



## MINUTES OF THE TELLURIDE MOUNTAIN VILLAGE OWNERS ASSOCIATION

### BOARD OF DIRECTORS MEETING

December 14, 2016

<b>BOARD MEMBERS PRESENT:</b>	Jeff Proteau, Robert Stenhammer, Pete Mitchell, Jim Royer (via phone), Duncan Hogarth, and Jeff Badger
<b>BOARD MEMBERS ABSENT:</b>	Bill Jensen – Proxy to Director Proteau
<b>STAFF PRESENT:</b>	Anton Benitez, Garrett Brafford, Heidi Stenhammer, and Louise LaBranche
<b>STAFF ABSENT:</b>	N/A
<b>OTHERS PRESENT:</b>	Stephanie Fanos (TMVOA legal counsel) and Laila Benitez – TMV Town Council

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#### 1. Call to Order and Determination of Quorum

Vice-Chairman Mitchell called the meeting to order at 4:05 p.m. MST in Mountain Village Town Hall and noted that a quorum was established with 6 out of 7 Board members present and Chairman Jensen's proxy assigned to Director Proteau.

#### 2. Consideration and the Approval of the Following Meeting Minutes

On **MOTION** by Director Stenhammer to approve the November 15, 2016 Special Board Meeting Minutes, the **MOTION** was seconded by Director Royer and carried unanimously (7-0).

On **MOTION** by Director Royer to approve the November 16, 2016 Board Meeting Minutes, the **MOTION** was seconded by Director Hogarth and carried unanimously (7-0).

On **MOTION** by Director Stenhammer to approve the December 6, 2016 Special Board Meeting Minutes, the **MOTION** was seconded by Director Badger and carried unanimously (7-0).

### 3. Consideration of Resolution to Adopt Assessment Rates for 2017

Controller Brafford stated that, with the current operating budget, there is no need to increase assessment rates for 2017. He further noted that TMVOA offers a 10% discount for pre-paying for the entire year before the end of February, and charges a 2% late fee and 18% per annum interest per month for late payments.

On a **MOTION** by Director Proteau to approve the Resolution to Adopt Assessment Rates for 2017 as listed in the 2017 proposed budget, seconded by Director Hogarth, the **MOTION** passed (7-0).

### 4. 2017 Budget Update

Executive Director Benitez reported that TMVOA received 16 economic stimulus applications totaling \$376K in funding requests. Evaluations of the applications took into consideration factors such as occupancy drivers, time of year, spending trends, vibrancy, community collaboration and financial need. The Finance, Audit and Budget committee reviewed staff recommendations at its committee meeting yesterday and recommends the Board approve grant funding for 11 of the 16 organizations totaling \$185K leaving \$122K in contingency funds to be used in 2017 for other stimulus initiatives.

Director Stenhammer commented, as the former chairman of the Hilton Head Island accommodations tax committee, that he appreciates the systematic, thoughtful and objective approach TMVOA staff takes in evaluating the applications. He noted that TMV has created a draft document of guidelines to be used when evaluating its grant application. This document states that applicants are not eligible for TMV funding if the applicant has applied to TMVOA, regardless of whether the applicant was approved or denied, for 24 months after the application. TMVOA will work in the coming months to create similar guidelines.

### 5. Consideration of Resolution to Adopt 2017 Budget

Controller Brafford noted two changes from the 2017 budget review this past November: There was a missing note on page 17 which has been fixed and page 19 - Schedule J has been updated to reflect the awarded economic stimulus funds. He noted that the year-over-year percentage increase in the 2017 budget versus the 2016 budget is 0.7% without including the Gondola and Chondola operations, maintenance and capital amounts. Director Proteau inquired about the status of the wildfire mitigation program. Controller Brafford commented that \$50K was contributed by TMVOA in 2016 to TMV for the program. There was a total of 25 participants and approximately \$20K of TMVOA funds were used. For proper accounting practices, the remaining \$30K will be given back to TMVOA before the end of the year, and then returned to TMV to continue the program again in 2017. Director Proteau asked that TMVOA staff work with TMV staff to explore including a forest health initiative in 2017, as well.

On a **MOTION** by Director Badger to approve the Resolution to Adopt the 2017 Budget, seconded by Director Stenhammer, the **MOTION** passed (7-0).

## 6. 2016 Spending Analysis

Controller Brafford gave a brief overview of the 2016 spending analysis.

On **MOTION** by Director Royer to approve the \$108,422 as outlined in the 2016 spending analysis detail out of the \$428,244 available for reallocation per budget note #1, the **MOTION** was seconded by Director Badger and carried unanimously (7-0).

## 7. Gondola/Chondola Reserve Balance

The Gondola/Chondola reserve balance outlines the major repairs and capital anticipated through 2027, at which time TMVOA's obligation to fund the gondola expires. At the beginning of 2016 the reserve balance was \$8.2M and approximately \$1.6M was spent throughout this year. Each year the reserve balance is analyzed and updated and there is typically an adjustment needed. Controller Brafford thanked Mr. Loebe and his team for going through this process every year to ensure that TMVOA has enough reserves to cover major repairs and capital improvements through 2027.

