



TOWN OF MOUNTAIN VILLAGE  
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**TOWN OF MOUNTAIN VILLAGE  
MINUTES OF THE OCTOBER 11, 2017  
TOWN COUNCIL SPECIAL BUDGET MEETING**

The meeting of the Town Council was called to order by Mayor Laila Benitez at 8:32 a.m. on Thursday, October 11, 2017 in the Mountain Village Town Hall, 455 Mountain Village Town Hall Boulevard, Mountain Village, Colorado.

**Attendance:**

**The following Town Council members were present and acting:**

Laila Benitez, Mayor  
Dan Caton, Mayor Pro-Tem  
Bruce MacIntire  
Patrick Berry  
Dan Jansen  
Jack Gilbride  
Natalie Binder (via conference call)

**The following Town Council members were absent:**

Also in attendance were:

Kim Montgomery, Town Manager  
Jackie Kennefick, Director of Administration/Town Clerk  
Susan Johnston, Deputy Town Clerk  
Christina Lambert, Administrative Services Coordinator  
Kevin Swain, Finance Director  
Julie Vergari, Chief Accountant  
David Reed, Town Attorney  
Jim Mahoney, Assistant Town Attorney  
Sarah Abbott, Associate Attorney with Town Attorney's Office  
Chris Broady, Chief of Police  
Bill Kight, Director of Marketing & Business Development  
Jim Loebe, Director of Transit & Recreation  
Sue Kunz, Director of Human Resources  
Michelle Haynes, Director of Planning & Development Services  
Jim Loebe, Gondola Maintenance Manager  
Dawn Katz, Director of Mountain Munchkins  
Finn Kjome, Public Works Director  
Rob Johnson, Transit Manager  
Steve Lehane, Director of Broadband Services  
Cecilia Curry, VCA Property Manager

Anton Benitez  
Liz Caton  
Tim Johnson

**Town Council Acting as the Board of Directors for the Dissolved Mountain Village Metropolitan District:**

**a. Debt Service Fund**

Finance Director Kevin Swain stated that there will be a reduction of debt with the retirement of four bond issues paid off in December of 2017. The mill levy will be reduced by 39% from 25.283 mill in 2017 to 15.347 mill in 2018. Commercial properties will also see a reduction in their tax bill but not as much as homeowners. The valuation will not change but commercial properties will pay a larger number because of the reduction in the residential rates. The Mayor directed staff to communicate about the tax reduction to property owners via an email blast.

Bruce MacIntire arrived at 8:40 a.m.

**Telluride Conference Center (TCC)**

Mr. Swain and Director of Marketing and Business Development Bill Kight presented the TCC budget. The Town is considering renewing a 5-year operation/management contract with TSG (Telluride Ski and Golf) under the same terms as the existing contract. The Town would still have the ability to sell the property with a noticing period. TSG would have first right of refusal if the Town entered into a contract to purchase with a third party. Ms. Montgomery stated that TSG has been doing a much better job at managing the property and we are starting to see conferences filling in the shoulder seasons. TSG provides conference survey results with their quarterly reports.

**Tourism Fund & Historical Museum Fund**

**1. Guest Services Agent**

Kevin Swain stated that the town collects .33 mill in property tax and then disperses to Telluride Historical Museum. The Tourism fund is collected through restaurant taxes, lodging taxes and business license fees and is distributed to CFA (Colorado Flight Alliance) and MTI (Marketing Telluride Inc.). The Tourism fund has continued to grow partially as a result of increased business license fees. The guest service agent at the Oak Street Gondola Station is funded from the general fund by transfer into the Tourism Fund.

**Administration:**

**a. Town Manager**

Town Manager Kim Montgomery stated that the 2018 budget has no major changes and is relatively flat from 2017. Council did not request any changes to the budget.

**b. Town Council**

Director of Administration/Town Clerk Jackie Kennefick presented noted a decrease from the 2017 budget as that included the Compensation Study. Council did not request any changes to the budget.

**c. Administrative Services**

Jackie Kennefick presented the budget noting that the increase under the technology budget is for an AV upgrade to Council Chambers. TMVOA would contribute 1/3 of the cost. Council discussion ensued. Council did not request any changes to the budget.

**d. Legal**

Town Attorney David Reed stated that proposed 2018 legal expenses are in line with the current contract. He noted that legal fees are approximately 20% under budget to date, however; litigation fees are over budget. Litigation is the most difficult number to forecast. Council expressed their appreciation for the legal team's guidance. Council did not request any changes to the budget.

**e. Human Resources**

Human Resources Director Sue Kunz stated that there are very few changes to the human resources budget outside of minor adjustments in employee functions (retirement parties) and training. The proposed pay increases are reflected in the compensation part of each department's budget. 2017 pay increases were 4% and prior to this it was an average of 3% which is on the lower end of comparable towns (Telluride, San Miguel County, Aspen, Vail). Public comment was received by Brian Kanaga in the form of a letter where he stated that the Town's benefit package is higher than other town's benefit packages. The Mayor, Ms.

