

**TOWN OF MOUNTAIN VILLAGE
TOWN COUNCIL REGULAR MEETING
THURSDAY JULY 19, 2018, 8:30 AM
2nd FLOOR CONFERENCE ROOM, MOUNTAIN VILLAGE TOWN HALL
455 MOUNTAIN VILLAGE BLVD, MOUNTAIN VILLAGE, COLORADO
AGENDA**

	Time	Min	Presenter	Type	
1.	8:30				Call to Order
2.	8:30	30	Reed/Mahoney	Legal	Executive Session for the Purpose of Receiving Legal Advice Pursuant to C.R.S. 24-6-402(b), and for the Purpose of Negotiations Pursuant to C.R.S. 24-6-402(4)e
3.	9:00	5			Break
4.	9:05	5			Public Comment on Non-Agenda Items
5.	9:10	5	Johnston	Action	Consideration of Approval of Minutes: a. June 11, 2018 Special Town Council Meeting P. 3 b. June 14, 2018 Regular Town Council Meeting P. 4
6.	9:15	15	Kennefick	Action	Council Boards and Commission Appointments: P. 8 a. One Regular Seat on the Ethics Commission P. 9-10 b. One Resident Community Grant Committee Member P. 11-12
7.	9:30	15	Mahoney Montgomery	Action	Consideration of a Resolution Approving the Sale of Cassidy Ridge Unit C201 to a Town Employee P. 14
8.	9:45	45	Mahoney Haynes	Action <i>Quasi-Judicial</i>	Consideration of an Alternative Parking Requirements Application for Lot 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 (Collectively the "Ridge Development") Reducing the Required Parking at the Ridge Development Pursuant to Community Development Code Section 17.5.8.A.6 P. 17
9.	10:30	15	Starr	Action <i>Quasi-Judicial</i>	Second Reading, Public Hearing and Council Vote on an Ordinance Approving (1) a Rezone of Lot 151R From Multi-Family to Single-Family (2) Changing Four Condominium Unit Designations to Three Single Family Unit Designations to be Assigned to Each Replatted Lot (Lot 151A, Lot 151B and Lot 151C) per Community Development Code Sections 17.4.9 & 17.4.10 P. 63
10.	10:45	30	Swain Hemann	Informational Action	Finance: a. Presentation of the June 30, 2018 Business & Government Activity Report (BAGAR) P. 78 b. Consideration of the May 31, 2018 Financials P. 80 c. Presentation and Consideration of the 2017 Comprehensive Annual Financial Report and the 2017 Audit Report P. 95
11.	11:15	15	Kjome	Informational	Drought Condition Update
12.	11:30	15	Haynes A Benitez	Informational	Town Hall Subarea Monthly Update
13.	11:45	15	Haynes A Benitez	Informational	Village Center Subarea Monthly Update
	12:00	30			Lunch
14.	12:30	30	Knox Wheels	Informational	EcoAction Partners Annual Regional Green House Gas Report P. 233
15.	1:00	20	Jensen	Informational	Telluride Ski & Golf Update
16.	1:20	30	Council Members	Informational	Council Boards and Commissions Updates: a. San Miguel Watershed Coalition-Starr

			& Staff		<ul style="list-style-type: none"> b. Colorado Flights Alliance -Jansen c. Transportation & Parking – MacIntire/Benitez d. Budget & Finance Committee –Caton/Gilbride e. Gondola Committee – Caton/Berry f. Colorado Communities for Climate Action – Berry g. San Miguel Authority for Regional Transportation (SMART)- Benitez/Caton/Binder h. Eco Action Partners – Berry/Binder i. Telluride Historical Museum- Berry j. Telluride Conference Center –MacIntire/Gilbride k. Alliance for Inclusion – Berry l. Green Team Committee- Berry/MacIntire m. Telluride Tourism Board-Jansen n. Mayor's Update - Benitez
17.	1:50	10	Lehane Kight Montgomery Haynes	Informational	<p>Staff Reports:</p> <ul style="list-style-type: none"> a. Cable & Broadband P. 272 b. Marketing & Business Development P. 274 c. Town Manager: P. 282 <ul style="list-style-type: none"> i. Direction from Council on Short and Long-Term Options to Administer Forest Health and Mitigation (and Related Programs) in Mountain Village P. 285
18.	2:00	5	Kennefick		<p>Other Business:</p> <ul style="list-style-type: none"> a. Notification of Expiring Term on TRAA (Telluride Regional Airport Authority)
19.	2:05				Adjourn

Please note that times are approximate and subject to change.

jk
07/09/18

Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting Town Hall at 970-369-6406 or email: mvclerk@mtnvillage.org. A minimum advance notice of 48 hours is required so arrangements can be made to locate requested auxiliary aid(s)

Public Comment Policy:

- All public commenters must sign in on the public comment sign in sheet and indicate which item(s) they intend to give public comment on
- Speakers shall wait to be recognized by the Mayor and shall give public comment at the public comment microphone when recognized by the Mayor
- Speakers shall state their full name and affiliation with the Town of Mountain Village if any
- Speakers shall be limited to five minutes with no aggregating of time through the representation of additional people
- Speakers shall refrain from personal attacks and shall keep comments to that of a civil tone
- No presentation of materials through the AV system shall be allowed for non-agendized speakers
- Written materials must be submitted 48 hours prior to the meeting date in order to be included in the meeting packet and of record. Written comment submitted within 48 hours will be accepted, but shall not be included in the packet or be deemed of record

**TOWN OF MOUNTAIN VILLAGE
MINUTES OF THE JUNE 11, 2018
SPECIAL TOWN COUNCIL MEETING **DRAFT**
AGENDA ITEM # 5a**

The meeting of the Town Council was called to order by Mayor Laila Benitez at 2:09 p.m. on Thursday, June 11, 2018 in the Mountain Village Town Hall, 455 Mountain Village Boulevard, Mountain Village, Colorado.

Attendance:

The following Town Council members were present and acting:

Laila Benitez, Mayor
Dan Caton, Mayor Pro Tem
Dan Jansen
Bruce MacIntire
Patrick Berry
Natalie Binder
Jack Gilbride

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
Jim Mahoney, Assistant Town Attorney
Chris Broady, Police Chief
Michelle Haynes, Director of Planning & Development Services
Finn Kjome, Public Works Director
Kevin Swain, Finance Director
Julie Vergari, Chief Accountant
Bill Kight, Marketing & Business Development Services
Paul Rudd
Karen Guglielmone
Lynne Beck
Pam Hall
Ross Herzog
Michael Rodriguez
Pamela Bennett
Joyce Huang

Sean Murphy, Mayor
Todd Brown, Mayor Pro Tem
DeLanie Young
Lars Carlson
Geneva Shaunette
Tim Johnson
Jessie Rae Arguelles-McConnell
Tom Watkinson
Marilyn Armstrong
Samantha Gesell
Jason Mumm
Chris Gonzales
Pam Pettee
Paul Reich
Bill Goldsworthy
Doug Tooley
Lisa Garrett
Moe Bellerose

Telluride Regional Waste Water Treatment Plant Master Plan Implementation: Financial Analysis Presentation (2)

Telluride Environmental & Engineering Manager Karen Guglielmone and FCS Group Executive Consultant Jason Mumm presented. Public comment was received by Doug Tooley. Joint consensus was to agendaize an item at the next IG meeting for Mr. Mumm to return with an analysis of cost of services.

There being no further business, on a **MOTION** by Jack Gilbride and seconded by Patrick Berry, Council voted unanimously to adjourn the meeting at 3:32 p.m.

Respectfully prepared,

Susan Johnston
Deputy Town Clerk

Respectfully submitted,

Jackie Kennefick
Town Clerk

**TOWN OF MOUNTAIN VILLAGE
MINUTES OF THE JUNE 14, 2018
REGULAR TOWN COUNCIL MEETING **DRAFT**
AGENDA ITEM # 5b**

The meeting of the Town Council was called to order by Mayor Laila Benitez at 8:28 a.m. on Thursday, June 14, 2018 in the Mountain Village Town Hall, 455 Mountain Village Boulevard, Mountain Village, Colorado.

Attendance:

The following Town Council members were present and acting:

Laila Benitez, Mayor
Dan Jansen
Patrick Berry
Natalie Binder
Jack Gilbride

Absent:

Dan Caton, Mayor Pro Tem
Bruce MacIntire

Also in attendance were:

Kim Montgomery, Town Manager	Anton Benitez
Jackie Kennefick, Director of Administration/Town Clerk	Chris Hawkins
Susan Johnston, Deputy Town Clerk	Tim Johnson
Christina Lambert, Administrative Services Coordinator	Matt Skinner
David Reed, Town Attorney	Doug Tooley
Jim Mahoney, Assistant Town Attorney	Meghann McCormick
Sarah Abbott, Associate Town Attorney	Leslie Browning
Chris Broady, Police Chief	Shirley Diaz
Michelle Haynes, Director of Planning & Development Services	Lexi Tuddenham
Sam Starr, Planner	Jim Boeckel
Dave Bangert, Forrester/Planner II	Robert Haining
Sue Kunz, Director of Human Resources	Jordan Dimick
Cecilia Curry, Village Court Apartments Manager	Carson Taylor
Robert Haining	Dave Schillaci
Cheryl Kimleigh	Noah Sheedy
Suzanne Cheavens	Scott Pittenger
Jolana Vanek	
Nicole Pieterse	

Executive Session for the Purpose of Receiving Legal Advice Pursuant to C.R.S. 24-6-402(b), and for the Purpose of Negotiations Pursuant to C.R.S. 24-6-402(4)e (2)

On a **MOTION** by Jack Gilbride and seconded by Patrick Berry, Council voted unanimously to enter into Executive Session for the purpose of receiving legal advice pursuant to C.R.S. 24-6-402(b), and for the purpose of negotiations pursuant to C.R.S. 24-6-402(4)e at 8:29 a.m.

Council returned to regular session at 9:24 a.m.

Council took a break from 9:24 a.m. to 9:28 a.m.

Public Comment on Non-Agenda Items (4)

No public comment was received.

Consideration of Approval of Minutes (5)

Deputy Town Clerk Susan Johnston presented.

a. May 17, 2018 Regular Town Council Meeting

On a **MOTION** by Patrick Berry and seconded by Jack Gilbride, Council voted unanimously to approve the May 17, 2018 Regular Town Council meeting minutes as presented.

b. May 31, 2018 Special Town Council Meeting

On a **MOTION** by Dan Jansen and seconded by Patrick Berry, Council voted 4-0 (with Jack Gilbride abstaining because he was not present at the May 31st meeting) to approve the May 31, 2018 Special Town Council meeting minutes as presented.

Town Council Acting as the Liquor Licensing Authority:

a. Consideration of an Application for a Special Event Liquor Permit by Telluride Wine Festival Foundation for Wine Seminars at the Great Room at the Ridge Club on June 28-30, 2018 from 8:00 a.m. to 9:00 p.m.

Susan Johnston presented. On a **MOTION** by Dan Jansen and seconded by Natalie Binder, Council voted unanimously to approve a special event liquor permit by Telluride Wine Festival Foundation for Wine seminars at the Great Room at the Ridge Club on June 28-30, 2018 from 8:00 a.m. to 9:00 p.m.

b. Consideration of an Application for Special Event Liquor Permits by Telluride Arts for the Art & Architecture Event at Five Locations in Mountain Village on July 22, 2018 from 11:00 a.m. to 6:00 p.m.

Susan Johnston presented. On a **MOTION** by Patrick Berry and seconded by Natalie Binder, Council voted unanimously to approve an application for special event liquor permits by Telluride Arts for the Art & Architecture event at five locations in Mountain Village on July 22, 2018 from 11:00 a.m. to 6:00 p.m.

