
RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors of the Red Sky Ranch Metropolitan Districts December 1, 2021

- Attendance** **The following Directors were present:**
- James Malernee
 - James Benedict
 - Steve Stroker
- Also in attendance were:**
- Bill Ankele, Esq White Bear Ankele Tanaka & Waldron
 - Kathy Lewensten, Recording Secretary, Marchetti & Weaver LLC
 - Ken Marchetti, CPA Marchetti & Weaver LLC
 - Peter Mason, RSR property owner
 - Susie Jacks, Esq. OgbornMihm, LLC
 - Kim Seter, Esq. Seter & Vander Wall PC
- Call to Order** The Special Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District was called to order by Director Malernee noting a quorum was present. *This meeting was held in a teleconferencing format.*
- 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, the intent of fully complying with laws pertaining to potential conflicts.
- Minutes** The Board reviewed the minutes of the October 18, 2021 and October 25, 2021 Meetings. Upon motion duly made and seconded, it was unanimously
- RESOLVED** to approve the October 18 and October 25, 2021 minutes.
- Old Business** **35 Acre Lot** Mr. Marchetti updated the Board on the request for water service on the 35-acre parcel. RSRPOA presented further questions to the applicant and continues dialog regarding the matter. The access easement is being reviewed as well. No action was needed.
- New Business** Director Benedict began discussion on potential candidates for the vacancies on the Board. It was reported Mr. Kurzweil had expressed an interest. Upon motion duly made and seconded, it was unanimously

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RESOLVED to appoint Mr. Kurzweil to fill one of the vacancies on the Board subject to his acceptance of the appointment and his execution of the oath of office.

Legal

Mr. Ankele reported he had reviewed matters concerning the sales tax revenues remittance requirements as had been requested at the last meeting. He had not found any requirements to remit the sales taxes to HCMD when received. He reminded the Board that sales tax revenues are restricted for street improvement, safety protection or transportation services. Mr. Marchetti suggested creating a special revenue fund which tracks the sale tax revenue, and any transfers that are made to HCMD. The Board requested a representative from HCMD come to the RSRMD meetings to report on expenditures related to the sales tax revenues, and reserves being held by HCMD before further transfers are made.

Financial

Mr. Marchetti presented the preliminary October 2021 financial statements including the 2021 Amended and 2022 budget including the final assessed valuation.

2021 Amended Budget

The continued public hearing for the 2021 Amended Budget was opened, no comment was offered and the public hearing was closed. Mr. Marchetti recommended the creation of a special revenue fund for the sales tax revenues. The Board agreed and directed the balance of the 2021 sales tax revenues be transferred into the Special Revenue fund. The transfer of sales tax to HCMD will be withheld until more information is obtained regarding the HCMD reserve balances and related long term capital expenditures. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2021 Amended Budget Resolution

2022 Budget

The Board reviewed the 2022 budget. The budget presented reflects a mill levy of 59 mills with a split of 28.089 mills for debt service and 30.911 mills for IGA contractual obligations (service). The continued public hearing was opened, no public comments were offered. The public hearing was closed. Mr. Marchetti briefly reviewed the long-range projections which reflected a potential bond issuance in 2023. The special counsel legal fees will be increased to \$60K for 2022. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the Red Sky Ranch Metropolitan District 2022 budget with the revisions as discussed, and

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FURTHER RESOLVED to appropriate the sums of money for 2022, and

FURTHER RESOLVED to certify the mill levy at 59.000 mills.

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

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

Future Meetings The next regular meeting is scheduled for February 21, 2022 at 4:00 p.m. Subsequently, after executive session, a special meeting was scheduled for Monday, December 20, 2021.

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 the legal advice related to specific legal questions and developing positions related to negotiations for debt management and water matters. Mr. Mason, Mr. Seter and Ms. Jacks were asked to attend the executive session. 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 special counsel attorney, constitute privileged attorney-client communication pursuant to §24-6-402(4)(b) and (e). The Board entered into executive session at 3:31 p.m. and adjourned the executive session at 4:08 p.m.

Mr. Ankele, Mr. Marchetti and Ms. Lewensten exited the meeting at 3:34 p.m.

Upon return to regular session Mr. Seter announced that all discussions were subject to attorney/client privilege and within the topics authorized by §24-6-402(4)(b) and (e). No motions or other decisions were made or consummated in the executive session. The Board discussed and requested the scheduling of a zoom meeting for Monday, December 20, 2021 at 2:00 p.m. at which time the Board will enter into executive session to receive additional attorney client communications.

Adjourn

Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the December 1, 2021 Special Meeting of the Red Sky Ranch Metropolitan District Board of Directors.

Respectfully submitted,
Kathy Lewensten
Recording Secretary