



MINUTES OF THE TELLURIDE MOUNTAIN VILLAGE OWNERS ASSOCIATION

BOARD OF DIRECTORS MEETING

September 16, 2020

BOARD MEMBERS PRESENT: Jeff Proteau, Tim Kunda, Jim Royer, Tom Richards, Sean Stogner, Chad Horning and John Volponi (all via zoom)

BOARD MEMBERS ABSENT: None

STAFF PRESENT: Anton Benitez, Garrett Brafford, Whitney Pearce-Rosenfeld and Heidi Stenhammer (all via zoom)

OTHERS PRESENT: Joe Solomon - TMVOA Legal Counsel, Dan Caton & Laila Benitez – TMV Town Council, Patrick Latcham – TSG, Zoe Dohnal – TMV, Keith Brown, Brian Eaton and Dave Mackown (all via zoom)

1. Call to Order and Determination of Quorum

Vice-Chairman Royer called the meeting to order at 4:04 p.m. MST and noted that a quorum was established with 6 out of 6 Board members present via Zoom video conferencing.

2. Consideration and the Approval of the Following Meeting Minutes

On **MOTION** by Director Kunda to approve the July 8, 2020 Board Meeting minutes as presented, the **MOTION** was seconded by Vice-Chairman Royer and carried unanimously (6-0).

On **MOTION** by Director Richards to approve the July 10, 2020 Special Board Meeting minutes, the **MOTION** was seconded by Director Kunda and carried unanimously (6-0).

On **MOTION** by Director Richards to approve the July 13, 2020 Special Board Meeting minutes as presented, the **MOTION** was seconded by Director Kunda and carried unanimously (6-0).

3. Board Appointments

President & CEO Benitez reported that there have been some recent changes to the TMVOA Board of Directors. Michelle Caporicci was appointed in early 2020 as to the Lodging director due to a vacancy. She stepped down as the GM of the Madeline in May of this year and resigned from this Board. Through Unanimous Consent, the Board appointed the new GM of the Madeline, John Volponi to replace Ms. Caporicci. Mr. Volponi was a member of the TMVOA Board of Directors in 2010 and 2011 and is very familiar with the organization. Additionally, Bill Jensen, CEO of TSG, resigned from TSG and the TMVOA Board of Directors in early September. TSG appointed Chad Horning to fill his seat.

According to TMVOA's Governing Docs, Jim Royer, the Vice-Chair has assumed Bill Jensen's vacated Chairman role. Director Kunda is currently the Secretary/Treasurer so the Board needs another officer.

On **MOTION** by Director Volponi to appoint Jim Royer to Chairman, Jeff Proteau to Vice-Chair and Tim Kunda to remain as Secretary/Treasurer, the **MOTION** was seconded by Director Stogner and carried unanimously (7-0).

These positions will be up for nomination at the December 16th annual meeting once the Commercial and Residential election results are announced. All present agreed that Director Horning should fill Bill Jensen's vacancy on the Finance, Audit & Budget (FAB) committee.

4. Accounting Updates

RETA Update

Accounting Manager Pearce-Rosenfeld reported that TMVOA has already exceeded its annual 2020 RETA budget of 5.003M by \$416K and anticipates another \$200K by the end of the year. RETA collections have also beat the year-to-date, five-year average. Staff will continue to be conservative in forecasting due to changing inventory and market projections.

MV Sales: Summer 2020

July '20 vs prior yr ('19)

- Lodging: 24% (\$1.2M)
- Restaurant: -32% (-\$974K)
- Retail (Total): \$1.8M (-7% / -\$139K)
 - MV: \$739K
 - OA: \$1.1M

June '20 vs prior yr ('19)

- Lodging: -60% (-\$2.1M)
- Restaurant: -78% (-\$1.5M)
- Retail (Total): \$1.5M (+29% / +\$335K)
 - MV: \$918K
 - OA: \$582K

May '20 vs prior yr ('19)

- Lodging: -97% (-\$590K)
- Restaurant: -88% (-\$191K)
- Retail (Total): \$481K (-4% / -\$20K)
 - MV: \$269K
 - OA: \$213K

Investment Committee: Recommendation for an Investment Advisor

Accounting Manager Pearce Rosenfeld reported that, as part of TMVOA's due diligence, an RFP is performed on a periodic basis to select an Investment Services Manager of TMVOA's fixed income and equities portfolios. The RFP was announced on July 2, 2020 with a deadline of August 15, 2020. TMVOA received four interested candidates: Raymond James, Morgan Stanley, Goldman Sachs and

Alliance Bernstein. The Investment Committee invited all four to provide a presentation. Each RFP participant was evaluated on qualifications, services, costs and benefits offered by the organization to determine the institution's ability to serve TMVOA's investment needs.

