

RED SKY RANCH ASSOCIATION
Board of Directors Meeting
April 11, 2022
via Videoconference

A regular meeting of the Red Sky Ranch Association (“the Association”) Board of Directors was held on April 11, 2022, via videoconference. Board members in attendance were Eric Kurzweil, Marcella Barry, and Bill Simon. Also in attendance were Lee Hoover, Association Manager; Dana Miller, Senior Financial Analyst; Marty O’Keefe, Assistant Ranch Manager; Steve Nusbaum, Senior Manager of Design Review Administration; Sid Schultz, Senior Analyst for Design Review Administration; Jerry Hensel, representing Holland Creek Metro District; Ralph and Maryls Palumbo, property owners; Greg Perkins, Attorney for the Association; and Carol Floyd, Secretary for the Meeting. Eric Kurzweil called the meeting to order at 4:03 p.m. and confirmed the presence of a quorum.

Approval of March 14, 2022 Board of Director Meeting Minutes

Bill Simon moved to approve the March 14, 2022 Board of Director meeting minutes as presented. Marcella Barry seconded the motion and it was unanimously approved.

Design Review

Steve Nusbaum reported current construction activity is primarily new homes along with a few smaller remodel projects.

Design Review Board Appeal – 398 Lark Sparrow Lane: Eric Kurzweil stated the property owners of 398 Lark Sparrow Lane are appealing the Design Review Board’s (“DRB”) decision to deny an improvement to their residence based on the fact that a portion of the proposed addition is located outside of the DRB envelope. Marlys Palumbo explained when they started the process they were unaware of the amendment requirement. They are proposing a 4’ encroachment that is within the County envelope and their driveway. When their initial building renderings received suggested changes from the DRB, they revised their plans by lowering the building and adding four dormers to meet the recommendations. These revisions were submitted in January and they were told the design did not have a one-story appearance. They made further revisions and the architectural design received approval in the February meeting. At this meeting they were informed of the DRB envelope amendment requirement. One DRB member suggested the Palumbos obtain approval from their next door neighbor. On March 24, 2022 they received their neighbor’s approval and thought they had met all of the requirements from the February meeting. Following the DRB meeting on March 24th, they received a letter from Steve Nusbaum indicating the requirement of a building envelope amendment. Mrs. Palumbo noted approvals have been received from Lee Hoover, Mike Miner, and their next door neighbor. She and Mr. Palumbo shared their assumption that the Board has the authority to approve the encroachment without a DRB envelope amendment noting, if the Board chooses not to approve, they are prepared to submit the DRB envelope encroachment application, survey and fee. Eric Kurzweil asked Steve Nusbaum to explain the process from a historical standpoint. Steve said there are 15 lots that have a DRB envelope. The way the regulations read, the DRB envelope is more restrictive than the building envelope. Of the 15 lots, three are undeveloped. Lots 51 and 52 have been combined. Lots 13 and 14 went through the envelope amendment process in 2008 and 2006, respectively, with public hearings and were approved. Steve further explained the types of encroachments the DRB has permitted outside of the DRB envelope or building envelope are fairly limited and mostly related to situations that involve grading or retaining walls to blend the residence into the site. There have been other approvals for native plantings. Steve said there is no evidence that the DRB has ever approved building mass or habitable space outside of the DRB envelope or platted building envelope. Eric Kurzweil voiced his opinion that the DRB process should continue to be followed requiring an amendment for livable space outside of the building envelope. Discussion took place with regard to expediting the Palumbos’ application to complete the process. Mr. Palumbo suggested the guidelines be amended to specify that a habitable space encroachment requires a building envelope amendment, and that this information be communicated when conceptual plans are submitted. Eric requested Greg Perkins address an amendment to the regulations. Greg agreed to work with Steve Nusbaum on this matter.

Eric Kurzweil moved to deny the appeal of the Design Review Board’s decision related to the property located at 398 Lark Sparrow Lane. Eric Kurzweil further moved to recommend the Design Review Board facilitate an amendment to the Design Guidelines to clarify the requirements associated with an encroachment outside of a building envelope. Marcella Barry seconded the motion and it was unanimously approved.

Marketing and Communications

Marcella Barry spoke about integrating the Association's website with the Vail Resort's website. Lee Hoover and Marcella agreed to discuss this matter when she returns to Red Sky Ranch in mid-May.

Financial

Dana Miller reviewed the financials as of March 31, 2022. Of the \$1.7M in assets, \$1.4M is invested with First Western Trust in checking and Money Market accounts. She noted these accounts are swept to move any amount over \$250K to other financial institutions to ensure FDIC coverage. \$451K is invested in three CDs. The next CD will mature in June. Dana will confer with Marcella Barry to determine whether to reinvest or move the funds to the Money Market account. There is \$192K in refundable deposits. \$22K in owner receivables represents nine owners that have not paid their annual assessment. Dana mailed letters last week and received responses from two owners. The bulk of liabilities is the advanced billed dues that are recognized as revenue throughout the year. Of the \$1.5M in equity, \$108K is in the Improvement Reserve. She noted \$1.4M from prior years was transferred to operating. Year to date, expenses have exceeded revenue by \$24K. \$7,900 in real estate transfer assessment ("RETA") was collected for one sale. Dana said there is one pending sale for April that would generate approximately \$59K if the residence is sold. DRB fees are favorable to budget by \$3K because of increased activity for new residences. Expenses are in line with budget. Fence maintenance budgeted for \$24K came in with a bid of \$28K. This line item is forecasted to be \$4K over budget. \$5,600 in savings is forecasted for the audit that will be conducted every other year rather than annually. Approximately \$4K savings in DRB expense is forecasted related to the office relocation and increase in staffing levels that have not yet happened. Dana reported there have been no improvement expenses through March. Expenses are \$15K favorable to budget for the first quarter.

Ranch Manager Update

Marty O'Keefe reported the installation date for the new gate and camera systems has been moved to July 1st for completion by August 1st, depending on component availability. A 10% increase in component cost is anticipated. The vendor is working through a different mounting solution for the call boxes. Internet will be required for the upgrade with the main network installed at the Welcome Center. Visionary Broadband will be the provider at a cost of approximately \$100 per month. Current gate remotes will be compatible with the new system. The current gate code will expire when the golf course opens in May. The Holland Creek Metro District ("HCMD") electrician has serviced HCMD light poles and address markers. Some street rock light fixtures are pending repair or replacement. The Bellyache fence staining project is expected to start the first week in May, depending on weather. HOA fence repair will commence in late April with the Fazio lower fence rails to be addressed first and proceeding south as the snow melts. All fence rails visible from the course, road, trail or houses will be repaired or replaced. To save replacement stock for future use, fence rails that are not visible to the community will not be repaired this season unless livestock is moved onto the adjacent property. Jouflas is currently undecided if he will lease his land for cattle. The gate at the cul-de-sac on Lark Sparrow will be replaced before the end of April per the contractor.

Holland Creek Metro District

Jerry Hensel stated Frontier Paving has been chosen and will pave between May 2nd and 27th, from the cart path crossing of holes 13 and 14 to the top of Red Sky Road. They will mill for one week and follow with asphalt.

Red Sky Metro District

Eric Kurzweil spoke about an invitation sent to homeowners to attend a Zoom meeting on April 25th with the Red Sky Metro District ("RSMD") to discuss outstanding issues around the Red Sky Ranch debt structure and water rights.

There being no further business the meeting was adjourned at 5:25 p.m.

Respectfully submitted,

Carol Floyd
Secretary for the Meeting