

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS
TELLURIDE MOUNTAIN VILLAGE OWNERS ASSOCIATION
DECEMBER 3, 2008

BOARD MEMBERS PRESENT: Dave Riley, Richard Child, Jeff Proteau, Mike Perkins, Steve Togni and Jonathan Sweet via telephone

BOARD MEMBERS EXCUSED: Michael Wisniewski

STAFF PRESENT: Erin Neer, Stephanie Fanos and Jim Riley

OTHERS PRESENT: Dan Garner, Anneliese Riebel, Paul Major, Nelson Sharp, Jonathan Greenspan, Scot Shipman, Linda Cook

- 1.) **Call to Order** – Vice President Jonathan Sweet called the meeting to order at 12:07 p.m. Jasmine Riebel read a thank you letter to the TMVOA Board for her Lizard Head Hockey scholarship.

- 2.) **Consent agenda: Approval of Minutes from October 20, November 10 and November 20th 2008 Meetings** - Erin Neer explained that due to the volume of meetings this fall, coupled with the election audit that staff has been working on, we utilized a transcription service for these sets of minutes. She explained that she was still completing her review of the last set of minutes and explained that they were a complete transcript. The Board discussed whether they needed to review them completely, or whether they could rely on the fact that they were a transcript could allow them to be accepted at this time. Discussion ensued that the traditional summary detail of minutes is the preferred format that we will use for future minutes, and that this was a special circumstance. Director Child made a motion to approve the minutes for November 10th and the two meetings on November 20th, which was seconded by Director Togni. The October 20th minutes would be circulated to the Board within a week's time for approval by unanimous consent.

- 3.) **Adoption of 2009 Budget**
 - a. **Resolution to Adopt 2009 Budget:** Erin Neer reviewed the changes to the budget since the last meeting, which were included on page 1 of the budget memorandum including the addition of TMRAO funding, the parking management and the reallocation of the Jeep grant to merchant activities. Director Proteau clarified that the amount included in the budget for charitable donations was the amount that was approved at the November 20th for those items. Ms. Neer then explained that the resolutions for the adoption of the budget were also included in the packet and offered to review the Summary with the Board or any questions that they may have. She explained that the only remaining potentially material item with regards to the 2009 budget was the gondola budget and mentioned that the Town had presented a revised budget request and summary to TMVOA just a few minutes before the meeting started that they will present. Director Riley commented that it did not appear that any other changes were presented, other than those that were presented earlier, which were previously approved, and noted that we have reviewed the budget several times and made a MOTION to approve the 2009 budget which was seconded by Director Proteau. Greg Sparks, Town Manager, acknowledged that they just got revised numbers to Ms. Neer prior to the meeting, but that they were able to reduce some costs in the proposed budget and have now presented a reduced budget. He further noted that we

have a meeting scheduled to review in further detail with Director Child and Mayor Delves. Mr. Sparks explained that the proposed budget now presented does a better job of providing a comparison to the 2008 costs and the 2008 budget agreement. He explained that the proposed 2009 budget is \$84,000 over the 2008 budget agreement, which is a 2.4% increase and is exclusive of the capital outlay costs. The original request for capital items was for \$1.2 million, which has now been reduced to approximately \$450,000, which includes the repairs for the bullwheel. Mr. Sparks further stated that the proposed budget was in line with the parameters in the 1999 agreement which allows for the use of the prior year's budget plus an allowance for inflation. Director Child expressed that he was looking forward to Friday's meeting to review further. Vice President Sweet asked whether the capital items had been included in the budget. Ms. Neer stated that the Board's direction thus far has been to not include any of these items at this time so that they could await the Parametrix capital plan, however the Board could consider the bullwheel repair today. Vice President Sweet asked the Board if they would like to move forward with the bullwheel decision today and Director Child asked about the timing of the repair, which Ms. Neer stated would be done this spring. Vice President Sweet clarified the process on capital items. Ms. Neer explained that the Town has included capital items in every budget request they have presented at the three prior readings of the budget, but that the Board had directed staff not to include any items at this time due to 1) uncertain revenue streams given the significant downturn in RETA and 2) the pending study that is underway that the Town and TMVOA agreed to work together on to produce a long term capital plan. She further clarified that the bullwheel has arisen recently and may require a different process given the nature of this repair. Vice President Sweet recommended that the non-recused Board members consider including the bullwheel in the budget in light of the safety concern. Chris Colter, Transit Director for the Town explained that there is a 90 day delivery time frame and assured everyone that it is not a safety situation as they have implemented the repair procedures as recommended by Doppelmayr, but that it definitely needs to be replaced in the spring. Director Child clarified whether anything could deteriorate during the winter that would render the system inoperable. Mr. Colter explained that in that situation, we would simply run a shuttle bus and further reiterated that the system is safe as they have implemented the necessary repair procedures to ensure continued safety. The Board further discussed whether to amend the motion on the table to supplement the gondola budget for the bullwheel repair. Mr. Colter requested that the Board consider amending the budget to include all of the capital requests, stating that they were all essential items. Vice President Sweet then asked if any Director would like to make any adjustments to the gondola budget. Ms. Neer recommended that since that the Town needed to place an order for the bullwheel that the Board consider a motion for that item, but that the Board consider waiting on any other capital items as Mr. Colter had suggested until the Parametrix report could be completed and the Town and TMVOA could prepare a long term capital plan together at that time. Director Child made a MOTION to amend the 2009 budget to add the bullwheel repair, which was seconded by Director Togni, which was approved by all non-recused Board members on the matter which included Directors Child, Togni and Sweet. Vice President Sweet then asked for a motion to adopt the 2009 budget, as amended. Director Riley made this MOTION, which was seconded by Director Child and passed unanimously.