Consideration to Impose an Open Fire Restriction (7)

Chief of Police Chris Broady presented and introduced Fire Chief Jim Boeckel. Council discussion ensued. On a **MOTION** by Jack Gilbride and seconded by Natalie Binder, Council voted unanimously to continue the fire ban until conditions improve.

Second Reading, Public Hearing and Council Vote on an Ordinance Approving a Community Development Code (CDC) Amendment to CDC Section 17.5.6.C.3. Roof Material pursuant to CDC Section 17.1.7 Amendments to the Community Development Code (8)

Director of Planning and Development Services Michelle Haynes presented. The Mayor opened the public hearing. Public comment was received by Anton Benitez. The Mayor closed the public hearing. On a **MOTION** by Jack Gilbride and seconded by Dan Jansen, Council voted 5-0 to approve a Community Development Code amendment to CDC Section 17.5.6.C.3 roof material pursuant to CDC Section 17.1.7 amendments to the CDC.

Consideration of a Resolution to Approve a Major Scale Subdivision for Lot 151R per Community Development Code Section 17.4.13.E.2 (9)

Planner Sam Starr presented. Patrick Berry recused himself from voting on agenda items 9 and 10 due to his employment with TSG and potential conflict involving a TSG easement. Public comment was received by Chris Hawkins (representative for the Retreat at Mountain Village) and Nicole Pieterse. On a **MOTION** by Natalie Binder and seconded by Jack Gilbride, Council voted 4-0 (with Patrick Berry recused) to adopt a Resolution approving a major scale subdivision for Lot 151R per Community Development Code Section 17.4.13.E.2, including the seven conditions recommended by DRB in the staff memo and adding an eighth condition that the eastern and western exterior General Easements be revised on the plat to show a full 16 ft. General Easement.

First Reading, Setting of a Public Hearing and Council Vote on an Ordinance Approving (1)a Rezone of Lot 151R From Multi-Family to Single-Family (2) Changing Four Condominium Unit Designations to Three Single Family Unit Designations to be Assigned to Each Replatted Lot (Lot 151A, Lot 151B and Lot 151C) per Community Development Code Sections 17.4.9 & 17.4.10 (10)

Sam Starr presented. Patrick Berry recused himself due to his employment with TSG. On a **MOTION** by Jack Gilbride and seconded by Natalie Binder, Council voted 4-0 (with Patrick Berry recused) to approve the rezone and density transfer application pursuant to CDC Sections 17.4.9 & 17.4.10 to rezone the property

from the Multi-Family zone district to the Single-Family zone district and change the Zoning Designations from four condominium units to three single family units (one per each proposed new lot) with the resulting 12 person equivalent for the project with the findings in the staff memo and the following conditions:

1. The approval is conditioned upon the Major subdivision plat approval by Town Council.

Consideration of a Resolution Approving a Conditional Use Permit to Allow a Mining Sluice, and Trampoline on Lot OS 3X, Heritage Plaza (11)

Sam Starr presented. Patrick Berry recused himself due to his employment with TSG who manages the Mining Sluice and Trampoline. Public comment was received by Carson Taylor and Noah Sheedy. On a **MOTION** by Dan Jansen and seconded by Natalie Binder, Council voted 4-0 (with Patrick Berry recused) approving a Conditional Use Permit allowing a mining sluice and trampoline on Lot OS 3X, Heritage Plaza.

Consideration of a Resolution Approving a Conditional Use Permit to Allow a Ropes Course on Lot OS 3U (12)

Sam Starr presented. Patrick Berry recused himself due to his employment with TSG. On a **MOTION** by Jack Gilbride and seconded by Dan Jansen, Council voted 4-0 (with Patrick Berry recused) to adopt a Resolution approving a Conditional Use Permit to allow a Ropes Course on Lot OS 3U.

Drought Condition Update (13)

Jordan Dimick, Professional Engineer with SGM (out of Durango, CO) presented along with Town Water Technician Robert Haining. There will be another update at the July Town Council meeting.

Sheep Mountain Alliance (SMA) Requests: (14)

Executive Director Lexi Tuddenham presented.

- a. **Consideration of Approval of a Letter of Support for the GMUG Grand Mesa-Gunnison-Uncompahgre National Forests Wilderness Recommendations made by SMA, the Wilderness Society and Other Groups**

On a **MOTION** by Patrick Berry and seconded by Natalie Binder, Council voted unanimously to approve a letter of support for the GMUG Grand Mesa-Gunnison-Uncompahgre National Forests Wilderness recommendations made by SMA, the Wilderness Society and other groups.

- b. **Consideration of Approval of a Letter of Support of the San Juan Mountain Wilderness Bill**

On a **MOTION** by Patrick Berry and seconded by Natalie Binder, Council voted unanimously to approve a letter of support of the San Juan Mountain Wilderness Bill.

Consideration of Approval of a Policy Addressing Public Comment (15)

Assistant Town Attorney Jim Mahoney presented. Council directed staff to obtain a timer that provides the speaker with notice of remaining time. Public comment was received by Jolana Vanek. On a **MOTION** by Dan Jansen and seconded by Jack Gilbride, voted unanimously to approve the policy with the following edit:

- a. Add: *The Mayor or presiding officer shall read a short statement on the public comment policies before each meeting which shall also be written into each agenda and posted in several areas at the meeting location.*

Colorado Flights Alliance Bi-Annual Report (16)

Matt Skinner presented the report.

Council took a break from 12:03 p.m. to 12:11 p.m.

Council moved to agenda item 22

Discussion Regarding Village Court Apartment (VCA) Comparative Regional Rents and Possible Incremental Rent Increase of Less Than \$50/Month Effective 2019 and Only Upon Lease Renewal (17)

VCA Manager Cecilia Curry presented. Public comment was received by Doug Tooley and Leslie Browning. Council directed staff to create a long-term plan and financial analysis to include in the budget work session.

San Miguel Regional Housing Authority Annual Report (18)

Director Shirley Diaz presented the report.

Discussion of potential regulations regarding the treatment of dead, diseased and beetle infested trees and an update on Mountain Village Defensible Space Incentive Program (19)

Forrester/Planner II Dave Bangert presented the update. Public comment was received by Doug Tooley and Scott Pittenger. Council directed staff to draft an Ordinance regulating the treatment of dead, diseased and beetle infested trees in the next two months.

Dan Jansen left the meeting at 2:00 p.m.

Town Hall Subarea Monthly Update (20)

Michelle Haynes and Anton Benitez presented the update.

Village Center Subarea Monthly Update (21)

Michelle Haynes and Anton Benitez presented the update.

Council Boards and Commissions Updates: (22)

- a. **San Miguel Watershed Coalition-Starr**
- b. **Colorado Flights Alliance-Jansen**
- c. **Transportation & Parking-MacIntire/Benitez**
- d. **Budget & Finance Committee-Caton/Gilbride**
- e. **Gondola Committee-Caton/Berry**
- f. **Colorado Communities for Climate Action-Berry**
- g. **San Miguel Authority for Regional Transportation (SMART)-Benitez/Caton /Binder**

Council directed staff to execute a letter of support of SMART's application for a Colorado Department of Transportation grant.

- h. **Eco Action Partners-Berry/Binder**
- i. **Telluride Historical Museum-Berry**
- j. **Telluride Conference Center-MacIntire**
- k. **Alliance for Inclusion-Berry**
- l. **Green Team Committee- Berry/MacIntire**
Patrick Berry presented. Public comment was received by Leslie Browning regarding initiating a ban on plastic straws with a progressive move toward paper straws. Council consensus was in favor of the ban. The Green Team will keep Council informed of the progress.
- m. **Telluride Tourism Board-Jansen**
- n. **Mayor's Update- Benitez**

Council moved to item 17.

Staff Reports: (23)

- a. **Town Manager**

Kim Montgomery presented the report.

Other Business: (24)

Town Clerk/Director of Administration Jackie Kennefick presented.

- a. **Save the Date: July 19 Tri Gov Dinner**
- b. **Save the Date: September 27 CML Regional Dinner**

There being no further business, on a **MOTION** by Jack Gilbride and seconded by Natalie Binder, Council voted unanimously to adjourn the meeting at 2:14 p.m.

Respectfully prepared,

Susan Johnston
Deputy Town Clerk

Respectfully submitted,

Jackie Kennefick
Town Clerk

Date: 7/13/2018
To: Mayor & Town Council
From: Jackie Kennefick, Director of Administration/Town Clerk
RE: Council Boards and Commission Appointments

One Regular Seat on the Ethics Commission

There is one regular seat for a two-year term available on the Ethics Commission. The incumbent, Angela Pashayan, has indicated her interest in continuing on the Commission. Mitchell Portnoy has also submitted a letter of interest. Please see attached letters of interest and bios. The deadline for submitting a letter of interest and brief bio is July 17, 2018 at 5:00 p.m. If additional candidates submit letters of interest, they will be forwarded to Council for review prior to the July 19, 2018 meeting.

Action required: Motion to appoint _____ to the regular seat on the Ethics Commission.

One Resident Community Grant Committee Member

There is one resident member seat for a two-year term available on the Community Grant Committee. The incumbent, Jonathan Greenspan has indicated his interest in continuing on the committee. Richard Child has also submitted a letter of interest. Please see attached letters of interest and bios. The deadline for submitting a letter of interest and brief bio is July 17, 2018 at 5:00 p.m. If additional candidates submit letters of interest, they will be forwarded to Council for review prior to the July 19, 2018 meeting.

Action required: Motion to appoint _____ to the resident seat on the Community Grant Committee.

Angela Pashayan



WWW.ANGELAPASHAYAN.COM

HUMAN SERVICES, INT'L RELATIONS
AND CONFERENCE PRODUCTION

+1.415.400.9795

Letter of Intent

Date: May 31, 2018
To: Mountain Village Town Council
From: A.R.Pashayan
Re: Ethics Committee Seat

To whom it may concern,

I have been corresponding with Jackie Kennefick, Dir. of Administration/Town Clerk regarding continuing to hold a seat to serve another term on the Ethics Commission of Mountain Village, Colorado as my term ends June 2018. This letter serves as my Letter of Intent to apply for a another two-year term on the commission.

I came to Telluride in 2003 and moved to Mountain Village by 2004 to present. My background is in human services, international relations and diplomacy. I hold a Masters Degree from Norwich University, VT. More important I've lived in this area for over 14 years and understand the dynamics of our community. It takes more than a degree to understand ethics, it takes emotional intelligences as well as intellect combined with a place-based approach to the needs of our resort and our region.

I wish to bring my skills to the commission and serve amongst the other members. I understand that rarely are ethics commissioners needed, yet I wish to be amongst the members if so needed.

Regards,
A.R.Pashayan

From: Mitchell Portnoy
To: [mvclerk](#)
Subject: Mountain Village Ethics Commission Board
Date: Friday, July 13, 2018 8:43:05 AM

Please accept this application, herein, as a regular member of the Mountain Village Ethics Commission Board.

The basis for a sound and egalitarian democratic system are the ethical obligations that bind us together. Ethical standards put into practice must form the underpinnings of any structured arrangement of society whether they be our business, our personal relationships or the acts of governance. When confidence in the process of decision making and trust in those deciding is the goal, all that follows is made easier.

My education as an Epidemiologist included substantial ethics and policy training. As a scientific methodologist, truth is the goal. Careful, proper and ethically considered evidence is the process which insures the best available outcome. When such decisions are made and policies implemented under such careful consideration, defensible strategies are inherent in the process and truth is revealed to be free of the human bias inherent in all of us.