Montgomery and Mr. Swain analyzed the number and found that the Town's benefits package is a bit higher than most, however; the pay scale is below market. PERA and Workers Compensation are the constants that affect this number. Council requested a future discussion to look at whether or not we should adjust the benefits package or pay scale to ensure that the Town can attract qualified employees. Council directed staff to focus on the benefits package in the January employee survey to help determine if employees are getting the benefits that they want. Council asked to review the survey prior to it being sent out. Employees that have been on staff for over 5 years are to be brought up to the midpoint of their range. Ms. Kunz stated that the Town's health care premiums will decrease by 5% which equates to a \$180,000 savings in the 2018 budget from the first draft. Council consensus was in favor of merit based increases and the proposed salary adjustments.

**f. Marketing & Business Development**

Director of Marketing & Business Development Bill Kight stated that his budget is relatively flat. The professional consulting services line item reflects the wayfinding project using Nichole Zangara Riley's consulting services. The project will take approximately two years to complete. Danielle DeRoberts has been hired as the Marketing Coordinator. She has a background in design, business, marketing, web and graphic design and social media.

**g. Finance**

Kevin Swain stated that the Finance Department budget is relatively flat. Staffing has not changed. The primary challenges for staff are business license compliance and sales tax collections. There is no sales tax officer on staff but the Finance Department will try to help people and catch errors which can be time consuming to fix. Council did not request any changes. Air B&B does not pay lodging taxes to the Town and staff is initiating collection directly from property managers and owners. Natalie Binder will confer with Mr. Swain regarding the MuniRevs approach to the Air B&B lodging tax conundrum. Mr. Swain stated that the Town received the Excellence in Financial Reporting Award in 2017 for the 2016 CAFR (Comprehensive Annual Financial Report)

Patrick Berry arrived at 10:18 a.m.

**Child Development Fund**

The Child Development Fund is a separate enterprise fund. Mountain Munchkins Director Dawn Katz presented her budget stating that the 2018 budget subsidies are based on the worst-case scenario which does not take into account income from grants and fundraisers. In 2017 Mountain Munchkins took a year off from the Telluride Foundation grant cycle but received funding from the Temple Hoyne Buell Foundation (\$25,000) to offset. She is working on the Telluride Foundation Grant application and will request a 3-year award (\$35,000 annually). Mountain Munchkins will be holding their second annual "Date Night" fundraiser at the TCC on December 1<sup>st</sup>. There are currently 54 children enrolled in all three programs with a maximum daily capacity of 48. The breakdown is 11 infants (6 per day), 25 toddlers and 18 preschoolers. The average subsidy is \$2,500-3,000 per child. Discussion ensued regarding a potential rate change but this will depend on the outcome of the vote on Ballot Question 1A on November 7<sup>th</sup>. Approximately 75% of the children enrolled qualify for Mountain Village resident status. Council directed staff to compose a list of family employers.

**Cable & Broadband Services (Enterprise Fund)**

Director of Cable & Broadband Services Steven LeHane stated that programming rate increases are expected for 2018 with several channels up for contract renewal. Bulk accounts (hotel accounts) will increase approximately 3% for basic service. The current rate is \$58.45 per month for basic service and the new rate will be \$66.45. The residential rate will increase from \$50 to \$54.95 per month for internet service. Phone service will increase from \$29.95 to \$34.95 per month. Council requested agendaing a future discussion on whether or not to continue offering cable service. Patrick Berry offered to start a conversation with Steven LeHane to help determine the future of cable services.

**Public Works**

**a. Building & Facility Maintenance**

Public Works Director Finn Kjome stated that the budget is flat with no major upcoming projects. Council did not request any changes to the budget.

Natalie Binder left the meeting at 10:59 a.m.

**b. Road & Bridge**

Mr. Kjome presented stating that the budget decreases slightly in 2018. Next year his staff will be finishing the asphalt overlay on Adams Ranch Road and Arizona and will discuss paving Coyote Court and the parking lot at the Mountain View Apartments (formerly Telluride Apartments). Chip sealing will be done on Stevens Drive, Hanglider Drive, Gold Hill Court, Victoria Drive, Fisher Drive, Aspen Ridge, and Upper Benchmark Drive. Rocky Road will be addressed once the YBR (Yellow Brick Road) construction project has been completed. Council discussion ensued on contacting CDOT to request improved guard rails along Hwy 145 down valley. Council did not request any changes to the budget.

**c. Vehicle Maintenance Shop**

Mr. Kjome stated that the seven day a week schedule for the winter season is working well. Council did not request any changes to the budget.

