
RECORD OF PROCEEDINGS

**Minutes of the Regular Meeting
of the Board of Directors of the
Red Sky Ranch Metropolitan Districts
April 15, 2013**

The Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District, Eagle County, Colorado, was held Monday, April 15, 2013, at 8:00 a.m., in the two elk conference room at the VRDC office, 137 Benchmark Road, Avon, Eagle County, Colorado.

Attendance

The following Directors were present:

- Michael Connell (via phone)
- William Kennedy
- William Simmons
- Karen Braden-Butz
- Frederick Hudoff

Also in attendance were:

- Bill Ankele, Esq. White, Bear and Ankele PC (via phone)
- Ken Marchetti, CPA Robertson & Marchetti, PC
- Kathy Lewensten, RMPC Recording Secretary
- Don Odell, VRDC Operations
- Ramsey Romanin, RSR Caretaker
- Mike Miner, RSR Director of Golf Maintenance
- Kyle Griffith, HCMD Director
- Sam Sharp, DA Davidson (joined at 9:15 a.m.)

Call to Order

The Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District was called to order at 8:00 a.m. by Director Kennedy noting a quorum was present.

**Potential
Conflicts**

The Board noted that it has received certain written disclosures of potential conflicts of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: [William M. Kennedy](#) is Director of Land Development for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., all of which have significant business interests within the Districts; [Karen Braden-Butz](#) is the Project Accountant for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., all of which have significant business interests within the Districts; and [William](#)

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[Simmons](#) is Director of Village Operations for Vail Resorts Management Company, an indirect operating subsidiary of Vail Resorts, Inc., which both have significant business interests within the Districts.

Minutes The Board reviewed the minutes of the February 18, 2013 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the February 18, 2013 Regular Meeting as presented.

Meeting Schedule The next regular meeting is scheduled for Monday, May 20, 2013 at the same time. The location will move to the Red Sky Ranch Sales Center until September.

Legal Mr. Ankele stated there were no legal matters for today's meeting.

Financial Statements Mr. Marchetti presented the preliminary March 2013 financial statements for the District. He briefly discussed the potential bond refunding, the mill levy and related matters. He noted Mr. Sam Sharp was expected at 9:00 a.m. to discuss the refunding in more detail. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the preliminary March 31, 2013 financial statement as presented.

Accounts Payable There were no accounts payable.

Continuation Upon motion duly made and seconded, it was unanimously

RESOLVED at 8:20 a.m. to continue the April 15, 2013 Regular Meeting of the Red Sky Ranch Metropolitan District Board of Directors to 9:00 a.m.

At 9:15 a.m. the Continued Regular Meeting of the Red Sky Ranch Metropolitan District was called to order by Chairman Kennedy noting a quorum was present.

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Bond Refunding Mr. Marchetti introduced Mr. Sam Sharp from DA Davidson. Mr. Sharp began discussion of the bond refunding information that had been included in the board packet. He explained the RSR 2003 bonds are callable in December 2013. He stated it was his understanding the Districts main goal related to refunding the bonds was to restructure the debt so 30 mills would be adequate to cover the debt service. This would allow 35 mills to be provided for service operations. With this in mind, he proposed a 30 year fixed rate GO bond with a closing in Sept or later.

Director Connell asked about the loan options that had been presented last year. Mr. Sharp explained although they may have a better interest rate they generally include a balloon payment within 5 to 10 years making them riskier as it relates to keeping the mill levy steady.

The Board asked about the risk of waiting until November to issue the bonds. Mr. Sharp explained there would be approximately 90 days of negative arbitrage if the bonds were issued in September. If the District were to issue them closer to December 1, the negative arbitrage would be reduced however there would be a risk the interest rate may increase. Mr. Sharp proposed the District could get the refunding documents ready and then monitor rates, if no increase is anticipated they could be issued closer to December, if rates look to be increasing they could be issued in September. With a 30 year fixed bond the overall anticipated savings to the District is approximately \$250,000.

Director Hudoff asked if the Board should consider including an additional amount, such as \$500,000 in the bond issuance to cover anticipated large capital projects for the next few years. Mr. Marchetti explained there are requirements that any bond proceeds be restricted for use within a certain time frame. He will review the requirements and asked Director Kennedy and Mr. Odell for an updated capital projects report.

Mr. Ankele left the meeting at 9:50 a.m.

After further discussion, the Board expressed the desire to move forward with refunding the 2003 bonds. An updated analysis between a fixed 30 year refunding bond and a bank loan would be helpful. Mr. Marchetti recommended obtaining engagement letters

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from DA Davidson and bond counsel for action at the May meeting with the goal of having proposed refunding bond details drafted for review at the June meeting using a September issuance time frame.

The Board expressed a desire to let Vail Resorts know of the intention to refund the bonds. Director Braden-Butz will follow up with VR.

Adjournment

No further business came before the Board. Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the April 15, 2013 Red Sky Ranch Metropolitan Regular Meeting.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Recording Secretary