The Investment Committee recommended to the FAB Committee to select Goldman Sachs. This recommendation was made based on the whole package, which included the depth of their firm experience, the investment manager's identified strategy based on TMVOA's specific needs, and the benefits of being with a large firm. FAB discussed, made the same recommendation to the Board and instructed staff to go back to Goldman Sachs to negotiate a more favorable line of credit rate and fees. Goldman Sachs was able to reduce its fees to .46 from .48, but did not reduce the rate on the line of credit.

On **MOTION** by Member Kunda to appoint Goldman Sachs as TMVOA's new investment services manager, the **MOTION** was seconded by Director Stogner and carried unanimously (7-0).

On **MOTION** by Vice-Chairman Proteau to extend Mike Zarrilli's term on the Investment Committee through the transition from Morgan Stanley to Goldman Sachs, the **MOTION** was seconded by Member Kunda and carried unanimously (7-0).

5. Capital / Development Projects

Village Market

Director of Operations and Finance Brafford reported that The Village Market renovation is mostly complete with some HOA documentation to finalize and the formal entry sign to be hung. It is a drastic improvement over the previous market with incredible selection and quality and residents and guests have voiced very positive feedback about the shopping experience. In comparing sales against historical performance, there is a 123% increase in sales in the month of July compared to 2018, which could be partially related to COVID considering that more people are cooking at home. The renovation was \$480K under budget. TMV waived \$84K in permitting fees, construction was under by \$213K and the operator of the Market reimbursed ~\$100K in equipment costs.

Telluride Brewing Company

Director of Operations and Finance Brafford reported that the Telluride Brewing Company space is close to being completed. There have been some delays related to COVID which may result in budget overages but that has yet to be determined and every attempt to stay on budget is being made. A soft opening is planned for mid-November and the brewery will feature brews exclusive to Mountain Village around Christmas time. The food portion of the operation will be sub-leased and should be finalized soon and announced to the public.

6. 2020 Lodge Member Assessments

President and CEO Benitez gave an overview of the 2020 Lodge member assessment rates and Dave Mackown and Keith Brown commented on the matter and read excerpts from their letter to the Board. All information can be [found here](#) on pages 18-34.

Staff has identified three possible options in dealing with this situation:

1. No change in Lodge Assessment Rate. Maintain the current 2020 approved annual rate of \$678.
2. Re-evaluate Lodge Assessment Rate for 2021. Maintain current rate for 2020 as approved with agreement to re-evaluate Lodge rates for next year (2021).
3. Amendment to 2020 Budget to Reduced Lodge Rate. Approval of a 2020 budget amendment for a lower Lodge rate for current year. Key decisions/actions include:
 - a. Determine revised rate. Given previously outlined rationale for a different rate than that of Efficiency Lodge and Condo/SFR, a revised rate for Lodge which is 85% of that of a condominium. This would result in a Lodge assessment rate of \$576 (annual).
 - i. This lower rate takes into account that Lodge units have the same allowable uses as a condominium (no short-term accommodation designation) and also that there are clear differences between the two in regards to size, kitchen, parking and density.
 - ii. Would involve TMVOA making a refund to those Lodge members who have pre-paid their annual assessment or have made payment in excess of \$576.

A discussion ensued. On **MOTION** by Director Kunda to maintain current rate for 2020 as approved with the agreement to re-evaluate Lodge rates during the 2021 budget process, the **MOTION** was seconded by Vice-President Proteau and carried unanimously (7-0).

7. General Updates

Regional Marketing Initiative

Patrick Latham of TSG reported on the following updates from the 2020 Regional Marketing Initiative of which this Board recently approved a \$200K contribution.

