Annual Members Meeting

December 18, 2019
2019 TMVOA Board & Staff

ELECTION A
Residential
Jim Royer
VICE CHAIRMAN

ELECTION B
Lodging
Vacant

ELECTION C
Commercial
Sean Stogner

ELECTION D
Mountain Special
Bill Jensen
CHAIRMAN
Jeff Proteau

Staff
Anton Benitez  President & CEO
Garrett Brafford  Operations & Finance Director
Heidi Stenhammer  Administration & Operations Manager
Whitney Pearce, CPA  Accounting Manager

Board members serve 2-yr terms (Classes A, B, C)
2019 ELECTION RESULTS

Board of Directors Meeting
December 18, 2019
Voter participation data is for Residential (Class A)
### Class A: Residential

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Votes</th>
<th>% of Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Child</td>
<td>150.336</td>
<td>18.953</td>
</tr>
<tr>
<td>Peter Yates</td>
<td>17.33</td>
<td>2.185</td>
</tr>
<tr>
<td>Jim Royer</td>
<td>522.101</td>
<td>65.820</td>
</tr>
<tr>
<td>Heather Knox</td>
<td>103.447</td>
<td>13.042</td>
</tr>
</tbody>
</table>

Total Possible Votes: 2078.77

Total Votes Cast: 793.214

Mail In Ballots: 4

Disqualified Ballots: 1
# TMVOA Election: 2019 Results

## Class A: Lodging

<table>
<thead>
<tr>
<th>Total Possible Votes: 934.26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Votes Cast: 424.521</td>
</tr>
<tr>
<td>Mail In Ballots: 0</td>
</tr>
<tr>
<td>Disqualified Ballots: 0</td>
</tr>
</tbody>
</table>

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<th>Votes</th>
<th>% of Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michelle Caporicci</td>
<td>424.521</td>
<td>45.439</td>
</tr>
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</table>
Board members serve 2-yr terms (Classes A, B, C)
AGENDA

1. 2019 Review
   - Accomplishments
   - Need to Know (Member Services)

2. Local Economy
   - Real Estate Trends

3. Financial
   - Association Balance Sheet
   - Quarterly Updates

4. 2020 Strategic Initiatives
   - Member Services & Representation
   - Gondola Long-Term Plan
   - Economic Vibrancy & Sustainability
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Mountain Village Station

Controls Project

New Low Voltage Cabinets
Mountain Village Station

Controls Project
New Brake Control Unit

New Brake Calipers & Speed Feedback Devices

New Rope Tensioning Unit
New Seats & Covers (29 cabins)  Cabin Refurb (9)
Long-Term Gondola Roadmap

**Completed**

- **Financial Obligations**
  - System Budget: 2015-2027 (TMVOA)
  - $57M est.
  - $7M Capital
  - $50M Ops & Maint

- **Stats**
  - Number of Gondola Ridership:
    - Annually: +2,800,000 (exits/trips)
    - Winter: ~48%
    - Summer: ~52%

- **Stage 1**
  - **Existing System Eval**
    - Eng. study (load capacity)
    - Independent study: Phase 1
    - Operating plan
    - Maintenance plan
    - Repair & Capital plan
    - Reserve analysis
    - Historical ridership
    - Upgrade potential

- **Econ Impact Study**
  - Determination of beneficiaries
  - Gond/Chond committee formed
  - TMV, ToT, SMC form subcommittee
  - BBC Study
  - Projected/future ridership

- **Stage 2**
  - **Desired System**
    - Research
    - Stakeholder education
    - Service levels
    - Customer expectations
    - Public communications & education
    - Independent Analysis [Options | Summary]
      - Options (upgrade, replace, other)
      - Initial funding discussions

- **Stage 3**
  - **Partnering**
    - Education rollout
    - Stakeholders
    - Community partners
    - Regional partners
    - RTA

- **Funding Plan** (post 2027)
  - TSG
  - 1% of total lift ticket sales (gross revenue)
  - Agreement Expires: 12/31/27
  - No longer required:
    - Operate & maintain (TMV)
    - Pay for ops/maint/cap (TMVOA)
    - 1% of lift tickets (TSG)
    - Buses during G shutdown (TMV)

**In Progress**

- **Focus Blocks**
  - In-Process / Timeline
  - Complete

- **Service Levels**
  - Jan 2015
  - Q3 2018

**Timeline**

- Complete
- In Progress
- High-Level Working Document
Resolved Litigation

- Litigation was related to vehicle parking on Lot 161-CR by owners of Ridge units
- TMVOA was defendant
- June 2019 - Settlement Agreement reached
- RESULT: Clean title, allows for property to be positioned with qualified developers
MARKET at Town Hall