I submit here, my current Linked-In bio for your further consideration:
<https://www.linkedin.com/in/mitchell-portnoy-0331327/>

Please contact me with any questions.

Sincerely,

Mitchell Portnoy
194 San Joaquin Road
650-388-8367

Susan Johnston

Subject: FW: grants committee

Susan Johnston
Deputy Town Clerk
Town of Mountain Village
O::970.369.6429
Email Signup | Website | Facebook | Twitter | Videos On Demand

-----Original Message-----

From: Jackie Kennefick
Sent: Monday, July 09, 2018 10:31 AM
To: mvclerk <mvclerk@mtnvillage.org>
Subject: FW: grants committee

For packet

-----Original Message-----

From: jg@sunrisetelluride.com [mailto:jg@sunrisetelluride.com]
Sent: Sunday, July 8, 2018 1:12 PM
To: Jackie Kennefick <JKennefick@mtnvillage.org>
Subject: grants committee

Hi Jackie i hope you are well.

I would like express my interest for continuing my service on the grants committee. I served last year on the committee and worked with the process and would like to continue to do so for another term. I have been involved in the the village most of the time that i have lived in the region and i feel that i can contribute in the investment of making the village a great place to live. I found the process to be very fair and good for the community. All members of the committee were given the same process and information and we all came to fair conclusions for the awarding of the grants. The process was thoroughly discussed and the focus was non biased. We all want the best for the Mtn Village.

Thx for the consideration

Thx from Jonathan Greenspan

#2 Spring Creek Dr

RICHARD CHILD

970-519-1303 - rchild@matrixgroup.com ~ <https://www.linkedin.com/in/childrichard>

PROFILE

Driven, dynamic and accomplished global financial products and services executive with years of distinguished contributions to market expansion, revenue growth and profitability in Latin America, the Caribbean, and Asia Pacific, who is a strong leader, manager and change agent with a history of developing key personnel and high-performing teams.

COMPETENCIES

- Advertising, Marketing & Branding
- Board Leadership
- Business Model Design
- Business Strategy
- Change Management
- Clear Communication
- Customer Service
- Franchise Management
- Global Business Development
- Market Assessment & Studies
- Member Relations
- Multi-Cultural Competence
- New Product Development
- Operations & Technology
- Product Management
- Public Relations
- Resource Management
- Revenue Generation
- Risk Management
- Sales & Distribution
- Strategic Planning
- Team Leadership & Development
- Trilingual: English, Spanish & Portuguese

PROFESSIONAL EXPERIENCE

Matrix Group 2000-Present

Founder & Principal

- Founded a consulting firm focused on assisting financial services companies with strategic planning, business development and resource management.
- Directed numerous projects ranging from restructuring banks' payment divisions, identifying business efficiencies, developing new products, designing marketing plans, conducting market assessment and studies, crafting international business development strategies, undertaking operational reviews, and risk management analysis.
- Assisted and supported companies with market analysis and reviews to determine the financial and operational viability of acquisitions and identifying appropriate partners, distribution and sales channels.
- Supported companies with business and product growth initiatives including development of debit strategies, rewards programs, e-banking and internet sites, co-branding programs, and customer service.
- Developed several co-branded programs including one of the first programs targeting the youth segment.
- Facilitated strategy design, which led a bank client to grow their credit card portfolio four fold in three years.
- Designed and implemented a debit strategy for a bank client that included sales channels, enhanced ATM usage and functionality, as well as a debit card rewards program.
- Negotiated licensing and marketing agreements with American Express, MasterCard and Visa.
- Developed and launched the first non-bank owned ATM network in Brazil.
- Clients include: *American Express, Banco del Progreso, BBG Communications, Capital One, CardNet, DAI Brasil, Exxel Group, First Caribbean Bank, FIS Global, Global Live, Global Payments, Maduro & Curriel's Bank, NetSpend, Oasis Technologies, Recaudo Bogotá, Scotiabank, and Total Systems.*

MPOWER Labs / Rêv Worldwide

2008-2009

Executive Chair of International Strategy & Corporate Development

- Responsible for leading MPOWER Labs' international business development and strategy focused on providing financial services to the under-banked.
- Directed projects reviewing the payments industry in Latin American markets, undertaking macroeconomic overviews analyzing historical trends, market share, consumer preferences, the banking and department store sectors, and brand investment by, and acceptance levels for, global payment brands and processing alternatives.
- Performed market reviews, recommended appropriate set-up, and negotiated sales and distribution agreements.

- Directed business analysis and investment in a leading Australian pre-paid company.

ZonaFinanciera.com 1999-2000

Executive Vice President

- Led all business development, marketing, sales, advertising and planning activities for a seven country network, with an annual budget of \$16 million and staff of 29.
- Revised and re-launched the corporate identity and positioning of online financial services product offerings targeted to serve Hispanic consumers globally.
- Restructured the sales and marketing functions resulting in more than \$500,000 in annualized savings.
- Acted as a key participant in the initiative to secure private placement funding.

MasterCard International 1983-1999

Executive Vice President & President for Latin America 1996-1999

- Reported to the CEO and participated as an Executive Committee member for the corporation with accountability for company-wide management, strategy, policies and resource allocation.
- Directed and managed regional operations in collaboration with 120 professional and support staff; oversaw a budget of \$95 million.
- Responsible for strategic planning, business development, product management, member relations, advertising, marketing, research, operations, finance, budgeting, public relations, and franchise management.
- Generated divisional pre-tax profit of \$9.6 million in 1997 and \$10.8 million in 1998, representing 10% of company profit on 5 % of company sales.
- Led negotiations for an equity investment in Redecard, one of two payment systems acquiring processors in Brazil and in Argencard in Argentina.

EARLIER MASTERCARD EXPERIENCE

MasterCard International, <i>Senior Vice President & General Manager for Latin America</i>	1990-1995
MasterCard International, <i>Senior Vice President Global Advertising and Marketing</i>	1990-1992
MasterCard International, <i>Vice President for Latin America</i>	1983-1990

EDUCATION

Universidad Argentina de la Empresa (UADE)
Master of Science in International Business & Bachelor of Arts in International Business

ASSOCIATIONS & BOARD MEMBERSHIPS

• Telluride Regional Airport Authority, <i>Alternate Board Member</i>	2016-Present
• BaseTek, <i>Board Member</i>	2013-2014
• Telluride Venture Accelerator, <i>Mentor</i>	2012-Present
• Pagemob, <i>Advisor</i>	2012-2014
• Mountain Village Town Council, <i>Elected Official, Mayor Pro-tem</i>	2008-2013
• AllClearID, <i>Advisor</i>	2011-2013
• RêvAsia Pacific, <i>Chairman of the Board</i>	2008-2009
• RêvLatin America, <i>Vice Chairman of the Board</i>	2007-2009
• MPOWER Mobile, <i>Board Member</i>	2007-2009
• CheckSmart Financial Holdings, <i>Board Member & Audit Committee Chairman</i>	2007
• Telluride Tourism Board, <i>Board Member</i>	2006-2007
• NetSpend, Inc., <i>Board Member & Audit Committee Chairman</i>	2004-2007
• Certegy (NYSE:CEY), <i>Board Member & Audit Committee Member</i>	2002-2006
• CardNet, <i>Board Member & Strategic Committee Chairman</i>	2001-2006
• Redecard, <i>Board Member</i>	1997-1999
• Argencard, <i>Board Member</i>	1996-1999

Agenda item 7

Memo

To: Mayor and Council Members

From: James Mahoney

Date: July 12, 2018

Re: Resolution Approving Sale of Cassidy Ridge Unit C-201

As you know, the Town owns Cassidy Ridge Unit C-201, which is an affordable housing unit at the Cassidy Ridge development. The Town also has an Employee Housing Purchase Program by which the Town can sell housing it owns to employees via a weighted lottery system and with re-conveyance requirements based on employment with the Town. The Town has gone through this lottery system and is set to sell the unit to an employee with a closing date of August 7th, although we may be able to close earlier.

The Town is using a standard real estate commission approved for the contract to sell the property.

The Town Charter requires that any disposition of Town owned real property is approved by ordinance or resolution. Therefore, Town Council must adopt the attached resolution to bless the sale of Unit C-201.

A simple motion to approve the attached resolution will suffice if Town Council does want to approve this sale.

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF MOUNTAIN VILLAGE, COLORADO, AUTHORIZING THE SALE OF CASSIDY RIDGE UNIT C-201

RESOLUTION NO. 2018 - _____

RECITALS:

- A.** The Town Charter requires that the Town may dispose of real property by resolution or ordinance.
- B.** The Town owns Cassidy Ridge Unit C-201 (as legally described in Exhibit A) and desires to sell the property to Conrad Truman subject to the Town of Mountain Village Employee Housing Purchase Program.

NOW, THEREFORE, BE IT RESOLVED, the Town Council of the Town of Mountain Village hereby approves the sale of Cassidy Ridge Unit C-201 pursuant to the Town of Mountain Village Employee Housing Purchase Program.

ADOPTED AND APPROVED by the Town Council of the Town of Mountain Village, Colorado, at a regular meeting held on the ___day of July, 2018.

TOWN OF MOUNTAIN VILLAGE,
COLORADO, a home rule municipality

By: _____
Laila Benitez, Mayor

ATTEST:

By: _____
Jackie Kennefick, Town Clerk

APPROVED AS TO FORM:

By: _____
James Mahoney, Town Attorney

EXHIBIT A

CONDOMINIUM UNIT C201, CASSIDY RIDGE CONDOMINIUMS, ACCORDING TO THE CONDOMINIUM MAP RECORDED AUGUST 17, 2011 IN PLAT BOOK 1 AT PAGE 4496 AND AS DEFINED AND DESCRIBED IN THE CONDOMINIUM DECLARATION RECORDED AUGUST 17, 2011 UNDER RECEPTION NO. 419330, AND AS AMENDED BY FIRST AMENDMENT RECORDED APRIL 7, 2015 UNDER RECEPTION NO. 437077, AND AS AMENDED BY SECOND AMENDMENT RECORDED SEPTEMBER 22, 2016 UNDER RECEPTION NO. 444070, AND AS AMENDED BY THIRD AMENDMENT RECORDED DECEMBER 27, 2016 UNDER RECEPTION NO. 445660, AND AS AMENDED BY FOURTH AMENDMENT RECORDED APRIL 10, 2017 UNDER RECEPTION NO. 448014, AND AS AMENDED BY FIFTH AMENDMENT RECORDED SEPTEMBER 7, 2017 UNDER RECEPTION NO. 450193, COUNTY OF SAN MIGUEL, STATE OF COLORADO.



**PLANNING AND DEVELOPMENT SERVICES
DEPARTMENT**

455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 369-8250

Agenda Item No. 8

TO: Town Council
FROM: Michelle Haynes, Planning and Development Services Director
FOR: Meeting of July 19, 2018
DATE: July 2, 2018

RE: A Resolution of the Town Council of Mountain Village Considering Approval of an Alternative Parking Requirements Application for Lot 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 (Collectively the "Ridge Development") reducing the required parking at the Ridge Development pursuant to Community Development Code section 17.5.8.A.6

PROJECT GEOGRAPHY

Application

Legal Description: 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 (Collectively the "Ridge Development")

Address: Various, see town address map

Applicant/Agent: Alpine Planning LLC on behalf of the Ridge at Telluride Homeowners Association, Inc (Ridge HOA) and Ridge owners.