On **MOTION** by Director Proteau to approve a \$168,131 increase to revise the Members' Equity, board designated account for capital expenditures related to the Gondola and Chondola, this adjustment and the \$1,565,546 2016 capital spending will bring the total reserved equity to \$6,833,087 for obligations through 2027, the **MOTION** was seconded by Director Hogarth and carried unanimously (7-0).

## 8. 2<sup>nd</sup> Amended & Restated Investment Funds Policy and Procedures

Controller Brafford explained that the Investment Committee, which is advisory to the Finance, Audit and Budget Committee and Board of Directors, was formed in 2015. Its first priority was to revise the Investment Funds Policies and Procedures and create a RFP for investment services, which were with Wells Fargo and are now with Morgan Stanley as a result of the RFP process. Controller Brafford thanked TMVOA Members Pam Cavnass, Mike Zarrilli, and Brian Kanaga for their knowledgeable guidance and volunteer service on this committee.

The revised policy is based on best practices for nonprofits, complies with Colorado law, and incorporates the uniform prudent investor act. It also includes better benchmarking and performance standards. The policy was reviewed and approved by the Investment Committee and FAB on 12/13/16.

On **MOTION** by Director Royer to adopt the Second Amended and Restated Investment Funds Policy and Procedures, the **MOTION** was seconded by Director Badger and, after some discussion, carried unanimously (7-0).

## **9. TMVOA Updates**

### **Election Update**

Executive Director Benitez reported that the election is currently open with two individuals running for Director Mitchell's residential seat who are Jack Gilbride and Tim Kunda. He thanked Director Mitchell for his four years of service on the TMVOA Board. The outsourced party managing the election process has reported that a quorum of votes has been reached. They also verified that a quorum has been reached for Director Badger's unopposed commercial seat. The election closes this Friday and results will be announced at the December 28<sup>th</sup> annual meeting.

### **Dial A Ride Contract**

Executive Director Benitez reported that Telluride Concierge has been the Dial A Ride service provider for the past two years and has done an excellent job especially considering that usage has gone up year over year. Total vehicle trips were up 37% from 2015 to 2016 and passenger trips were up 49%. DAR adds a significant value by reducing traffic and parking needs. The contract will be renewed for another two years at a modest increase from \$595K to \$615K in year one and to \$625K in year two. Director Badger expressed appreciation to Telluride Concierge for providing high quality service, capital improvements with more sprinter vans with only a modest increase to the fee. It was also noted that the max number of rides per address, per season will remain at 200.

## **10. New Business / Other Business**

### **Visitation Initiative**

Executive Director Benitez explained that TMVOA has the opportunity to invest in initiatives that are designed to increase visitation to our destination in order to promote economic prosperity, vibrancy and sustainability. He noted that page 28 of the Mountain Village Comprehensive plan recognizes the key to improved economic vitality is increased visitation; more people visiting more often, staying longer and spending more.

TSG has established a relationship with the young president's organization (YPO) which is the largest group of its kind in the country. The average annual revenue per company that belong to the YPO is \$41M, with the average company having 250 employees. In total, YPO companies employ 15M people and generate \$6T in annual revenue. YPO runs annual events such as chapter retreats, regional conferences, network events, corporate meetings, and family leisure trips. YPO holds more than 5,000 annual events, and will be holding a conference at the Madeline for 300 people in late September for four days.

There are two opportunities for TMVOA to be involved in helping foster a positive relationship between YPO and Telluride; one is a membership to its intranet site which is a platform that links 150 YPO chapters with member only access and allows participating destinations to offer packages that are YPO

approved. The other opportunity is a sponsorship for participation in a global leadership conference which is a week of education and idea exchange in late February and early March 2017. TMVOA's FAB committee discussed these two opportunities at two previous meetings and came to the consensus that this would be a wise investment. Once committed, TMVOA will coordinate with the lodgers to determine how they can be involved and work to provide unique packages to put on the intranet site.

On **MOTION** by Director Royer to approve \$67.5K out of the 2017 approved budget contingency funds for YPO initiatives, the **MOTION** was seconded by Director Badger and carried unanimously (7-0). Controller noted that these funds will be paid in 2016 as a prepaid expense and will be expensed in 2017.

### **11. Next Meeting Dates & Adjournment**

The Annual Members meeting will be held on Wednesday, December 28, 2016 at 4: 00 pm MST followed by a Board of Directors meeting to determine board seats. A winter member social will also take place that evening at Bijou at Lumiere. Page 23 of the packet also includes a proposed schedule of 2017 meeting dates which will be review by the board and addressed with staff directly.

### **12. Adjournment**

On a **MOTION** by Director Stenhammer, seconded by Director Badger, the meeting adjourned at 5:22 pm MDT.