



MINUTES OF THE TELLURIDE MOUNTAIN VILLAGE OWNERS ASSOCIATION

BOARD OF DIRECTORS MEETING

July 21, 2015

BOARD MEMBERS PRESENT:	Jeff Proteau, Jeffrey Badger, and Pete Mitchell
BOARD MEMBERS ABSENT:	Jon Dwight and Chuck Horning (Jeff Proteau voting by Proxy), Brent McLean
STAFF PRESENT:	Anton Benitez, Garrett Brafford and Heidi Stenhammer
STAFF ABSENT:	None
OTHERS PRESENT:	Joe Solomon, Robert Stenhammer, Laila Benitez, Nichole Zangara, Gwen Daniel, Jolana Vanke, Kim Hewson, Ana Coe, Matthew Hinterrmeister, Tim Cannon, Chris Myers and Erin Ries

1. Call to Order and Determination of Quorum

Director Proteau, acting as Chairman in Mr. Dwight's absence, called the meeting to order at 9:00 a.m. MDT. Director Proteau stated that he held a Proxy for Director Horning and Director Dwight, and announced that a quorum had been established.

2. Consent Agenda-Consideration and the Approval of the Minutes from the March 18, 2015 Board of Directors Meeting

On a **MOTION** by Director Mitchell to approve the Minutes from the March 18, 2015 Board of Directors Meeting, seconded by Director Badger, the **MOTION** passed (5-0.)

3. TMVOA Updates

Executive Director Benitez gave a PowerPoint presentation. The following topics were addressed:

- Q2 Consent Resolutions
- Economic Stimulus Funding
- Economic Stimulus/Q2 Event Update
- Dial-A-Ride Update
- 2015 Q1 Financial Snapshot
- Gondola Committee & Resolution Update

(The PowerPoint presentation is available on the TMVOA website via livestream.)

Director Proteau asked if the Telluride Fire Festival is currently being funded by TMVOA Economic Stimulus dollars, or if the presentation later in this meeting is for 2016 funds. Executive Director Benitez stated that this request is for 2016 and due to the fact that the festival is so early in the year a decision needs to be made in the near future.

Director Proteau asked if TMVOA is a sponsor of Pretty Lights and Executive Director Benitez stated that, at this time, TMVOA is only sponsoring the event to the extent of extending the gondola operating hours.

Director Proteau asked if TMVOA could compare contributions for each quarter with the sales tax to see if our contributions are making a positive financial impact. Executive Director Benitez has met with the TMV accounting manager and they publish their numbers monthly, however, weekly would be preferred. Mr. Brafford stated that the tourism board attempts to collect the data weekly and he will work with them to improve the database and create the appropriate comparisons.

Director Badger noted that while lodging is up significantly at 32%, the retail and restaurant sectors are lagging. It would appear that people are getting on DAR and headed to town for dining and shopping. Mr. Benitez stated that further research will be done to determine the destinations of DAR ridership.

Director Proteau inquired about the lodging trends and whether or not they include VRBO and AirBNB. Executive Director Benitez stated that they do, however, some of these organizations may be three to four months behind in reporting. Executive Director Benitez will be working with the appropriate representatives to determine the number of professional vacation rentals versus personal vacation rentals.

Mr. Brafford reported on the 2015 Q1 Financial Snapshot. These snapshots are available on the TMVOA website. The purpose is to give membership an easy-to-digest format to understand TMVOA's financial picture. The reports are delayed a couple of months due to lagging payables. It includes a high-level summary, a rolled-up balance sheet with major and significant accounts, the gondola performance from TMV's quarterly reports, a RETA summary and an investment summary including fixed assets versus equity. Mr. Benitez noted that the Finance, Audit and Budget committee is seeking member participation in the committee to expand the knowledge base and offer valuable input. Currently there are 8 members who have expressed interest in participating.

Regarding the Gondola Committee Update and Resolution, Mr. Benitez reported that phase one of gondola planning will be to understand the existing system, phase 2 will determine what future transportation system is desired and phase 3 will be to partner with the Town of Telluride, Town of Mountain Village, TMVOA and San Miguel County to discuss funding and create a road map to 2027. Mr. Brafford noted that this committee will be in charge of budgeting, monetary items and life safety issues relative to Gondola operations. It will meet on a quarterly basis. Director Proteau noted that 12 years from now the obligation for TMVOA to run the gondola will expire. Currently, TMVOA funds the Gondola at approximately 3.5M per year since its inception. The next 12 years will go by very fast so it's imperative to have a plan and road map in place for the uncertainty of post 2027.