Owner: See Resolution

Zoning: Multi-Family

Existing Use: Multi-Family Residential

Proposed Use: no change

Site Area:

Adjacent Land Uses:

- o **North:** Open Space
- o **South:** Open Space
- o **East:** Open Space
- o **West:** Open Space

ATTACHMENTS

- 1) Applicant's Narrative
 - a. Resolution 2003-0610-10
 - b. Parking Assurance Covenant
 - c. Parking Performance Agreement
 - d. The Ridge at Telluride Development Agreement
 - e. FHU Parking Analysis
 - f. Settlement Term Sheet
- 2) Resolution

INTRODUCTION

The Ridge HOA requests an Alternative Parking Requirement Pursuant to Community Development Code (CDC) Section 17.5.8(A)(6) and consistent with a term outlined in the Settlement Term Sheet.

BACKGROUND

The Ridge Master Development Plan for lots 161A, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 was reviewed by the DRB and approved by the Town Council on April 21, 2004 and called the Ridge Development Agreement. The agreement included terms that the use of the access road from the base of the mountain to the Ridge Line Lots would receive minimal use by lot owner vehicles and otherwise the use of the road was restricted to golf cart use for access. The agreement contemplated off-premise parking on Lot 161C-R or payment in-lieu to the Town, the Metro District (which became the Town) at the time of execution.

Concurrent with the Ridge Development Agreement approval, the following parking related approvals were also executed:

- Resolution No 2003-0610-10, A Resolution approving a parking variance for Lots 161AR, 161A-2, 161A-3, 161A-4, 161-1 and 161D-2, allowing for off-site parking on Lot 161C-R or contribution to the Parking Fund with language that would allow for repayment to the developer of 161C-R with creation of an underground parking garage.
- The Ridge Development Parking Performance Agreement, recorded on February 3, 2004
- Parking Assurance Covenant on Lot 161C-R, recorded on February 3, 2004

All of the above referenced documents affirm the off-site parking requirement on 161CR, or payment in lieu fee and reference to a parking garage on 161C-R. However, the prior agreements did not fully address the parking requirements related to all the entitled density for the Ridge Development lots.

The Town, the Ridge HOA and the Ridge Owners and the owner of Lot 161-R, CO Lot 161C-R Mountain Village, LLC are parties to the lawsuit involving, parking for the Ridge and Lot 161C-R. (the "Lawsuit").

Around April 26, 2018 the parties to the Lawsuit entered into a Settlement Term Sheet which sets out the basis for resolving the Lawsuit and identifies the key terms to a Settlement Agreement. One requirement of the Term Sheet is that the Ridge Owners and the Ridge HOA submit an application to the Town to establish Alternative Parking Requirements consistent with the terms of the Term Sheet.

REQUEST

The Ridge Development application requests the parking requirements for the Ridge Development to be reduced to one (1) parking space per detached condominium and condominium from two (2) required by the CDC. The applicant requests that the lodge and efficiency lodge requirements be reduced from .5 to .33.

The CDC Parking Requirements per the CDC are shown in the table below per the Ridge Development unit designations.

Zoning Designation	Actual Units	Parking Space Per Unit	Total Parking Requirement
Detached Condominium	35	2	70

Condominium	15	2	30
Lodge	1	.5	.5
Efficiency Lodge	5	.5	2.5
Totals	56		103

Proposed Parking Requirement:

Zoning Designation	Actual Units	Alternate Parking Space Per Unit	Total Parking Requirement
Detached Condominium	35	1	35
Condominium	15	1	15
Lodge and Efficiency Lodge	6	.33	2
Totals	56		52

CRITERIA

The CDC Section 17.5.8(A)(6)(b) states,

“Any developer proposing alternative parking requirements shall submit a parking study prepared by a qualified parking or transportation consultant that confirms that the proposed minimum parking requirements shall provide sufficient parking spaces to serve the proposed uses.”

The applicants prepared a parking analysis (applicants exhibit E) which demonstrates use around the holidays in 2015 of .5 spaces to 1 space per unit. It also demonstrates that Village Center condominiums are required to provide one parking space per unit, consistent with the request.

The Ridge Development also has very limited vehicular access rights which limits the number of cars generated by the Ridge Development. Any increase in vehicular access rights to the Ridge Development would alter the analysis of an alternative parking requirement. Conditions five and six address these concerns, which are further explained in the analysis section.

The Term sheet is an important document reflecting years of effort and negotiation by multiple parties. It is important to all parties to satisfy the term sheet, of which this application is part of.

ANALYSIS

The Ridge Development parking is being addressed by this application. The Ridge Development is uniquely situated absent conventional access and the Ridge Parking Agreements and use of the Gondola help facilitate alternative and reasonable access.

Staff recommends approval with conditions outline in the Resolution and as part of the recommended motion below. Condition five assures that should there be an increase in density or change in zoning the Alternative Parking Agreement would need to be amended. Condition six assures that should vehicular access be expanded in the future, the homeowners would be required to construct one additional covered onsite parking space or provide a parking payment in lieu consistent with the CDC parking design standards.

Staff recommends approving the Alternative Parking Application with the following findings and conditions:

Findings:

1. The application is consistent with the Settlement Term Sheet.
2. The application provided a parking study consistent with the criteria for review.
3. The Alternative Parking Requirements shall be sufficient to meet the parking demand for the proposed uses.
4. The Alternative Parking Requirements are not detrimental to the public health, safety and welfare.

RECOMMENDATION

If the Town Council approves the Resolution to approve the alternative parking request, staff has provided the following draft motion:

I move to approve by Resolution an Alternative Parking Requirement Application for Lot 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 (Collectively the "Ridge Development") reducing the required parking at the Ridge Development pursuant to Community Development Code section 17.5.8.A.6 with the findings as stated in the staff memo dated July 2, 2018 and the following conditions:

- 1) *Detached condominium and condominium parking requirements are reduced to one parking space per unit. Lodge and Efficiency Lodge Parking Requirements are reduced to .33 parking spaces per unit.*
- 2) *Resolution shall not be valid, take effect, nor be binding and recorded in the records of the San Miguel County Clerk and Recorder unless and until the Town, the Ridge Owners, the Ridge HOA, CO Lot 161C-R, LLC, and St. Sophia Partners, LLLP enter into a legally binding "Settlement Agreement" consistent with the Term Sheet resolving civil action No. 2015CV30031, San Miguel County District Court (the "Lawsuit") as between the Parties to the Term Sheet.*
- 3) *This Resolution shall become null and void if the Settlement Agreement has not been finalized and executed by all Parties to the Term Sheet and St. Sophia Partners, LLLP, by December 31, 2018.*
- 4) *Upon satisfaction of all conditions of this Resolution it shall thereupon become effective, at which point it shall then supersede and replace the Ridge Parking Agreements upon the terms and conditions set forth in the Settlement Agreement, and this Resolution shall then also supersede and replace any provision of any other document related to parking approvals for the Ridge Development. Upon satisfaction of all conditions of this Resolution and thereupon becoming effective, this Resolution shall be recorded, along with the Settlement Agreement recorded at reception number _____, in the records of the San Miguel County Clerk and Recorder, at which point this Resolution shall be the sole Town approval governing the parking requirements for the Ridge Development.*
- 5) *Any change in location of parking from Lot 161C-R, or any change of zoning at The Ridge that increases the actual unit density will be required to concurrently amend this Alternative Parking Requirement.*
- 6) *In the event the Ridge Development becomes a vehicularly accessed community beyond those rights as set forth in the Ridge Access Agreements at any time in the future, all units of condominium density for which a building permit has been issued and parking satisfied pursuant to this Resolution and the Settlement Agreement, which choose to access the*

Ridge Development by vehicle under such expanded vehicular access shall be required to construct one additional covered onsite parking space (pursuant to the CDC design standards for parking) or make a parking payment in lieu to the Town at the then current payment in lieu rate for one additional parking space. All units of condominium density which have not been constructed prior to any expanded vehicular access shall be required to provide two parking spaces per unit, of which one can be satisfied in the manner set forth in this Resolution and the Settlement Agreement and at least one must be satisfied by providing a covered parking space with the condominium unit on site at the Ridge Development with such design standards as set forth in the CDC.

This motion is based on the evidence and testimony provided at a Town Council public hearing held on July 19, 2018, with notice of such hearing as required by the Community Development Code.

/mbh

Alpine Planning, LLCP.O. Box 654 | Ridgway, CO 81432 | 970.964.7927 | chris@alpineplanningllc.com

July 2, 2018

Town of Mountain Village, Colorado
 Michelle Haynes, Planning and Development Services Director
 455 Mountain Village, Blvd., Ste. A
 Mountain Village, CO 81435

Dear Michelle,

The Ridge at Telluride Homeowners Association, Inc. ("**Ridge HOA**") is seeking to establish an Alternative Parking Requirement pursuant to Community Development Code ("**CDC**") Section 17.5.8(A)(6). CDC Section 17.5.8(A)(6)(a) states:

"The Town recognizes that the minimum parking requirements set forth in this section are based on standard parking requirements applied in similar jurisdictions, and that parking demands for a use may change over time due to changes in key variables that impact the amount of required parking, such as the number of people travelling to the town by airplanes and mass transit ground transportation. It is, therefore, important to allow alternative parking requirements to be proposed by a developer. Alternative parking requirements may be approved by the review authority for class 3, 4 or 5 development applications subject to the following findings:

- i. The alternative parking requirements shall be sufficient to meet the parking demand for the proposed uses; and
- ii. The alternative parking requirements shall not be detrimental to the public health, safety and welfare.

The Ridge Density and Parking Requirements

The Ridge development is currently zoned for 56 actual units of density consisting of 50 condominium units, one lodge unit, 5 efficiency lodge units and commercial. The only commercially built density is for Allred's Restaurant. The parking requirement for The Ridge is summarized in Table 1.

Table 1. The Ridge Parking Requirement

Zoning Designation/Use	Actual Units	Parking Spaces Per Unit	Parking Requirement
Detached Condominiums	35	2	70 spaces
Condominiums	15	1.5	22.5 spaces
Lodge	1	0.5	0.5 spaces
Efficiency Lodge	5	0.5	2.5 spaces
Total	56¹		96 spaces

¹The Town waived the parking space requirement for Allred’s in the past so there is no commercial parking required for the restaurant or bar.

CDC Section 17.5.8(A)(1) establishes the required number of parking spaces based on the underlying zoning designations. The parking table in this section does not expressly address the parking requirements for the detached condominiums zoning designation. CDC Section 17.5.8(A)(1)(5) allows for the review authority to determine the parking requirement for uses not listed based on the parking requirements of similar uses, or on the parking requirements outlined in professional publications. Past parking decisions for detached condominiums could range between 1.5 parking spaces pursuant to the underlying zoning which is multi-family, or two parking spaces for detached condominiums that are similar in lot configuration and ownership to single family common interest community zoning.

The Ridge parking requirement is shaped by the following three key legal instruments, the Ridge Master Development Plan and the Ridge Development Agreement.

1. Resolution Number 2003-0610-10 that approved a parking variance to allow for off-premise parking on Lot 161C-R (“**Parking Variance**”) as shown in Exhibit A.
2. Lot 161C-R Parking Assurance Covenant with the Town as recorded at Reception Number 363809 (“**Parking Assurance Covenant**”) dated February 3, 2004 as shown in Exhibit B.
3. The Ridge Development Parking Performance Agreement as recorded at Reception Number 363808 (“**Parking Performance Agreement**”) dated February 3, 2004 as shown in Exhibit C.

The Ridge Master Development Plan for lots 161A-1R, 161A-2, 161A-3, 161A4, 161D-1 and 161D-2 was approved by the Mountain Village Design Review Board on July 31, 2003. The Town Council subsequently approved the Development Agreement for Lots 161A-2, 161A-3, 161A-4, 161D-1, and 161D-2 that is dated April 21, 2004 and recorded at Reception Number 365622 (“**Ridge Development Agreement**”) as shown in Exhibit D. The Ridge Master Development Plan and the Ridge Development Agreement contemplate the provision of off-premise parking on Lot 161C-R or payment in-lieu to the Town, and required the developer to reach an agreement with

the Metro District regarding contributions to the Parking Fund that was addressed by the Parking Assurance Covenant and the Parking Performance Agreement.