- b. **Resolution to Amend the 2008 Budget to Incorporate Amendments Approved by the Board throughout 2008:** Director Riley asked for clarification as to why a resolution is needed for the amendments the Board approved throughout the year, when those amendments had been included in each motion. Ms. Neer explained that, while their motions throughout the year authorized the necessary funds for those various items, a formal resolution documents the changes at the end of the year, making it easier to track those changes for audit purposes all at one time. Director Riley made a MOTION to approve the Resolution to amend the 2008 Budget to Incorporate Amendments Approved by the Board throughout 2008, which was seconded by Director Child, and the motion passed unanimously.

- 4.) **Consideration of Charitable Donation Policy** Ms. Neer explained that the Board, at the November 10th 2008 meeting, authorized 2% of operating expenditures for charitable contributions and to develop a policy to guide such contributions. She then reviewed the components of the proposed policy that was presented in the board packet, highlighting the various components of the policy. Ms. Neer clarified that all of the criteria were drafted as “should” vs. “musts” pursuant to the request of the Board to include the language in this format at the November 10th meeting. Director Child asked whether there would be a threshold to the number of points an organization must achieve in order to be considered. Ms. Neer clarified that we did not include a minimum threshold at this time in the policy, but could consider one if the Board would like. Director Proteau questioned similarly, in regards to the 70% of funding portion of the policy. Ms. Neer clarified that the policy was written with “guidelines” so that staff and the Board have leeway within the policy to make exceptions. For instance on the 70% of funding requirement, TMVOA could be providing 80% of the organizations funding and the applicant could still be awarded funds, but given that studies have shown that organizations with diverse revenue bases generally have a stronger business and operations plan, and are more successful at accomplishing their mission. Mr. Garner, a member, commented that the policy was good, but that he felt the definition of public benefit seemed unclear as to whether it applied to the region or to the Mountain Village. He further commented that it seemed that since our funds come from Mountain Village owners that perhaps organizations that utilize the conference center should be weighted more highly, since that is supported by the taxpayers as opposed to something that will have wide regional benefit but less impact for Mountain Village. Director Child commented that this point was considered in our other Economic Development Grants Policy and explained that this year the goal of this policy development was to clarify the purpose of the various requests we received. Vice President Sweet further clarified that these contributions are separate and distinct from economic development activity and the conference center deficit and the intent was to focus on true social services. Mr. Garner further clarified that the reason I raise this issue is that there are some organizations who will not fit in the economic development category, but who provide social services and have chosen to hold an event in Mountain Village, which has an increased benefit to Mountain Village than those which just provide social services by this direct benefit of the activity created in the conference center. Vice President Sweet stated that he would be comfortable adding something along those lines. Paul Major recommended that TMVOA consider incorporating the tax code requirements for the groups who are eligible for our funding and also to restrict from certain things like political contributions, religious organizations and debt reductions. Mr. Major further commented that he would recommend identifying measurable outcomes such as the number of phone calls or the number of people that the San Miguel Resource Center has moved through their system. Bob Delves commented that TMVOA has made tremendous progress in defining the criteria for our various types of funding in the past year. Director Riley commented that the input received today was really good and recommended that we consider both what Mr. Garner and Mr. Major said today and make the policy a little tighter. He further commented that he liked the grid presented, but also like the idea of measurable outcome. Mr. Riley commented that he though the criteria was too narrow and gave the example that he would like to see environmental groups in the organizations to be considered and also agreed with the questions raised about “who” is benefited. He further commented that the language in the financial criteria in particular is too narrow, unless we put a statement stating that the criteria are just goals and that we can have flexibility to go outside the goals. Director Child stated that he thought the policy is a good start and would not feel uncomfortable moving forward with it, but also agree that we should work to make it as perfect as we can. He further stated that in response to Director Riley’s comments that we have to be careful to distinguish this from our grant policy. Director Togni stated that he liked the policy overall and thought the most valuable input we’ve received today was looking at measurable outcome. He also stated that if we do want more flexibility to consider other types of requests, that we should outline that in the policy. Mr. Neer clarified that the Board always has that flexibility, such as with the request from TMRAO the previous month. Director Child echoed this clarification. The Board would like to see the new application as well as the revised policy at the next meeting and recommended that Ms. Neer utilize Paul Major as a resource in this process.