- Developed a trackable, fall offer with The Mountain Lodge and Telluride Outfitters
 - Shared with companies and individuals which resulted in 6 bookings and \$12k in revenue for the Mountain Lodge
 - Shared via an eblast to 44,299 regional, past guests
 - The email is reporting revenue of \$43,742 for the destination
- Closed the small, regional utility program, RMEL
 - \$75k economic impact for Mountain Village
- Closed a Colorado EO Forum retreat
 - \$70k economic impact for Mountain Village
- Saint Mary's Site visit is September 22nd
 - Looking at Winter Board retreat offsite
- Developing our Thanksgiving to Christmas regional offers
- Hired a full time, in-market sales rep for Scottsdale and Phoenix

Winter Plaza Enhancements

Director of Operations and Finance Brafford reported that the summer enhancements to the TMV plazas have been a great success. Residents, visitors, and businesses have all benefitted from the increased activity encouraged by the new furniture, umbrellas, and lighting. The Business Development Advisory

Committee has now turned its attention to the winter season to continue this increase in convenience and vitality.

The goals of the winter initiative are to: provide structures primarily for outside dining options in the village core, shelter against the winter weather with enclosed or semi-enclosed structures with heaters and light, allow flexibility in the structures to allow reconfiguration as needs change, create structures that are appealing and meet the high-quality brand of the village, allow pandemic-era separation of diners, but anticipate long-term winter needs of durability and flexibility that encourage vitality beyond short-term standards and finally, be cost-effective and be available for use by December 15.

Options include the purchase of 20 refurbished gondola cabins, the purchase of 8 yurt structures, lighting and heating infrastructure upgrades and a merchant heating assistance program. A discussion ensued.

On **MOTION** by Vice-President Proteau to approve a 50/50 partnership with the Town of Mountain Village to purchase 20 refurbished gondola dining cabins at \$125k, 8 large yurts at \$90k, \$65k for infrastructure updates related to the gondola cabins and yurts, and \$35k for the heating assistance program totaling \$315k out of the 2020 general contingency, the **MOTION** was seconded by Member Stogner and carried unanimously (7-0).

Speakers in Village Center

President and CEO Benitez reported that, as part of the Village Center Subarea plan, TMVOA contracted with SNOB Productions to purchase and install wireless speakers throughout Heritage Plaza to improve vibrancy. The 13 speakers were added to 7 light poles in January 2020 at a total cost of \$39K. The speakers play ambient music daily from 10am to 7pm. When live performers are present, they tie into the speakers wirelessly so that live music is projected throughout the plaza. This pilot program has been very well-received by the public. Therefore, quotes have been received for expanding the wireless system into Village Pond Plaza encompassing eight speakers for a total of \$20K.

On a **MOTION** by Director Horning to approve the expansion of the wireless speaker system into Village Pond Plaza for a total of \$20K to include appropriate approvals from TMV, the **MOTION** was seconded by Director Richards and carried unanimously (7-0).

Dial A Ride

President and CEO Benitez reported that the Board selected Telluride Concierge, a subsidiary of TSG, to provide Dial A Ride service over the past two RFP processes. They have provided excellent DAR service for the past six years and ridership over that time has more than doubled. TMVOA is currently in a two-year agreement with Telluride Concierge which expires at the end of this summer season. Typically, TMVOA would enter an RFP process however, due to the excellent service provided by Telluride Concierge, staff would like to avoid having to go through that process.

TMVOA's legal counsel advised staff to enter negotiations with Telluride Concierge to come to an agreement for the next contract term. Telluride Concierge has offered a three-year contract with a 3.5%

annual increase including a \$22K incremental cost to add two additional vehicles with two additional drivers.

On **MOTION** by Director Kunda to approve a three-year contract with Telluride Concierge at an annual increase of 3.5% and a one-time expense of \$22K to add two additional vehicles and drivers, the **MOTION** was seconded by Director Stogner and carried unanimously (4-0). The three TSG Board members recused themselves from the vote as Telluride Concierge is a subsidiary of TSG.

8. New Business / Other Business

None.

9. Next Meeting Dates

The next Board of Directors meeting will be held on Wednesday, November 11, 2020 at 4: 00 pm MST.

10. Executive Session pursuant to CRS Section CRS 38-33.3-308 (3) & (4)

An Executive Session was deemed unnecessary.

11. Adjournment

On **MOTION** by Director Richards the meeting adjourned at 6:05 pm MDT.