ANALYSIS

CDC Section 17.5.8(A)(6)(b) states:

“Any developer proposing alternative parking requirements shall submit a parking study prepared by a qualified parking or transportation consultant that confirms that the proposed minimum parking requirements shall provide sufficient parking spaces to serve the proposed uses.”

A parking analysis was completed for The Ridge in 2015 as shown in Exhibit E. This study was completed between Christmas and New Years and showed an average parking requirement of approximately 0.62 spaces per condominium unit, ranging from 0.50 spaces per unit to 1 space per unit. Village Center condominiums are required by the CDC to provide one space per unit, which mirrors the parking study.

The Ridge is integrally connected to the Village Center via The Gondola and the future Lot 161C-R parking garage. We therefore believe that The Ridge will have the same types of use and parking patterns as seen in the Village Center, with only one parking space required by the Parking Regulations for each condominium unit in the Village Center. The parking analysis affirms the CDC parking requirements at approximately one parking space per condominium unit. The Ridge HOA is therefore proposing an Alternative Parking Requirement as set forth in Table 2.

Table 2. Proposed Alternative Parking for The Ridge

Zoning Designation/Use	Actual Units	Parking Spaces Per Unit	Parking Requirement
Detached Condominiums	35	1	35 spaces
Condominiums	15	1	15 spaces
Unit 2 Lodging	6	0.33	2 spaces
Total	56		52 spaces

The Ridge HOA is proposing that this parking either be provided on Lot 161C-R or a payment in-lieu be made to the Town consistent with the recently approved Settlement Term Sheet as set forth in Exhibit F (“**Term Sheet**”). The Ridge HOA is also requesting a lower parking requirements for Unit 2 pursuant to the Settlement Term Sheet knowing that the Unit 2 owner will have to manage the 2 parking spaces, with any overflow parking directed to Town parking facilities or other parking that may be provided by the Unit 2 owner. It should be noted that the Unit 2 parking with two spaces is very close to the CDC parking requirement for lodging units at 0.5 spaces per unit for three spaces.

The proposed Alternative Parking for The Ridge provides adequate parking because the Ridge was designed as a non-driving community with parking intended to be located next to the gondola on Lot 161C-R, with property owners parking within a garage on Lot 161C-R, using the Gondola to access The Ridge building, and taking golf carts on a snow melted access to each home site or multi-family building. Legal restrictions on The Ridge access do not allow property owners to drive and park their individual vehicles at The Ridge so this is a detriment to owners bringing more than one vehicle.

We believe the proposed Alternative Parking is sufficient to meet the parking demand for The Ridge because it is similar to Village Center Parking requirements and the parking study shows a lower parking requirement of approximately 0.6 spaces per unit; and the plan allows for a payment in-lieu of parking. If owners opt for the payment in-lieu as provided for in the Term Sheet, they will have to park within a Town parking facility in accordance with adopted rules and fees.

We also believe that the Alternative Parking is not detrimental to the public health, safety or welfare since parking will either be provided on Lot 161C-R or a payment in-lieu of parking will be provide to the Town pursuant to the Settlement Term Sheet. The Town's original approvals of The Ridge allow for either parking on Lot 161C-R or a payment in-lieu. The Alternative Parking continues to provide this same parking options with a reduction in the required parking to approximately match the CDC Village Center Parking Requirements.

In seeking this Alternative Parking Requirement, we believe that any approving resolution should modify the Parking Variance while at the same time ensuring that the Parking Assurance Covenant and Parking Performance Agreement are appropriately terminated as may be provided for in the Settlement Term Sheet.

The Ridge HOA looks forward to working with Town staff and the Town Council on establishing an Alternative Parking Requirement for The Ridge.

Please let us know if you have any questions.

Sincerely

Chris Hawkins, AICP
Alpine Planning, LLC

**RESOLUTION OF THE TOWN COUNCIL
OF THE TOWN OF MOUNTAIN VILLAGE,
MOUNTAIN VILLAGE, COLORADO
APPROVING A PARKING VARIANCE FOR
Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2
Resolution No. 2003-0610-10**

Whereas, St. Sophia Partners, LLLP, is the owner of record of real property described as Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2, Town of Mountain Village; and

Whereas, these owners have requested approval of for a parking variance for Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2; and

Whereas, in compliance with the provisions of Article 5 of the Land Use Ordinance and with due consideration of the matters set forth in the application filed, this application does hereby proposes a variance to Article 7 of the Design Regulations.

Whereas, the Design Review Board (DRB) considered this application, along with evidence and testimony, at a public meeting held May 23, 2003. Upon concluding their review, the DRB voted in favor of the parking variance and recommended approval to the Town Council subject to certain conditions.

Whereas, the Town Council considered this application, along with evidence and testimony, at a public meeting June 10, 2003.

Now, Therefore, Be It Resolved that the Town Council hereby approves a parking variance for Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2, Town of Mountain Village, and authorizes the Mayor to sign the Resolution subject to the following:

Town Council found that this Application satisfies the following Variance criteria, as required by the Land Use Ordinance.

1. The strict Application of the Design Regulation(s) would create a practical difficulty upon the Owner of the property;
2. The Variance granted is the minimum necessary to alleviate such practical difficulty upon the Owner of said property;
3. Such relief may be granted without substantial detriment to the public good and without substantially impairing the intent and purpose of the Land Use Ordinance or Design Regulations;
4. The Variance does not have an unreasonable negative impact on the surrounding neighborhood;

5. Cost or inconvenience alone shall not be sufficient grounds to grant a Variance.

Town Council approved a parking variance for Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 to allow for the parking requirement for these Lots to be satisfied off Site in the following manner and with the following conditions:

1. Construction of a maintenance and reception area on Lot 161C-R adjacent to the gondola building with space for temporarily parking of ten (10) cars for valet service. The DRB recommends approval of this valet parking area to facilitate the development and sale of the detached condominiums and commercial space on Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 prior to the construction of an underground parking garage on Lot 161C-R.
2. This parking area must only be used to facilitate valet parking service and must be operated through a valet parking service. In addition, no cars are to be left in this area overnight. The DRB expectation is that cars will be there for a short period of time while waiting to be valet parked in the parking structure.
3. The design of this maintenance and reception area must receive DRB approval prior to construction.
4. Contribution to the Parking Fund per Section 7-4 of the Design Regulations with the recommendation to the Town Council and Metro District that these entities allow a Variance to the Parking Fund regulations to allow payment to the Parking Fund to occur when a Building Permit is requested for development of any of the proposed detached condominiums or commercial space on Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2. The DRB recommended to the Town Council and Metro District that the payment received for these parking spaces by the Metro District be in a form that will allow repayment to the developer when the parking requirement is satisfied by an underground parking garage on Lot 161C-R.
5. St. Sophia Partners must record a deed restriction on Lot 161C-R that states that the parking for Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 will be satisfied by the creation of an underground parking garage on Lot 161C-R or by contributing funds to the Parking Fund per Section 7-4 of the Design Regulations.
6. The Applicant will verify the commercial square footage to be developed on the Ridge Line Lots to finalize the number of required parking spaces.
7. This approval is subject to agreements being reached between the Applicant and the Metro District regarding contributions to the Parking Fund.

8. The Applicant will indicate on the Final Construction Staging Plan for any development that heavy construction/noise is not allowed on Sundays.
9. Pursuant to Section 2-902 of the Design Regulations, the Applicant will pay all outstanding fees owed to the entities of Mountain Village prior to receiving a Building Permit.
10. All representations of the Applicant, whether within the submittal or at the Town of Mountain Village entity hearings, are conditions of this approval.
11. Per Sections 2-1207-1 and 2-1207-2 of the Town of Mountain Village Design Regulations, this approval does not allow any violation to the LUO and/or Design Regulations or imply approval of any errors that may be contained in this application that violate the LUO and/or the Design Regulations.

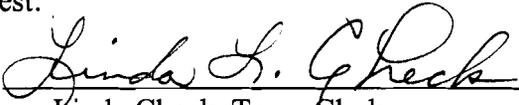
Be It Further Resolved that Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 may be developed as submitted in accordance with Resolution NO. 2003-0610-10.

Approved by the Town Council at a public meeting June 10, 2003.

Town of Mountain Village, Town Council

By: 
Davis Fansler, Mayor

Attest:

By: 
Linda Check, Town Clerk

Lot 161C-R Parking Assurance Covenant
(Metro District/St. Sophia/ Lot 161C-R, LLC)

Effective Date: November 19, 2003

This covenant is entered into among the Mountain Village Metropolitan District, ("District"), St. Sophia Partners, LLLP ("St. Sophia"), a Colorado limited liability limited partnership and Lot 161C-R, LLC, a Colorado limited liability company.

A. Whereas, St. Sophia, directly and through its wholly owned subsidiaries, Lot 161A-2, LLC, Lot 161A-3, LLC, Lot 161A-4, LLC, Lot 161D-1, LLC and Lot 161D-2, LLC, is the owner and developer of Units 2 and 3, Lot 161A-1R Building and Lots 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2, Town of Mountain Village (collectively "Ridge Project");

B. Whereas, St. Sophia intends to develop Lots 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 into **twenty-three Detached Condominiums** together with amenities ("Amenities") that will be located in Units 2 and 3, Lot 161A-1R Building, and as these units will be expanded; and

C. Whereas, **the parking for the twenty-three Detached Condominiums, the Amenities and all improvements developed on Lot 161C-R will be (i) located in the permanent underground parking structure on Lot 161C-R ("Lot 161C-R Parking Structure") or (ii) bought out by contributing to the Parking Fund pursuant to Section 7-4 of the Design Regulations or (iii) a combination of (i) and (ii); and**

D. Whereas, the parties wish to place a deed restriction on Lot 161C-R to ensure the parking for the twenty-three Detached Condominiums, the Amenities and all improvements developed on Lot 161C-R will be (i) located in the Lot 161C-R Parking Structure or (ii) bought out by contributing to the Parking Fund pursuant to Section 7-4 of the Design Regulations or (iii) a combination of (i) and (ii); and

E. Whereas, this covenant is being entered into pursuant to the Ridge Development Parking Performance Agreement, Effective Date November 19, 2003.

Therefore, the parties agree as follows:

1. Purpose of Document. **The purpose of this document is to ensure the parking for the twenty-three Detached Condominiums, the Amenities and all improvements developed on Lot 161C-R will be (i) located in the Lot 161C-R Parking Structure or (ii) bought out by contributing to the Parking Fund** pursuant to Section 7-4 of the Design Regulations or (iii) a combination of (i) and (ii).

2. Imposition of Covenant. Lot 161C-R, LLC, for itself and its successors and assigns, hereby declares that the Lot 161C-R shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered and used at all times subject to the covenant set forth in this document. This covenant and the provisions of this document are intended to and shall run with the title to the Lot 161C-R and shall bind and be a charge upon (i) Lot 161C-R, (ii) Persons owning any right, title or interest in any real property within Lot 161C-R and their heirs, personal representatives, successors and assigns, (iii) St. Sophia and (iv) Lot 161C-R, LLC.