**d. Water & Sewer**

Mr. Kjome stated that the budget includes \$250,000 to improve and replace water lines to Ski Ranches. This has been in the long-term plan but has been pushed off for several years. Most of the lines were installed in the early 1970's. Mr. Kjome stated that they are not seeing catastrophic failure in the lines, but he doesn't want to wait for that to happen. The sewer treatment plan expansion has a "best guess" number in the 2018 budget. Clean Bee may be utilized prior to the actual expansion, however; the cost of this system has increased since the first inquiry. Ms. Montgomery stated that progress must be made and every technology explored. San Miguel County, Town of Telluride and Town of Mountain Village have asked for an extension (3-5 years) on the copper compliance deadline (January 2018). If the extension is not granted then it may have to be addressed immediately. Discussion ensued on the possibility of a bond issue on the November 2018 ballot for debt funding and the wastewater treatment plant improvements. Ms. Montgomery will work on providing a timeline that can be distributed to Mountain Village residents and property owners.

**e. Vehicles & Equipment Acquisitions**

Finn Kjome presented the budget stating that the Town has been very fortunate over the years to obtain grant funding not only for public works but for transportation. They utilize state bids for good pricing. Mr. Kjome outlined the process for vehicle replacement. Regular vehicles are not considered for replacement until 10 years old and are typically rolled to other departments when possible. Police Department vehicles are considered for replacement at 100,000 miles or 5 years. Extensive Council discussion ensued on vehicle policy and practices. Council did not request any changes to the budget.

Council took at lunch break from 12: 00 p.m. to 12:13 p.m.

**Public Safety**

**a. Police**

Police Chief Chris Broady presented the budget stating that the increase is for a seventh full time employee. The department has been down one employee (5 full time employees) for quite some time and it is almost impossible for anyone to take time off as there is no backup. It is difficult to recruit qualified police officers who can live in the community. Council was supportive of adding the seventh position. There has been an increase in call numbers due to increased activities in Mountain Village. Council discussion ensued regarding the addition of a County Detox Center. The County has asked the Town to put a placeholder in the budget to assist and Ms. Montgomery asked for numbers and a pro-rata share of the cost. Details will be forthcoming.

**b. Community Services**

The increase in the training budget is for a certification program for code enforcement. Council suggested increasing employee appreciation numbers across the board.

**c. Municipal Court**

Council did not request any changes.

**Transportation & Parking Services**

**a. Parking Services**

Director of Transit & Recreation Jim Loebe presented the budget stating that revenues are up and they are expecting to meet 2015 levels, at almost a half million dollars in revenues. By the end of the year the parking fund will show approximately \$60,000 in surplus. Mr. Loebe discussed 2017 wayfinding and other capital improvements including Gondola Parking Garage repaving. Council did not request any changes.

**b. Municipal Bus Service**

As of January 2018, SMART (San Miguel Authority for Regional Transportation) will reimburse the Town for our costs for the shoulder season buses and employee shuttles. Council did not request any changes to the budget.

**c. Employee Shuttle**

SMART will take over expenses net of fares and the TMVOA (Telluride Mountain Village Owners Association) reimbursement. Council did not request any changes to the budget.

**d. Gondola & Chondola**

Mr. Loebe stated that the budget has been discussed with TMVOA and the overall Gondola budget is down six percent. The merchants, hotels and restaurants are happy with the extended Gondola hours. The Gondola committee will submit the budget to the TMVOA budget committee which will then be submitted to the full board in time for the first reading November 16<sup>th</sup>. Council did not request any changes to the budget.

**Parks & Recreation**

Jim Loebe presented the budget noting that the 2018 budget has an increase due to wayfinding. There are funds budgeted for consulting services to help find ways to get pedestrians off the main roads and shoulders. Council discussion ensued regarding the consulting services, tennis courts, and trails. Council directed staff to take \$200,000 out of the money budgeted for the tennis courts and place it into trails in 2018. They asked to defer the pond restoration to 2019 and place that \$50,000 into trails for 2018. They also directed staff to move \$60,000 (of the 2017 budgeted \$90,000) for trails into 2018 leaving \$30,000 in 2017 to be used for consulting services. The total trails budget in 2017 is now \$30,000 for consulting services and \$310,000 in 2018 for trails improvements. A multi-year improvements plan will be developed after receiving the consultant's recommendations. The Mayor proposed a meeting with TMVOA to put together a survey of residents identifying preferred improvements.

**Planning & Development Services**

**a. Building**

Director of Planning & Development Services Michelle Haynes presented stating that the budget is relatively flat except that the incentive programs have been moved into her budget from Environmental Services. Council did not request any changes to the budget.

