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# RECORD OF PROCEEDINGS

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## Minutes of the Special Meeting of the Board of Directors of the Red Sky Ranch Metropolitan Districts September 18, 2017

The Special Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District, Eagle County, Colorado, was held Monday, September 18, 2017, at 2:30 p.m., in the conference room at 1099 Red Sky Road, Wolcott, Eagle County, Colorado.

**Attendance**                      **The following Directors were present:**

- Beth McGregor
- Frederick Hudoff
- Steve Stroker
- James Benedict
- Jim Malernee

**Also in attendance were:**

- Bill Ankele, Esq. White Bear Ankele Tanaka and Waldron, PC (via phone)
- Ken Marchetti, CPA, Marchetti & Weaver LLC
- Kathy Lewensten, Recording Secretary
- Tim Baker, VR Director of Base Area Operations
- Mike Connell, RSR Property Owner

**Call to Order**                      The Special Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District was called to order at 2:30 p.m. by Director McGregor noting a quorum was present.

**Potential Conflicts**                      The Board reviewed the agenda for the meeting. The Board confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed. The Board noted, for the record, that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts.

**Minutes**                                      The Board reviewed the minutes of the August 21, 2017 Special Meeting. Two revisions within old business were noted. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes of the August 21, 2017 Special Meeting as revised.

**Public Input**                              Mr. Connell said he would be providing a “pro” statement for the sales tax TABOR notice, offering a draft of his statement. He then expressed appreciation to the individuals who participate on the Boards and committees.

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### **Financial Statements**

Mr. Marchetti presented the preliminary August 2017 financial statements. He pointed out that in anticipation of the November election for implementation of a sales tax both the related sales tax revenue and transfer of the same to HCMD have been added into the general fund for the 2018 preliminary budget. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the preliminary August 2017 financial statements as presented.

### **2018 Budget**

Mr. Marchetti reviewed the 2018 preliminary budget which was presented as part of the August preliminary financial statements. The public hearing for the 2018 budget was opened. Mr. Marchetti explained the mill levy had been left at 64 mills in total but the split had been revised to 27 mills for debt service and 37 mills for IGA contractual obligations. As the assessed valuation will be below the 50% debt to AV ratio no new issuance of debt is required in 2018. He noted that based on expected estimated residential assessment rate changes over the next few years it does not appear the District will be required to issue debt for several years. Discussion followed regarding the mill levy. The debt service fund is required to implement a mill levy sufficient to cover debt service payments, 27 mills accomplishes this. Using 37 mills for contractual obligations creates an opportunity to build up reserve funds for future capital and operational expenses. Director Hudoff asked if any further information had been received from HCMD regarding long term capital reserve needs. Mr. Baker responded he was waiting for a report from Alpine Engineering related to the roadways. The Board tabled the 2018 budget discussion and continued the public hearing to the next meeting.

### **Accounts Payable**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve and ratify the accounts payable listing as presented.

### **2017 Audit**

Mr. Marchetti referred to the 2017 Audit Engagement Letter from McMahan and Associates which had been included in the packet. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the 2017 Audit Engagement Letter with McMahan and Associates

### **November Election**

Mr. Marchetti reported the CO Department of Revenue had requested technical changes to the ballot language. He provided a red line version of the ballot question to the Board. The Board did not object to the revisions.

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### **Negotiating Committee**

Mr. Ankele requested the Board clarify members of the negotiating committee noting Mr. Connell was first appointed as a board member. Discussion followed resulting in consensus to request Mr. Connell continue as a member of the negotiating committee. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to confirm Mr. Connell as a member of the negotiating committee.

### **Legal**

Mr. Ankele presented the Resolution regarding Director meeting attendance by phone. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Resolution Concerning Telephonic or Electronic Attendance at Board Meetings.

### **Future Meetings**

The next meeting was scheduled for Tuesday, October 17, 2017 at 4:00 p.m. in the same location.

Mr. Baker left the meeting at 3:30p.m.

### **Executive Session**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to enter into executive session citing §24-6-402(4)(b) and (e) for the purpose of receiving legal advice and developing positions related to negotiations for debt management and water matters. Furthermore, pursuant to §24-6-402(2(d.5)(II)(B), C.R.S., no record or electronic recording will be kept of those portions of the executive session that, in the opinion of the Board's attorney, constitute privileged attorney-client communication pursuant to §24-6-402(4)(b). The Board entered into executive session at 3:35 p.m. and adjourned the executive session at 4:50 p.m.

### **Adjourn**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the September 18, 2017 Regular Meeting of the Red Sky Ranch Metropolitan District Board of Directors.

Respectfully submitted,  
*/s/ Kathy Lewensten*  
Recording Secretary