3. Terms Of Covenant. The parties hereby agree that Lot 161C-R, LLC may not obtain the issuance of a building permit for the development of Lot 161C-R unless the District has determined that either (i) adequate financial assurance is in place to ensure that the parking structure will be completed on Lot 161C-R to accommodate the parking obligations generated by the twenty-three Detached Condominiums, the Amenities and all improvements developed on Lot 161C-R or **(ii) the promissory note(s), or appropriate portion(s) thereof, that represent payment to the District to buyout the parking obligations that are not accommodated on Lot 161C-R, have been paid.** Nothing to the contrary withstanding, Lot 161C-R, LLC may obtain a building permit to construct the temporary parking lot and reception area building contemplated in the Resolution Of The Town Council Of The Town Of Mountain Village, Mountain Village Colorado Approving a

Parking Variance For Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2, Resolution No. 2003-0610-10, recorded at Reception #358841.

4. Miscellaneous.

4.1 Person. "Person" shall mean any individual, corporation, partnership (general or limited, with or without limited liability), limited liability company, estate, trust, business trust, association or any other legal entity.

4.2 Amendment and Termination. Any restriction or other provision contained in this document may be amended or terminated only upon approval of the District, St. Sophia and Lot 161C-R, LLC. The consent or approval of no other Person shall be required for any such amendment or termination. The District, St. Sophia or Lot 161C-R, LLC, upon written notice to the other, may assign to any one Person, but no more than one Person, their right to approve amendments to this document. Subsequently, upon written notice to the other party to this covenant, each assignee may assign to any one Person, but no more than one Person, their right to approve amendments to this document.

4.3 No Implied Waivers. Failure to enforce any restriction or other provision of this document shall not operate as a waiver of that restriction or provision or of any other restriction or provision contained in this document.

4.4 Costs and Attorneys' Fees. In any action or proceeding under this document, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys' fees.

4.5 Liberal Interpretation. The provisions of this document shall be liberally construed as a whole to effectuate the purpose of this document.

4.6 Governing Law. The validity and effect of this document shall be determined in accordance with the Law of the State of Colorado.

4.7 Number and Gender. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

4.8 Captions and Headings. The titles, headings and captions used in this document are intended solely for convenience of reference and shall not be considered in construing this document or any provision thereof.

4.9 Venue. Venue for any action filed in relation to this agreement shall be in San Miguel County, Colorado.

4.10 Severability. Invalidation of any one of these provisions of this agreement by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

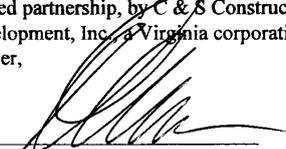
4.11 Term of Document. Unless amended as herein provided, if any provisions contained in this document are or become subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints on alienation (as the same may be modified after the date hereof), then such provisions shall continue and remain in full force and effect for a period of twenty-one (21) years following the death of the survivor of AJ Wells and Stephen H. Cram and the now living children of said persons or until this document is terminated as hereinafter provided, whichever first occurs. Subject to the preceding sentence, unless amended as herein provided, all provisions contained in this document shall be effective in perpetuity.

4.12 Successors. This covenant shall be binding on and shall inure to the benefit of the parties and their heirs, personal representatives, successors and assigns.

5. Term. Upon fulfillment of the obligations described in paragraph 3 above, the parties shall terminate this covenant and cause it to be removed from the chain of title to Lot 161C-R.

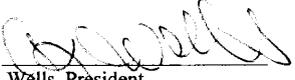
St. Sophia Partners, LLLP, a Colorado limited liability limited partnership, by C & S Construction and Development, Inc., a Virginia corporation, its general partner,

Lot 161C-R, LLC, a Colorado limited liability company,

By: 
Stephen H. Cram, Chairman of the Board of Directors

By: 
John J. Horn, Manager

Mountain Village Metropolitan District

By: 
A.J. Wells, President

State of Virginia
County of Fairfax

Subscribed to and acknowledged before me this 1st day of December 2003 by Stephen H. Cram, Chairman of the Board of Directors of C & S Construction and Development, Inc., a Virginia corporation, as general partner on behalf of St. Sophia Partners, LLLP, a Colorado limited liability limited partnership.

Witness my hand and official seal.
My commission expires: Feb. 28, 2006


Notary Public



State of Colorado
County of San Miguel

Subscribed to and acknowledged before me this 22nd day of Jan., 2004 by John J. Horn as manager on behalf of Lot 161C-R, LLC, a Colorado limited liability company.

Witness my hand and official seal.
My commission expires: 03-15-07

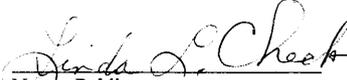

Notary Public

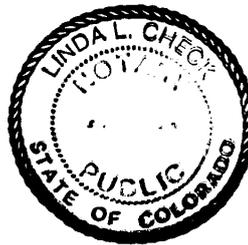


State of Colorado
County of San Miguel

Subscribed to and acknowledged before me this 11th day of Dec., 2003 by A.J. Wells as President on behalf of the Mountain Village Metropolitan District.

Witness my hand and official seal.
My commission expires: 03-15-07


Notary Public



Ridge Development
Parking Performance Agreement

This agreement is among the Mountain Village Metropolitan District ("District"), St. Sophia Partners, LLLP ("St. Sophia") and Lot 161A-2, LLC, Lot 161A-3, LLC, Lot 161A-4, LLC, Lot 161D-1, LLC and Lot 161D-2, LLC (collectively "Lot LLCs").

A. Whereas, St. Sophia, directly and through its wholly owned subsidiaries the Lot LLCs, is the owner and developer of Units 2 and 3, Lot 161A-1R Building ("Units 2 and 3") and Lots 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2, Town of Mountain Village (collectively "Ridge Project"); and

B. Whereas, St. Sophia, through its wholly owned subsidiary Lot 161C-R, LLC, is the owner and developer of Lot 161C-R, Town of Mountain Village; and

C. Whereas, St. Sophia intends to develop Lots 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 into twenty-three Detached Condominiums together with commercial space ("Commercial Space") that will be located in Units 2 and 3, Lot 161A-1R Building, and as these units will be expanded; and

D. Whereas, the permanent parking for the twenty-three Detached Condominiums and the Commercial Space will either be (i) located in the permanent underground parking structure on Lot 161C-R ("Lot 161C-R Parking Structure") or (ii) bought out by contributing to the Parking Fund pursuant to Section 7-4 of the Design Regulations, or (iii) a combination of (i) and (ii); and

E. Whereas, the Town Council of the Town of Mountain Village granted St. Sophia a variance ("Variance") to allow it to provide the parking in the manner generally described in paragraph D; and

F. Whereas, the Variance states as follows:

"1. Construction of a maintenance and reception area on Lot 161C-R adjacent to the gondola building with space for temporarily parking of ten (10) cars for valet service. The DRB recommends approval of this valet parking area to facilitate the development and sale of the detached condominiums and commercial space on Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 prior to the construction of an underground parking garage on Lot 161C-R.

2. This parking area must only be used to facilitate valet parking service and must be operated through a valet parking service. In addition, no cars are to be left in this area overnight. The DRB expectation is that cars will be there for a short period of time while waiting to be valet parked in the parking structure.

3. The design of this maintenance and reception area must receive DRB approval prior to construction.

4. Contribution to the Parking Fund per Section 7-4 of the Design Regulations with the recommendation to the Town Council and Metro District that these entities allow a Variance to the Parking Fund regulations to allow payment to the Parking Fund to occur when a Building Permit is requested for development of any of the proposed detached condominiums or commercial space on Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2. The DRB recommended to the Town Council and Metro District that the payment received for these parking spaces by the Metro District be in a form that will allow repayment to the developer when the parking requirement is satisfied by an underground parking garage on Lot 161C-R.

5. St. Sophia Partners must record a deed restriction on Lot 161C-R that states that the parking for Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 will be satisfied by the creation of an underground parking garage on Lot 161C-R or by contributing to the Parking Fund per Section 7-4 of the Design Regulations.

//

6. *The Applicant will verify the commercial square footage to be developed on the Ridge Line Lots to finalize the number of required parking spaces.*

7. *This approval is subject to agreements being reached between the Applicant and the Metro District regarding contributions to the Parking Fund.*

8. *The Applicant will indicate on the Final Construction Staging Plan for any development that heavy construction/noise is not allowed on Sundays.*

9. *Pursuant to Section 2-902 of the Design Regulations, the Applicant will pay all outstanding fees owed to the entities of Mountain Village prior to receiving a Building Permit.*

10. *All representations of the Applicant, whether within the submittal or at the Town of Mountain Village entity hearings, are conditions of this approval.*

11. *Per Sections 2-1207-1 and 2-1207-2 of the Town of Mountain Village Design Regulations, this approval does not allow any violation to the LUO and/or Design Regulations or imply approval of any errors that may be contained in this application that violate the LUO and/or the Design Regulations."*

G. Whereas, the purpose of this agreement is to memorialize St. Sophia's Variance obligations as they relate to the District.

Therefore, in mutual consideration the parties agree as follows:

1. **Parking Location.** In accordance with paragraph 5 of the Variance, the parking for the twenty-three Detached Condominiums and the Commercial Space (collectively "Ridge Parking Requirement") will either be (i) located in the Lot 161C-R Parking Structure or (ii) bought out by contributing to the Parking Fund pursuant to Section 7-4 of the Design Regulations or (iii) a combination of (i) and (ii).

2. **Pre-Parking Structure Program.** Prior to the construction of the Lot 161C-R Parking Structure, any Ridge Parking Requirement will be met by contributing to the Parking Fund pursuant to Section 7-4 of the Design Regulations through the use of promissory notes ("Temporary Buyout Notes"). The Temporary Buyout Notes will be in conformance with the following:

2.1 **Applicable Period.** The period during which the Temporary Buyout Notes will be used is from the Effective Date of this agreement until the date of issuance of a temporary or permanent certificate of occupancy for the Lot 161C-R Parking Structure.

2.2 **Principal Amount of Notes.** Concurrent with the issuance of a building permit(s) for a Detached Condominium or the Commercial Space, St. Sophia shall execute and deliver to the District a Temporary Buyout Note whose principal amount shall EQUAL the MULTIPLE of the then current cost assessed by the District pursuant to Parking Fund provisions of Section 7-4 of the Design Regulations for constructing a single parking space in the TIMES the number of parking spaces required in conjunction with the building permit being issued.

2.3 **Form of Temporary Buyout Notes.** The Temporary Buyout Notes will be in the form contained in Exhibit RD-1 attached hereto and incorporated herein by this reference.

2.4 **Note Payment Date.** Payment in full of the entire unpaid balance of the notes referred to in this agreement shall be made on or before the earlier of (i) 2 years after the closing on the sale of the last to sell of the twenty-three detached condominium sites ("Twenty-three Sites") located on Lots 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 to a bona fide third party purchaser or (ii) 10 years after the issuance of the first temporary or final certificate of occupancy for either (a) any one of the residences on the Twenty-three Sites, (b) the commercial space that will be located in

Units 2 and 3, Lot 161A-1R Building, and as these units will be expanded or (c) the issuance of the certificate for the parking structure on Lot 161C-R ("Lot 161C-R Parking Structure").

2.5 Nothing to the contrary withstanding, if the parking obligations evidenced by the promissory notes are met in the Lot 161C-R Parking Structure, then the notes will be canceled and interest only will be paid to the date of issuance of the temporary or final certificate of occupancy for the Lot 161C-R Parking Structure. However, if all or part of the parking obligation evidenced by a promissory note is NOT met in the Lot 161C-R Parking Structure, then the principal amount of the note, or appropriate portion hereof, shall be due and payable for the portion of the parking obligation that is not met in the Lot 161C-R Parking Structure.

3. Condition Precedent. It shall be a condition precedent to allowing the use of Temporary Buyout Notes in the manner contemplated in paragraph 2 that all building and tap fees related to the structure(s) necessitating the corresponding Temporary Buyout Note(s) must be paid prior to the issuance of the corresponding building permit.