**b. Planning**

Ms. Haynes stated that this budget reflected funding that has been earmarked for two long range planning projects; the Town Hall Subarea Improvement Plan and the Village Center Improvement Plan. Both are projected numbers. She added that DRB (Design Review Board) meetings are now being live streamed and that there has been a small increase in the travel and training line item. Council recommended a placeholder of \$100,000 annually in the long-term projections for years 2019-2022 for the Town Hall Subarea and Village Center Improvement Plans.

**Mountain Village Housing Authority**

**1. San Miguel Regional Housing Authority (SMRHA)**

Ms. Haynes stated that legal fees in 2017 were much higher than they will be in 2018 since VCA (Village Court Apartments) lawful presence compliance checks have been completed. Ms. Montgomery stated that the Town will utilize SMRHA reserves to conduct a needs assessment study which will reduce the ask from

the Town of Mountain Village, Town of Telluride and San Miguel County. Discussion ensued on a needs assessment study.

a. **Affordable Housing Development Fund**

The VCA expansion will likely be a top priority for these funds. Council did not request any changes.

b. **Mortgage Assistance Fund**

The Mortgage Assistance program is funded by a \$60,000 transfer from sales tax funds. Council did not request any changes.

c. **Village Court Apartments (VCA)**

Kevin Swain presented the budget stating that VCA is being run well and that rents are being paid on time. Council thanked VCA Manager Cecilia Curry for the positive interaction with tenants and responsiveness to complaints. Michelle Haynes stated that improvements are being made and the goal is to pay attention to details (i.e. painting, carpeting, deck furniture). Ms. Curry stated that the tenants appreciate the improvements. VCA staff has been conducting monthly events involving tenants and staff to build a sense of community and cooperation. Council directed staff to increase the budget for these events from \$1000 to \$2000. Council discussion ensued regarding drafting a press release or posting on the VCA/Town website which highlights the process which the Town utilized to assist tenants during the lawful presence compliance check.

On a **MOTION** by Bruce MacIntire and seconded by Dan Caton, Council voted unanimously to extend the meeting beyond six hours.

**Capital Projects**

Mr. Swain stated that the Capital projects in 2018 include:

- Vehicles & Equipment
- Tennis Courts
- Wayfinding \$100,000
- Village Pond Restoration \$50,000
- Carry over of \$375,000 for the Municipal Building backup power generator

Finn Kjome stated that the Village Pond needs to be cleaned up and made healthy. The EPA (Environmental Protection Agency) and Army Corps of Engineers are supportive of the work to be done. The project would be done in the fall at a cost of \$115,000. This includes vegetation, aeration, and stocking, however; most of the cost is for excavation. Any beautification would be over and above that number (i.e. dock or water features). Extensive Council discussion ensued regarding whether to wait and incorporate these improvements into the Village Core Plan or address sooner. Council directed staff to put \$115,000 in the 2019 budget as a placeholder and to move the \$50,000 that had been budgeted in 2018 (for the restoration) into the 2018 trails budget.

Mr. Kjome stated that the \$375,000 for the Town Hall backup power should be carried over to the 2018 budget and that TMVOA would be responsible for the Market portion as well as one third of Town Hall. The probability of this project happening in 2018 is pretty good providing that the Black Hills natural gas line goes in in the spring. Once the gas line goes in, we could move forward with the backup power project. The gas line would also facilitate the VCA conversion and construction of new units.

Mr. Swain stated that there is \$60,000 budgeted for snow melt in Le Chamonix and another \$300,000 for the Meadows Improvement Plan which is a placeholder for 2018. Council discussed improvements to the Telluride Conference Center including break out rooms and shared work space. Council directed staff to add \$50,000 in the TCC budget as a placeholder to hire a consultant to determine what improvements would be beneficial to the productivity of the Conference Center.

Patrick Berry proposed adding a dedicated staff position for a technology officer whose responsibility would be to protect against cyber-attacks. He stressed the importance of this position in today's world. Council agreed to follow up on this topic and asked Mr. Berry to coordinate with Jackie Kennefick.

**Community Grants and Contribution**

The grant application process has been completed and reviewed. Kim Montgomery was appointed as the Committee Chairperson. The Grant Committee's recommendation was to fund twelve grants for a total of \$118,000. Lengthy discussion ensued on EAP's (Eco Action Partners) activity in Mountain Village and level of funding. Council directed Finance to reduce the grant budget number from \$130,000 to \$118,000.

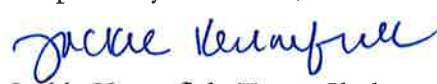
There being no further business, on a **MOTION** by Bruce MacIntire and seconded by Dan Jansen, Council unanimously agreed to adjourn the meeting at 3:36 p.m.

Respectfully prepared,



Susan Johnston, Deputy Town Clerk

Respectfully submitted,



Jackie Kennefick, Town Clerk