- 5.) **Consideration of Recommended Charitable Donations for 2009** Before the recommendations were discussed, the directors each stated their areas of conflict. Director Riley stated that TSG had an application for the San Sophia Nature Center. Director Sweet stated that he was on the board of Habitat for Humanity and Telluride Academy. Director Child stated that his wife was on the Dance Academy board. Director Child made a MOTION to approve the staff's recommendations as presented, which was seconded by Mike Perkins. Jonathan Greenspan, member asked for clarification on what the Palm theater grant was for. Jim Riley explained that it provides an opportunity for Mountain Village residents who go to school at the Telluride High School who could not normally afford to go to the events at the Palm. Director Riley asked whether the Telluride High School scholarships were only for Mountain Village residents as well, which Ms. Neer affirmed. Paul Major noted that the amount listed for the reserves for the Telluride Foundation was not accurate, and is happy to clarify the number presented in their application to anyone. Mr. Greenspan commented that the program that they were specifically applying for, One Telluride, doesn't have any reserves. Director Riley clarified that we are just pulling this from the balance sheet that the Telluride Foundation submitted to TMVOA, and that Paul Major has commented that there is more behind that number, but that is how it came about, from what they submitted to TMVOA. Vice President Sweet commented as to whether KOTO's application for the broadcasting request for Mountain Village could be considered under the economic development grants versus the charitable contribution requests. Ms. Neer clarified that we could certainly consider that request, we could consider a motion and amend the budget accordingly since the economic development grants were already decided. Mr. Greenspan then questioned why TSG and the Colorado Avalanche Information Center was not required to submit their reserves. Jim Riley clarified that the CAIC is supported by the State, so they did not submit the state's financials, and TSG as a private organization did not submit financials for the nature center. The motion passed unanimously.
- 6.) **Executive Session** Director Child made a MOTION to enter into executive session, which was seconded by Director Proteau. The same Directors made the MOTION and second to close the executive session and return to the regular meeting.
- 7.) **Consideration of Resolution to Formalize Assessment Billing Rates** Director Proteau made a MOTION to approve the Assessment Billing Rates for 2009, which was seconded by Director Togni and passed unanimously.
- 8.) **New Business** Mayor Delves presented a proposal to update the Economic Model that the Town and TMVOA worked together with Economic Planning Systems (EPS) three years ago. The Board discussed the value of the model and agreed that it would be advantageous to update the model so that it can be used since it is an asset that has already been invested in for the community. Director Riley made a MOTION to approve the funding for the model update to be shared 50% with the Town, up to \$15,000 with the following requirements: 1) that the model policies be updated to allow the model to be used by both TMVOA and the Town, 2) that the tool be improved to be user friendly and 3) that the Town and TMVOA staff follow up with other ski towns that have used the model to determine what recommendations they may have for us to incorporate in our model update. The motion was seconded by Steve Togni and passed unanimously.
- 9.) **Motion to Adjourn** Director Child moved to adjourn and Director Child seconded the motion which passed unanimously.