4. Proof Of Financing. Prior to issuance of the building permit for the Lot 161C-R Parking Structure, St. Sophia must provide proof to the District of adequate construction financing to complete the Lot 161C-R Parking Structure. The proof of construction financing shall be kept confidential by the District. No letter of credit or other financial assurances will be required in addition to the construction financing.

5. Deed Restriction. As additional assurance that the parking for the Ridge Project is either (i) located in the Lot 161C-R Parking Structure or (ii) bought out by contributing to the Parking Fund pursuant to Section 7-4 of the Design Regulations or (iii) a combination of (i) and (ii), a deed restriction will be placed on Lot 161C-R in the form of Exhibit RD-2 attached hereto and incorporated herein by this reference. The deed restriction will be recorded immediately upon execution of this agreement.

6. Replacement Of Existing Promissory Note. The District and St. Sophia are parties to that certain promissory note ("Existing Promissory Note"), dated June 24, 1999, made by St. Sophia, for the benefit of the District, in the original principal amount of \$586,550.00. The District and St. Sophia have amended the Existing Promissory Note pursuant to the 1st Amendment To Promissory Note ("1st Amendment"), Effective Date November 21, 2000, the 2nd Amendment To Promissory Note ("2nd Amendment"), Effective Date June 24, 2001 and the 3rd Amendment (And Restated) To Promissory Note (St. Sophia Partners/Metro District), Effective Date January 24, 2003. The parties acknowledge and agree that as a result of the provisions of this agreement the Existing Promissory Note and its three amendments should be canceled and replaced by the replacement promissory note set forth in Exhibit RD-3 attached hereto and incorporated herein by this reference. Consequently, concurrent with the execution of this agreement the Existing Promissory Note and its three amendments shall be canceled and replaced by the replacement promissory note set forth in Exhibit RD-3.

7. Miscellaneous.

7.1 Successors. This covenant shall be binding on and shall inure to the benefit of the parties and their heirs, personal representatives, successors and assigns.

7.2 Amendment and Termination. Any provision contained in this document may be amended or terminated only upon approval of the District and St. Sophia. The consent or approval of no other Person shall be required for any such amendment or termination. The District or St. Sophia, upon written notice to the other, may assign to any one Person, but no more than one Person, their right to approve amendments to this document. Subsequently, upon written notice to the other party to this covenant, each assignee may assign to any one Person, but no more than one Person, their right to approve amendments to this document.

7.3 No Implied Waivers. Failure to enforce any provision of this document shall not operate as a waiver of that restriction or provision or of any other restriction or provision contained in this document.

7.4 Costs and Attorneys' Fees. In any action or proceeding under this document, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys' fees.

7.5 Liberal Interpretation. The provisions of this document shall be liberally construed as a whole to effectuate the purpose of this document.

7.6 Governing Law. The validity and effect of this document shall be determined in accordance with the Law of the State of Colorado.

7.7 Number and Gender. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

7.8 Captions and Headings. The titles, headings and captions used in this document are intended solely for convenience of reference and shall not be considered in construing this document or any provision thereof.

7.9 Venue. Venue for any action filed in relation to this agreement shall be in San Miguel County, Colorado.

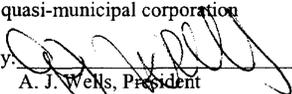
7.10 Severability. Invalidation of any one of these provisions of this agreement by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

7.11 Term of Document. Unless amended as herein provided, if any provisions contained in this document are or become subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints on alienation (as the same may be modified after the date hereof), then such provisions shall continue and remain in full force and effect for a period of twenty-one (21) years following the death of the survivor of AJ Wells and Stephen H. Cram and the now living children of said persons or until this document is terminated as hereinafter provided, whichever first occurs. Subject to the preceding sentence, unless amended as herein provided, all provisions contained in this document shall be effective in perpetuity.

7.12 Person. "Person" shall mean any individual, corporation, partnership (general or limited, with or without limited liability), limited liability company, estate, trust, business trust, association or any other legal entity.

Effective Date: ~~June~~ ^{November 17,} 2003

Mountain Village Metropolitan District,
a quasi-municipal corporation

By: 
A. J. Wells, President

St. Sophia Partners, LLLP, a Colorado limited liability limited
partnership,

By: 
John J. Horn, Chief Operating Officer

PROMISSORY NOTE

U.S. \$ _____ Mountain Village, Colorado Date: _____

1. FOR VALUE RECEIVED, St. Sophia Partners, LLLP, a Colorado limited liability limited partnership, Post Office Box 518, Telluride, Colorado 81435 promises to pay to the order of the Mountain Village Metropolitan District, a quasi-municipal entity, at 113 Lost Creek Lane, Suite A, Mountain Village, Colorado 81435, or any such other place as holder shall designate in writing, the principal sum of \$ _____ U.S. Dollars (\$ _____) together with interest at the rate set forth in paragraph 1.5. Principal and interest shall be payable as follows:

- 1.1 Payment in full of the entire unpaid balance of this Note shall be made on or before the earlier of:
- (i) 2 years after the closing on the sale of the last to sell of the twenty-three detached condominium sites ("Twenty-three Sites") located on Lots 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 to a bona fide third party purchaser; or
 - (ii) 10 years after the issuance of the first temporary or final certificate of occupancy for either (a) any one of the residences on the Twenty-three Sites, (b) the commercial space that will be located in Units 2 and 3, Lot 161A-1R Building, and as these units will be expanded; or
 - (iii) the issuance of the certificate for the parking structure on Lot 161C-R ("Lot 161C-R Parking Structure").
- 1.2 Nothing to the contrary withstanding, if the parking obligation evidenced by this promissory note is met in the Lot 161C-R Parking Structure, then this note will be canceled and interest only will be paid to the date of issuance of the temporary or final certificate of occupancy for the Lot 161C-R Parking Structure. However, if all or part of the parking obligation evidenced by this promissory note is NOT met in the Lot 161C-R Parking Structure, then the principal amount of this note, or appropriate portion hereof, shall be due and payable for the portion of the parking obligation that is not met in the Lot 161C-R Parking Structure.
- 1.3 Interest shall accrue at the prime rate of Wall Street Journal prime rate plus one percent. Interest will be adjusted and paid annually on June 1st of each calendar year.

2. The unpaid balance of the principal sum of the debt evidenced by this Note and interest thereon shall immediately become due and payable in the event any one or more of the following shall occur:

- 2.1 Default in any payment due hereunder;
- 2.2 The filing of a petition by or against the maker for relief under any bankruptcy or insolvency law;
- 2.3 Any assignment by maker of assets for the benefit of creditors;
- 2.4 An assignment of any or all of the obligations of this Note without the prior written consent of holder; holder will not unreasonably withhold consent to such assignment.

3. Consent to one such occurrence shall not be deemed to be a waiver of the right to require consent to future or successive occurrences.

4. If maker defaults under any provision of this Note, then this Note shall immediately become due and payable and accrued interest and principal shall, from the date of such default, bear interest at the rate of eighteen percent (18%) per annum.

5. In the event a scheduled payment is not received by holder of this Note on its due date, maker shall

pay a delinquency charge of ten percent (10%) of the amount of payment which is overdue to cover the extra expense involved collecting and handling delinquent payments. Delinquent payments shall not be accepted without payment of the delinquency charge. Each payment shall first be applied to costs, fees and penalties, second to accrued interest and third to the payment of principal.

6. If payment of this Note or any portion thereof shall not be made at maturity, and any action is brought to enforce collection thereof, the undersigned agrees to pay a reasonable amount as attorney's fees to the extent permitted by law.

7. All parties to this Note, whether maker, surety, or endorsers waive presentment, demand, protest, notice of dishonor and any other notices normally required to be made.

8. Maker shall have the right to prepayment of any amount at any time without penalty.

9. ONLY FULL PAYMENTS SHALL BE ACCEPTED.

10. MAKER, ITS SUCCESSORS AND ASSIGNS SHALL NOTIFY HOLDER IN WRITING IN THE EVENT OF A CHANGE OF ADDRESS.

11. This promissory note is made pursuant to the Ridge Development Parking Performance Agreement, Effective Date June 25, 2003.

St. Sophia Partners, LLLP, a Colorado limited liability limited partnership,

By: _____
John J. Horn, Chief Operating Officer

STATE OF COLORADO
COUNTY OF SAN MIGUEL

Subscribed and sworn to before me this ____ day of _____, 2003, by John J. Horn as Chief Operating Officer on behalf of St. Sophia Partners, LLLP.

Witness my hand and official seal.
My commission expires:

Notary Public

Lot 161C-R Parking Assurance Covenant
(Metro District/St. Sophia/ Lot 161C-R, LLC)

Effective Date: _____, 2003

This covenant is entered into among the Mountain Village Metropolitan District, ("District"), St. Sophia Partners, LLLP ("St. Sophia"), a Colorado limited liability limited partnership and Lot 161C-R, LLC, a Colorado limited liability company.

A. Whereas, St. Sophia, directly and through its wholly owned subsidiaries, Lot 161A-2, LLC, Lot 161A-3, LLC, Lot 161A-4, LLC, Lot 161D-1, LLC and Lot 161D-2, LLC, is the owner and developer of Units 2 and 3, Lot 161A-1R Building and Lots 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2, Town of Mountain Village (collectively "Ridge Project");

B. Whereas, St. Sophia intends to develop Lots 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 into twenty-three Detached Condominiums together with amenities ("Amenities") that will be located in Units 2 and 3, Lot 161A-1R Building, and as these units will be expanded; and

C. Whereas, the parking for the twenty-three Detached Condominiums, the Amenities and all improvements developed on Lot 161C-R will be (i) located in the permanent underground parking structure on Lot 161C-R ("Lot 161C-R Parking Structure") or (ii) bought out by contributing to the Parking Fund pursuant to Section 7-4 of the Design Regulations or (iii) a combination of (i) and (ii); and

D. Whereas, the parties wish to place a deed restriction on Lot 161C-R to ensure the parking for the twenty-three Detached Condominiums, the Amenities and all improvements developed on Lot 161C-R will be (i) located in the Lot 161C-R Parking Structure or (ii) bought out by contributing to the Parking Fund pursuant to Section 7-4 of the Design Regulations or (iii) a combination of (i) and (ii); and

E. Whereas, this covenant is being entered into pursuant to the Ridge Development Parking Performance Agreement, Effective Date _____, 2003.

Therefore, the parties agree as follows:

1. Purpose of Document. The purpose of this document is to ensure the parking for the twenty-three Detached Condominiums, the Amenities and all improvements developed on Lot 161C-R will be (i) located in the Lot 161C-R Parking Structure or (ii) bought out by contributing to the Parking Fund pursuant to Section 7-4 of the Design Regulations or (iii) a combination of (i) and (ii).

2. Imposition of Covenant. Lot 161C-R, LLC, for itself and its successors and assigns, hereby declares that the Lot 161C-R shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered and used at all times subject to the covenant set forth in this document. This covenant and the provisions of this document are intended to and shall run with the title to the Lot 161C-R and shall bind and be a charge upon (i) Lot 161C-R, (ii) Persons owning any right, title or interest in any real property within Lot 161C-R and their heirs, personal representatives, successors and assigns, (iii) St. Sophia and (iv) Lot 161C-R, LLC.