- 9/16/19 - TMVOA announces transition of market to new operator after remodel and enhancements to exterior of building that will provide for a more modern appearance as recommended in the approved Town Hall Subarea Plan that was an amendment to the Town’s Comprehensive Plan in June 2017
- 9/30/19 – Previous market operator vacates space
- 10/1/19 – Demolition of interior space begins
- May 2020 – THE VILLAGE MARKET Grand Opening
Conceptual Rendering of Town Hall Subarea Buildings
Current Exterior

▪ More glazing / windows
▪ Removal of tower

New Exterior

▪ More glazing / windows
▪ Building addition / bump-out of 600 sq ft for interior seating area
▪ Removal of tower
12/17: Structural steel in place for addition
12/17: All below ground lines in place & concrete fill is complete
Launched of Dial-a-Ride App

- DAR usage continues to increase; total rides has doubled since TMVOA took over in 2014
  - Past year = 41,083 rides
- Sep 6, 2019 – App launched
Telluride Brewing Co. - Opening Tasting Room in MV

What: Tasting room, including signature, small batch beers brewed on-site, & food menu (tacos +)

▪ Where: Approx. 1,500 sq ft commercial space adjacent to Black Iron Grill

▪ When: Construction is already underway; targeting May/June opening
Telluride Brewing Company
Launched Common Consumption - June 15, 2019

Common Consumption Area (CCA)
Overview

- Hours of Operation: Noon to 9 p.m., 7 days a week from 11/22/19 – 4/5/20
- The CCA encompasses Heritage Plaza and Sunset Plaza only. The Telluride Conference Center plaza area is not currently included in the CCA.
- No outside alcohol is allowed
- Alcoholic beverages purchased from one licensed liquor establishment in approved disposable cups will only be permitted in the CCA and cannot be brought into another liquor establishment.
- Reflection Plaza is licensed to Madeline Hotel & Residences therefore only alcoholic beverages from the Madeline Hotel & Residences may be consumed in that plaza.
- People with an alcoholic beverage from an approved establishment are not permitted to cross any roadways.

Participating CCA Establishments

- Crazy Elk Pizza
- Hotel Madeline & Residences
- Poacher’s Pub
- Salm’s Taos Grill
- The Pick
- Tomboy Tavern
- Telluride Coffee Company
- Telluride Distilling Company
- Telluride Ski & Golf Club House
- Tracks

[Map of Common Consumption Area]

Coffee Company Tracks + (soon)
On-line Dues Option Now Available

- You can now pay on-line with a credit card
- Need to have signed up for electronic invoicing
- Click [Link] at bottom of invoice – to secure site
- Save 10% if you pay full-year by Feb 28, 2020
This is an auxiliary committee that provides advice to the TMVOA Finance, Audit, and Budget Committee (FAB) to assist it in the exercise of its fiduciary responsibility.

**Investment Committee**

**Brian Kanaga**
- Served as Director in Global Proprietary Trading with Credit Suisse
- Served as Sr Quantitative Analyst, Index Derivatives at Susquehanna Investment Group
  - Statistical arbitrage
  - Volatility models
  - Quantitative trading & macro strategies

**Michael Zarrilli**
- Partner, Chief Operating Officer at KLS Diversified Asset Mgt
- Served as Chief Executive Officer of Stanwich Capital
  - Deputy Head of North American Credit Mkts – JP Morgan
  - Syndicated loans
  - Credit product & derivatives
  - Investment grade bonds
  - Asset-backed securities

**Pam Cavness**
- Served as Chief Compliance Officer with Edward Jones
- Former Chair FINRA National Adjudicatory Council
- Member FINRA Statutory Disqualification Committee
- Past member Securities Industry & Financial Markets Compliance and Legal Executive Committee

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Analytics – statistical and quantitative

Fixed income, banking and credit markets

Compliance, regulations and policy
This is an auxiliary committee that provides advice to the TMVOA Finance, Audit, and Budget Committee (FAB) to assist it in the exercise of its fiduciary responsibility.
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RETA Historical View

REAL ESTATE TRANSFER ASSESSMENT

Total Historical Since Inception $137,803,158
29 Year Average $4,751,833

2004 thru 2018 $93,200,895
15 Year Average $6,213,393

2014 thru 2018 $31,688,742
5 Year Average $6,337,748

2019(P) $6.9M
2020(B) $5.0M
### RETA Update

#### REAL ESTATE TRANSFER ASSESSMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>YTD 12/18</th>
<th>2019 Budget</th>
<th>2019 Actual</th>
<th>2018 Actual</th>
<th>5 Year Average</th>
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<td><strong>2019 Budget</strong></td>
<td><strong>$4,753,249</strong></td>
<td><strong>+$$2.2M</strong></td>
<td><strong>$6,940,000</strong></td>
<td><strong>$5,691,103</strong></td>
<td><strong>+$602K</strong></td>
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<td><strong>2018 Actual</strong></td>
<td><strong>$5,691,103</strong></td>
<td><strong>+$1.2M</strong></td>
<td><strong>$6,940,000</strong></td>
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**2019 Actual: $6,940,000**

