
<b>Total Operating Expense</b>	<b>\$ (531,297)</b>	<b>\$ (547,915)</b>	<b>\$ (642,276)</b>	<b>\$ (94,361)</b>	<b>-17%</b>	
<b>Surplus/(Deficit)</b>	<b>\$ (148,797)</b>	<b>\$ 247,719</b>	<b>\$ (184,776)</b>	<b>\$ (432,495)</b>	<b>-175%</b>	
Operating Reserve Funding / (Withdrawal)	\$ (148,797)	\$ 247,719	\$ (184,776)	\$ (432,495)		
Improvement & Replacement Reserve Funding	\$ (116,776)	\$ (116,776)	\$ (90,262)	\$ 26,514		
<b>Total</b>	<b>\$ (265,573)</b>	<b>\$ 130,943</b>	<b>\$ (275,038)</b>	<b>\$ (405,981)</b>		
<b>Operating Reserve Fund</b>						
Beginning Balance	\$ 1,319,765	\$ 1,242,580	\$ 1,373,523	\$ 130,943		
Surplus/(deficit)	(265,573)	130,943	(275,038)	(405,981)		
Ending Balance	<b>\$ 1,054,192</b>	<b>\$ 1,373,523</b>	<b>\$ 1,098,484</b>	<b>\$ (275,038)</b>		
<b>Improvements &amp; Replacement Reserve</b>						
Beginning Balance	\$ 43,940	\$ 47,810	\$ 100,346			
Funding/(Draw)	116,776	116,776	90,262			
<b>Expenditures</b>						
Landscape Improvements	(6,550)	(10,380)	(6,750)			
Trail Improvements	(2,750)	(2,750)	(25,000)			
Fence Improvements	(2,700)	-	(3,000)			
Trail Trees	(12,000)	(12,000)	-			
ATV Tires / Maint	(1,500)	(500)	(1,500)			
Bellyache Nursery Gate	-	-	(7,500)			
Red Sky Ranch Road Gate	(6,000)	(6,000)	-			
Holiday Lights	(1,000)	(1,200)	-			
Camera System Upgrade	-	-	(2,000)			
Gate Software & Touchscreens	-	-	-			
Manager Facility Upgrades	-	-	(20,000)			
Keypad Light Poles (5)	-	(11,410)	-			
Wildfire Mitigation	(20,000)	(20,000)	(20,000)			
Improvement Expenditures Total	<b>\$ (52,500)</b>	<b>\$ (64,240)</b>	<b>\$ (85,750)</b>			
<b>Ending Balance</b>	<b>\$ 108,216</b>	<b>\$ 100,346</b>	<b>\$ 104,858</b>			

# RED SKY RANCH ASSOCIATION

## 2024 Annual Members Meeting Directed Proxy and Ballot

The undersigned hereby appoints the chairperson of the meeting described herein as the undersigned's proxy, with full power of substitution, to attend the 2024 Annual Members Meeting of the Red Sky Ranch Association to be held at the Red Sky Golf Club Member Clubhouse on **Friday, December 20, 2024, at 10:00 a.m. MST**, and any adjournments thereof, and to vote thereat the number of votes which the undersigned would be entitled to vote, with all the power the undersigned would possess if present in person, as follows:

1. To vote for two Directors for election to the Association's Board of Directors as follows:

<u>For</u>	<u>Candidate</u>	
_____	Peter Mason	Director (3-year term)
_____	Marcella Barry	Director (3-year term)
_____	_____	Director (3-year term)
	(write-in)	
_____	_____	Director (3-year term)
	(write-in)	

2. To vote on the Association's 2023 Annual Members Meeting Minutes as follows:

\_\_\_\_\_ Yes – I approve the 2023 Annual Members Meeting Minutes as presented  
\_\_\_\_\_ No – I do not approve the 2023 Annual Members Meeting Minutes as presented  
\_\_\_\_\_ I abstain from voting on the 2023 Annual Members Meeting Minutes

3. To review and consider the Association budget for 2025 approved by the Board of Directors
4. To vote on such further business as properly comes before the meeting.

By submitting this directed proxy and ballot, the undersigned hereby acknowledges receipt of the Association's Notice of 2024 Annual Members Meeting dated November 27, 2024. **THIS DIRECTED PROXY AND BALLOT MUST BE COMPLETED AND RETURNED ON OR BEFORE DECEMBER 19, 2024, AT 6:00 P.M. MST.** Please mail the completed form to Red Sky Ranch Association, PO Box 100, Edwards, CO 81632 or email it to Mike Heaphy at [mjheaphy@vailresorts.com](mailto:mjheaphy@vailresorts.com).

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of Member or Member's Authorized Representative

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Lot Number / Street Address