Mr. Brafford requested a motion to approve the Gondola/Chondola Committee & Resolution. On a **MOTION** by Director Mitchell to approve the Gondola Committee and Resolution, seconded by Director Badger, the **MOTION** passed (5-0). Regarding the financial update, Director Proteau noted that there is a very clear, medium to low-risk investment policy that is strictly adhered to by TMVOA. Mr. Brafford noted that this policy is posted to the TMVOA website and he is currently working with Wells Fargo to further review and potentially update, with Board approval, in the future.

4. Audit Summary by Blair and Associates P.C.

Mr. Brafford introduced Pete Blair of Blair and Associates. Mr. Blair gave a brief summary of the 2014 audit which is posted on the TMVOA website. It is the opinion of Blair and Associates that TMVOA's financial statements as of December 31, 2014 and 2013 present fairly, in all material respects, its financial position and the results of its operations and its cash flows for the years then ended is in conformity with accounting principles generally accepted in the United States of America. It was further noted that investment compliance is being followed well, internal controls are established and the TMVOA accounting department is doing excellent work.

5. **Telluride Aids Benefit (TAB) Presentation**

Representatives from the Telluride Aids Benefit attended the meeting to give a brief overview of the benefit and the economic impact to Mountain Village. This presentation is available on the TMVOA website via Livestream. TMVOA has supported TAB through Economic Stimulus funds on an annual basis for many years and expects to support in 2016 at a financial level yet to be determined.

6. **Telluride Fire Festival Presentation**

Representatives from the Telluride Fire Festival attended the meeting to give a brief overview of the festival and its economic impact to Mountain Village. This presentation is available on the TMVOA website via Livestream. TMVOA supported this festival in January 2015 - its inaugural year and is likely to support it in 2016 at a financial level yet to be determined.

7. **Budget Expenditures / Unapplied and Contingent Funds**

Mr. Benitez was previously asked by the board to put together an expedited process to obtain approval for the use of economic stimulus contingency funds. The process currently requires an executive summary and a unanimous consent by the board before those funds can be accessed which can take a tremendous amount of staff time to complete. Mr. Benitez worked with TMVOA legal counsel to create a policy to obtain approval to spend unapplied and contingent economic stimulus funds with approval of the board chairman and the executive director.

TMVOA's 2015 approved budget contains the following three notes: 1) if the board of directors chooses not to fund specific budgeted items, those funds at the board's discretion, may be applied to other appropriate TMVOA needs, 2) although budget items may be identified as approved, they are not mandatory expenditures and, 3) the board of directors has discretion to approve expenditures from the contingency set at \$500,000. In addition, the budget, Schedule J-Economic Stimulus, contains a \$100,000 Economic Stimulus contingency.

On a **MOTION** by Director Mitchell, the method of approving expenditures either from budgeted but unfunded items, or from the \$100,000 Economic Stimulus Contingency, shall be as follows: The TMVOA Executive Director (Anton Benitez) shall have discretion to make such expenditures, with written approval from the TMVOA Chairman (Jon Dwight). The **MOTION** was seconded by Director Badger and passed (5-0).

8. **Delinquent Accounts Update per Collection Policy**

Mr. Solomon reported that a few years ago TMVOA had a significant number of delinquent accounts and started filing liens against the delinquent owners which was ineffective. The policy has since been revised so that when owners are six months overdue there is a series of communications that occur followed by a final letter from the TMVOA attorney, Mr. Solomon, including the intent of formal legal action which has significantly cleaned up the delinquent accounts. The following members are currently delinquent:

1). Eric, Joseph and Joyce Thoren, owners of 327 Adams Ranch Road, #401. Amount due: \$285.60. Not present at this meeting.

2). Eric, Joseph and Joyce Thoren, owners of Lot 640 DR-Unit 10. Amount Due: \$304.50.

On a **MOTION** by Director Badger, seconded by Director Mitchell, approval was given to move forward with formal legal collection action against each of these owners, for all delinquent dues, penalties, interest and attorney's fees, including a personal financial claim and an action for foreclosure on the listed property. The **MOTION** passed (5-0).

9. New Business / Other Business

Dr. Kim Hewson, a member of TMVOA, voiced comments and questions about the proposed location of the new Telluride Medical Center which is located behind the Village Market. His input can be viewed on the TMVOA website via Livestream. Director Proteau requested that Mr. Benitez facilitate between Dr. Hewson, other concerned members, and the Telluride Medical Center in getting various questions and concerns answered by the hospital Board.

10. Adjournment

On a **MOTION** by Director Mitchell, seconded by Director Proteau, the meeting adjourned at 11:20 am MDT.