**2019 Budget: $4,753,249**

**2018 Actual: $5,691,103**

**5 Year Average: $6,337,748**
RETA Update

RETA: Real Estate Transfer Assessment

2019 Act

5yr Avg

2019 Bud

2018 Act

as of 12/17
Trending: Lodging

YTD Oct ‘19
Total Lodging $

% values are change vs prior year

- Winter (+12.3%; +$3.6M)
  - 2018-19: $33.3M
  - 2017-18: $29.6M
  - 2016-17: $28.8M
  - 2015-16: $25.9M
  - 2014-15: $25.1M
  - 2013-14: $19.9M

- Summer (+7.5%; $1.3M)
  - 2019: $18.0M
  - 2018: $16.7M
  - 2017: $14.7M
  - 2016: $13.8M
  - 2015: $11.6M
  - 2014: $9.6M

Reference: TMV Sales Tax Collections; graphs represent total sales
Trending: Restaurant

**Winter (+8.8%; +$1.2M)**
- 2018-19: $14.3M
- 2017-18: $13.1M
- 2016-17: $12.7M
- 2015-16: $12.1M
- 2014-15: $11.0M
- 2013-14: $9.4M

**Summer (+14.2%; +$1.3M)**
- 2019: $10.2M
- 2018: $8.9M
- 2017: $8.6M
- 2016: $8.3M
- 2015: $7.1M
- 2014: $5.7M

Reference: TMV Sales Tax Collections; graphs represent total sales

YTD Oct ‘19
Total Restaurant $
% values are change vs prior year

- Winter (+8.8%; +$1.2M)
- Summer (+14.2%; +$1.3M)
Trending: Retail

YTD Oct ‘19
Total Retail $
% values are change vs prior year

- **Winter (+3.5%; +$513K)**
  - 2018-19: $15.3M
  - 2017-18: $14.8M
  - 2016-17: $13.3M
  - 2015-16: $12.6M
  - 2014-15: $12.1M
  - 2013-14: $11.1M

- **Summer (+29.9%; $1.6M)**
  - 2019: $7.0M
  - 2018: $5.4M
  - 2017: $5.1M
  - 2016: $4.7M
  - 2015: $4.1M
  - 2014: $4.2M

Reference: TMV Sales Tax Collections; graphs represent total sales

$2.36M related to sale of business assets

Winter

Summer
Trending: Retail- MV vs Out of Area

**YTD Oct ‘19**
Total Retail-MV vs OoA$

% values are change vs prior year

- **Winter**
  - 2018-19 Total $15.3M
  - MV Retail $13.6M
  - Out of Area $1.7M

- **Summer**
  - ’19 Total $7.0M
  - MV Retail $4.5M
  - Out of Area $2.5M

*Important Note:* Beginning January 2019, the Town made changes to the way sales tax is reported. Specifically, changes are:
- Grocery and liquor is now rolled-up into Retail (it was previously its own category)
- Retail is now segmented into 2 categories
  - MV (local businesses)
  - Out of Area (mostly for taxes received from online purchases)

*Reference:* TMV Sales Tax Collections; graphs represent total sales.
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Balance Sheet: At-a-Glance

As of 9/30/19

**Assets**

- 28% — Investment in Subsidiary (Investment in Subsidiary) $9.1M
- 45% — Marketable & Temporary Money Mkt Investments $14.8M
- 14% — Property & Equip $4.5M
- 1.5% — Other ($483K) $1.4M
- 2% — Land Held for Resale ($586K) $1.5M
- 3% — Restricted Cash ($1.0M) $9.1M
- 3% — Cash & equivalents ($1.1M) $14.8M

**Liabilities**

- Undesignated & OCI 88%
- Designated Gondola & Chondola Reserves 12%
- Gondola Op & Maint AP ($865K) 60%
- AP ($907K) 60%
- Bond Funding 37%
- Other ($46K) 3%

**Member’s Equity**

- Undesignated $27.7M

**Members’ Equity**

- 95%
- 5% $1.5M

**Total**

- $32.9M
- $31.4M
- $27.7M

1. Affordable Housing
2. CO Lot 161C-R Mountain Village LLC
Financials

Key Points

Gondola

Concise summary to keep members updated

RETAs

Investments

Trends
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2020 Initiatives

Member Representation & Services

Inform & educate via consistent & straightforward communications

Summer Mtg ➔ to gather feedback & help us better represent members

Expand website ➔ Comprehensive information portal
2020 Initiatives

Transportation - Gondola -

Continue to inform and educate regional community & partners

Begin the independent analysis (by gondola industry expert) that will yield final report of options (Phase 2)
2020 Initiatives

Economic Vibrancy & Sustainability

- Continue to prepare and position owned properties for next steps and development
- Work toward achieving goals in Comp Plan – Finishing the Core (Vision)
- Continue to build upon Village Vibrancy Initiatives & Programs
Thank you for attending