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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 December 13, 2013**

The Special Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District, Eagle County, Colorado, was held Friday, December 13, 2013, at 2:30 p.m., in the two elk conference room, 137 Benchmark Road, Avon, Eagle County, Colorado.

### **Attendance**

#### **The following Directors were present:**

- Michael Connell
- William Simmons
- Karen Braden-Butz
- Frederick Hudoff
- William Kennedy

#### **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
- Alex Iskenderian, HCMD Director

### **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 Kennedy noting a quorum was present. Holland Creek Metropolitan District will be meeting concurrently with RSRMD today to discuss matters related to the 2014 budget.

### **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 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.

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**Public Input** No public input was offered.

**2014 Budget** Mr. Marchetti explained additional information regarding the assessed valuation of the district had become available since the November 18<sup>th</sup> meeting. The protests have been settled and the Districts assessed valuation will remain steady for 2014. With this in mind he wanted to meet with the Board to discuss the mill levy set previously to see if it should be adjusted.

Holland Creek Metro District is meeting concurrently with RSRMD to offer input to the discussion. The contractual process for setting the RSR mill levy allows HCMD to recommend the mill levy to RSRMD for consideration, RSRMD then may formally adopt mill levy or propose changes for consideration by HCMD. HCMD has the ability to overrule RSR and require them to certify the recommended mill levy.

With the new information concerning the assessed valuation the Board discussed the effects of reducing the mill levy from the adopted 72 mills back to 65 mills. Based on 72 mills, 40 mills would be used for debt service and 32 mills would be used for contractual service obligations with HCMD. If the Debt service portion remains at 40 mills the property tax revenues will fall short of covering the 2014 debt service expenditures by approximately \$20,000 and the reserves would last over five years, if it were reduced to 35 mills the shortfall would be approximately \$110,000 with the reserves lasting approximately two years, if it were set at 37 mills the shortfall would be approximately \$60,000 with the reserves lasting roughly four years. The 32 mills for contractual service obligations with HCMD covers the roadway work planned for 2014.

Director Connell stated it would be preferable to lower the mill levy. Director Hudoff agreed. The Board discussed the pros and cons as they relate to the District and marketing for future sales. It is beneficial to encourage sales to provide more users for funding of the Districts services. Mr. Iskenderian cautioned against lowering the mill levy to the point the reserves are used up quickly.

Mr. Marchetti recommended 69 mills, with 37 for debt service and 32 for contractual service obligations with HCMD. He explained

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this would adequately fund the operations expenditures and provide the District with approximately four years of reserves to help cover any shortfalls in the debt service fund. The Board stated this seems reasonable. Mr. Marchetti will attend the POA meeting next week to discuss the matter. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to amend the 2014 adopted budget as discussed, and

**FURTHER RESOLVED** to re-certify the mill levy at 69 mills.

**Accounts Payable** Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the accounts payable list as presented.

**Adjournment** Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the December 13, 2013 Special Meeting of the Red Sky Ranch Metropolitan District Board of Directors.

Respectfully submitted,  
*/s/ Kathy Lewensten*

Kathy Lewensten  
Recording Secretary