

RED SKY RANCH ASSOCIATION
Board of Directors Meeting
October 14, 2024
via videoconference

A regular meeting of the Red Sky Ranch Association Board of Directors was held on October 14, 2024, via videoconference. Board members in attendance were Bill Simon, Marcella Barry, Peter Mason, and Scott Wylie. Also in attendance were Lee Hoover, Association Manager, Dana Miller, Financial Analyst, Jerry Hensel, Director of Resort Operations, Ramsey Romanin, Ranch Manager, and Mike Heaphy, secretary for the Meeting. Bill Simon called the meeting to order at 4:01 p.m. Lee Hoover verified the presence of a quorum and that proper notice had been provided.

Approval of the August 13, 2024, Board of Director Meeting Minutes

Upon motion duly seconded, the Board approved the August 13, 2024, Board of Directors Meeting Minutes as presented.

Design Review Administration

There being no representative of the Design Review Administration present, no formal report was provided to the Board. Bill Simon asked Lee Hoover to follow up with Steve Nusbaum of Design Review Administration concerning a homeowner's obligation to install landscaping in a timely manner, which Lee agreed to do.

Financials

Dana Miller reviewed the financials as of September 30, 2024. The Association has \$391,000 in its First Western Trust account, earning a little over 2%. Typically, sufficient funds are kept in this account to cover quarterly expenses as well as a portion of design review deposits in case they need to be returned. The Association also has \$1.3 million in a Vanguard money account, currently earning 4.8%. The improvement account has \$113,000 as of the end of September. There is an operating surplus of \$162,000 and the fund balance in the operating account is \$1.1 million. As for the income statement, revenue is favorable to budget primarily as a result of real estate transfers. Through the end of September, there have been seven sales (3 residences and 4 lots) resulting in receipt of \$361,000 in transfer fees. It is anticipated that there will be one additional sale resulting in an addition \$147,000 in transfer fees before the end of the year, bringing the forecasted total for the year to \$508,000. In addition to transfer fee receipts, interest is also favorable to budget given the yields outlined above. Expenses are in line with budget. A total of \$51,000 has been spent on improvements, the bulk of which has gone toward fire mitigation and landscaping.

Dana then turned to a review of the draft of the Association's 2025 budget. Per the proposed budget, dues will remain flat at \$2,500 per owner. The budget contemplates receipt of \$175,000 in transfer fees in 2025, which is based on the assumed sale of 2 residences and 1 lot. Expenses are projected based on full staffing for the full year and normal inflationary increases. The proposed 2025 budget includes expenses related to acquisition of a new vehicle, which had been previously budgeted for two years prior although no vehicle was purchased. Other notable expense increases include \$10,000 for trail maintenance, \$35,000 for fence maintenance, \$10,000 for auditing, \$125,000 for legal expenses (up from \$100,000 in 2024), \$7,500 for the Bellyache nursery gate, and \$20,000 for manager facility upgrades (specifically, new carpeting). In response to questions from the Board, Ramsey Romanin affirmed that the budget accommodates chip spreading on the trails, noxious weed treatments, and fire mitigation funds. Per the draft budget, operating expenses exceed revenue by \$184,000 for 2025 but, given the anticipated surplus of \$247,000 for 2024, the 2025 deficit would be more than covered by the 2024 surplus, with the balance transferred to the operating reserve fund balance (currently at \$950,000 for year end 2025). Ramsey noted one minor change to the proposed budget related to ATV service and tires. **On motion duly seconded, the Board then unanimously approved the proposed budget subject to updating the RETA forecast as discussed above and making the modification proposed by Ramsey.**

Ranch Manager Update

Ramsey Romanin presented the Ranch Manager report. He first relayed the fact that the camera at the Staghorn gate is not transmitting properly to the gatehouse so they are not getting a clear, consistent, live feed from the camera, which, among other things, has resulted in FedEx leaving packages at the gate because the gate house can't

consistently see the gate and open it for FedEx, to the consternation of residents on Staghorn. Ramsey has been advised that installing a cell-phone serviced camera at the gate, at a cost of \$60 per month, should be sufficient to alleviate the problem. The Board agreed to this proposal. Ramsey continued on to advise the Board of present gate house hours and gate codes. Finally, he advised the Board that new light posts will be installed at the east side islands and main gate where bar code readers used to be.

Holland Creek Metro District Update

On behalf of the Holland Creek Metro District, Jerry Hensel reported to the Board that they have completed staining all the signs, lamp poles, and address marker poles in the Association. They are now beginning work on the 2025 road improvements. In response to a question from Bill Simon, Jerry agreed to address the encroachment of sediment on some parts of the common area cart paths in the community.

Red Sky Metro District Update

Having already covered the most pressing issues related to the Red Sky Metro District in a preceding Red Sky homeowner Q&A session, the Board declined further discussion, although they briefly discussed some of the voting and eligibility issues surrounding the approaching Red Sky Metro District election.

Other Business

The Board scheduled the Annual Members Meeting for Friday, December 20, 2024, at 10:00 a.m. MST at the Red Sky Golf Club member clubhouse, with a Board meeting to immediately follow and further established November 15, 2024, as the record date for determining membership entitled to vote at the annual members meeting. It was also affirmed that Marcella Barry and Peter Mason, whose Board terms expire in December, would stand for election for another term on the Board.

Bill Simon moved to enter an Executive Session to discuss legal matters which motion was duly seconded and approved. The Board entered the Executive Session at 4:41 p.m. and exited at 4:48 p.m.

There being no further business, the meeting was adjourned at 4:48 p.m.

Respectfully submitted,

Mike Heaphy
Secretary for the Meeting