3. Terms Of Covenant. The parties hereby agree that Lot 161C-R, LLC may not obtain the issuance of a building permit for the development of Lot 161C-R unless the District has determined that either (i) adequate financial assurance is in place to ensure that the parking structure will be completed on Lot 161C-R to accommodate the parking obligations generated by the twenty-three Detached Condominiums, the Amenities and all improvements developed on Lot 161C-R or (ii) the promissory note(s), or appropriate portion(s) thereof, that represent payment to the District to buyout the parking obligations that are not accommodated on Lot 161C-R, have been paid. Nothing to the contrary withstanding, Lot 161C-R, LLC may obtain a building permit to construct the temporary parking lot and reception area building contemplated in the Resolution Of The Town Council Of The Town Of Mountain Village, Mountain Village Colorado Approving a

Parking Variance For Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2, Resolution No. 2003-0610-10, recorded at Reception #358841.

4. Miscellaneous.

4.1 Person. "Person" shall mean any individual, corporation, partnership (general or limited, with or without limited liability), limited liability company, estate, trust, business trust, association or any other legal entity.

4.2 Amendment and Termination. Any restriction or other provision contained in this document may be amended or terminated only upon approval of the District, St. Sophia and Lot 161C-R, LLC. The consent or approval of no other Person shall be required for any such amendment or termination. The District, St. Sophia or Lot 161C-R, LLC, upon written notice to the other, may assign to any one Person, but no more than one Person, their right to approve amendments to this document. Subsequently, upon written notice to the other party to this covenant, each assignee may assign to any one Person, but no more than one Person, their right to approve amendments to this document.

4.3 No Implied Waivers. Failure to enforce any restriction or other provision of this document shall not operate as a waiver of that restriction or provision or of any other restriction or provision contained in this document.

4.4 Costs and Attorneys' Fees. In any action or proceeding under this document, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys' fees.

4.5 Liberal Interpretation. The provisions of this document shall be liberally construed as a whole to effectuate the purpose of this document.

4.6 Governing Law. The validity and effect of this document shall be determined in accordance with the Law of the State of Colorado.

4.7 Number and Gender. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

4.8 Captions and Headings. The titles, headings and captions used in this document are intended solely for convenience of reference and shall not be considered in construing this document or any provision thereof.

4.9 Venue. Venue for any action filed in relation to this agreement shall be in San Miguel County, Colorado.

4.10 Severability. Invalidation of any one of these provisions of this agreement by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

4.11 Term of Document. Unless amended as herein provided, if any provisions contained in this document are or become subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints on alienation (as the same may be modified after the date hereof), then such provisions shall continue and remain in full force and effect for a period of twenty-one (21) years following the death of the survivor of AJ Wells and Stephen H. Cram and the now living children of said persons or until this document is terminated as hereinafter provided, whichever first occurs. Subject to the preceding sentence, unless amended as herein provided, all provisions contained in this document shall be effective in perpetuity.

4.12 Successors. This covenant shall be binding on and shall inure to the benefit of the parties and their heirs, personal representatives, successors and assigns.

5. Term. Upon fulfillment of the obligations described in paragraph 3 above, the parties shall terminate this covenant and cause it to be removed from the chain of title to Lot 161C-R.

St. Sophia Partners, LLLP, a Colorado limited liability limited partnership, by C & S Construction and Development, Inc., a Virginia corporation, its general partner,

Lot 161C-R, LLC, a Colorado limited liability company,

By: _____
Stephen H. Cram, Chairman of the Board of Directors

By: _____
John J. Horn, Manager

Mountain Village Metropolitan District

By: _____
A.J. Wells, President

State of Colorado
County of San Miguel

Subscribed to and acknowledged before me this ____ day of _____, 2003 by Stephen H. Cram as Chairman of the Board of Directors of C & S Construction and Development, Inc., a Virginia corporation, as general partner on behalf of St. Sophia Partners, LLLP, a Colorado limited liability limited partnership.

Witness my hand and official seal.
My commission expires: _____

Notary Public

State of Colorado
County of San Miguel

Subscribed to and acknowledged before me this ____ day of _____, 2003 by John J. Horn as manager on behalf of Lot 161C-R, LLC, a Colorado limited liability company.

Witness my hand and official seal.
My commission expires: _____

Notary Public

State of Colorado
County of San Miguel

Subscribed to and acknowledged before me this ____ day of _____, 2003 by A.J. Wells as President on behalf of the Mountain Village Metropolitan District.

Witness my hand and official seal.
My commission expires: _____

Notary Public

PROMISSORY NOTE

U.S. \$306,083.56

Mountain Village, Colorado

Date: June 25, 2003

1. FOR VALUE RECEIVED, St. Sophia Partners, LLLP, a Colorado limited liability limited partnership, Post Office Box 518, Telluride, Colorado 81435 promises to pay to the order of the Mountain Village Metropolitan District, a quasi-municipal entity, at 113 Lost Creek Lane, Suite A, Mountain Village, Colorado 81435, or any such other place as holder shall designate in writing, the principal sum of Three Hundred Six Thousand Eighty Three and 56/100 U.S. Dollars (\$306,083.56) together with interest at the rate set forth in paragraph 1.5. Principal and interest shall be payable as follows:

- 1.1 Payment in full of the entire unpaid balance of this Note shall be made on or before the earlier of:
 - (i) 2 years after the closing on the sale of the last to sell of the twenty-three detached condominium sites ("Twenty-three Sites") located on Lots 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 to a bona fide third party purchaser; or
 - (ii) 10 years after the issuance of the first temporary or final certificate of occupancy for either (a) any one of the residences on the Twenty-three Sites, (b) the commercial space that will be located in Units 2 and 3, Lot 161A-1R Building, and as these units will be expanded; or
 - (iii) the issuance of the certificate for the parking structure on Lot 161C-R ("Lot 161C-R Parking Structure").
 - 1.2 Nothing to the contrary withstanding, if the parking obligation evidenced by this promissory note is met in the Lot 161C-R Parking Structure, then this note will be canceled and interest only will be paid to the date of issuance of the temporary or final certificate of occupancy for the Lot 161C-R Parking Structure. However, if all or part of the parking obligation evidenced by this promissory note is NOT met in the Lot 161C-R Parking Structure, then the principal amount of this note, or appropriate portion hereof, shall be due and payable for the portion of the parking obligation that is not met in the Lot 161C-R Parking Structure.
 - 1.3 Interest shall accrue at the prime rate of Wall Street Journal prime rate plus one percent. Interest will be adjusted and paid annually on June 1st of each calendar year.
2. The unpaid balance of the principal sum of the debt evidenced by this Note and interest thereon shall immediately become due and payable in the event any one or more of the following shall occur:
- 2.1 Default in any payment due hereunder;
 - 2.2 The filing of a petition by or against the maker for relief under any bankruptcy or insolvency law;
 - 2.3 Any assignment by maker of assets for the benefit of creditors;
 - 2.4 An assignment of any or all of the obligations of this Note without the prior written consent of holder; holder will not unreasonably withhold consent to such assignment.
3. Consent to one such occurrence shall not be deemed to be a waiver of the right to require consent to future or successive occurrences.
4. If maker defaults under any provision of this Note, then this Note shall immediately become due and payable and accrued interest and principal shall, from the date of such default, bear interest at the rate of eighteen percent (18%) per annum.

5. In the event a scheduled payment is not received by holder of this Note on its due date, maker shall pay a delinquency charge of ten percent (10%) of the amount of payment which is overdue to cover the extra expense involved collecting and handling delinquent payments. Delinquent payments shall not be accepted without payment of the delinquency charge. Each payment shall first be applied to costs, fees and penalties, second to accrued interest and third to the payment of principal.

6. If payment of this Note or any portion thereof shall not be made at maturity, and any action is brought to enforce collection thereof, the undersigned agrees to pay a reasonable amount as attorney's fees to the extent permitted by law.

7. All parties to this Note, whether maker, surety, or endorsers waive presentment, demand, protest, notice of dishonor and any other notices normally required to be made.

8. Maker shall have the right to prepayment of any amount at any time without penalty.

9. ONLY FULL PAYMENTS SHALL BE ACCEPTED.

10. MAKER, ITS SUCCESSORS AND ASSIGNS SHALL NOTIFY HOLDER IN WRITING IN THE EVENT OF A CHANGE OF ADDRESS.

11. This promissory note is made pursuant to the Ridge Development Parking Performance Agreement, Effective Date June 25, 2003.

St. Sophia Partners, LLLP, a Colorado limited liability limited partnership,

By: _____
John J. Horn, Chief Operating Officer

STATE OF COLORADO
COUNTY OF SAN MIGUEL

Subscribed and sworn to before me this ____ day of _____, 2003, by John J. Horn as Chief Operating Officer on behalf of St. Sophia Partners, LLLP.

Witness my hand and official seal.
My commission expires:

Notary Public

DEVELOPMENT AGREEMENT
FOR
LOTS 161A-2, 161A-3, 161A-4, 161D-1 AND 161D-2
(The Ridge At Telluride)

THIS DEVELOPMENT AGREEMENT ("Agreement") regarding The Ridge At Telluride Planned Community is entered into by and between the Town of Mountain Village, a home rule municipality and political subdivision of the State of Colorado ("Town"), and St. Sophia Partners, LLLP, a Colorado limited liability limited partnership ("Owner").

I. RECITALS

1.1 WHEREAS, Owner is the owner of certain real property described as:

Lots 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2, Town of Mountain Village, according to the plat recorded at Reception #335478 in Plat Book 1 at page 2758-2760, ("Property").

1.2 WHEREAS, Owner submitted an application ("Application") to the Town for approval of a master development plan for the Property pursuant to the Town of Mountain Village Design Regulations ("Design Regs") dated January 9, 2001.

1.3 WHEREAS, the public hearings on the Application were preceded by publication of public notice of such hearing(s) on such dates and/or dates from which such hearings were continued, in the *Telluride Watch*, and by mailing of public notice to property owners within four hundred feet (400') of the Property, as required by the Design Regs.

1.4 WHEREAS, the terms and conditions of the final master plan approval are set forth in the letter, dated August 15, 2003, to John Horn, St. Sophia Partners, from Mollye A. Wolahan, Director of Planning, Housing and Economic Development, Town of Mountain Village, Re: Master Development Plan for Lots 161A-1R, 161A-2, 161A-3 and 161A-4, 161D-1 and 161D-2 ("Approval Letter"), a copy of the Approval Letter is attached as Exhibit RD-3.

1.5 WHEREAS, Owner will meet all requirements for final master plan approval and will address all conditions of final master plan approval as set forth by the DRB as listed in the Approval Letter.

NOW THEREFORE, the parties agree as follows:

II. CONSIDERATION

2.1 The consideration for this Agreement, the sufficiency of which is hereby acknowledged by the Town and by the Owner, is the Town's final master plan approval for Lots 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 for the Property upon all terms and conditions contained herein and the mutual obligations and promises set forth herein.

2.2 The Recitals and Consideration set forth above are incorporated herein as essential terms of this Agreement.

III. APPROVAL OF MASTER PLAN PLANS

3.1 The DRB or Staff/Chair has reviewed the following plans, drawings and specification for the Property which shall hereinafter be referred to collectively as the "Preliminary Plans and Specifications". The Preliminary Plans and Specifications are hereby incorporated into this Agreement by this reference. The Preliminary Plans and Specifications are being finalized for construction drawings and will require final approval from Staff and/or the Mountain Village Metropolitan District as noted in the conditions listed in the Approval Letter. Any amendments to the Preliminary Plans and Specifications shall be processed by Staff and/or the Mountain Village

66 -
g. JD 28929A04
Ridge Development Agmt.

Metropolitan District in accordance with the procedures set forth in the Design Regs and Land Use Ordinance of the Town of Mountain Village.

3.1.1 Preliminary Plans and Specifications:

- a. Sheets 1 through 27 of The Ridge Infrastructure Civil Construction Plans prepared by Foley & Associates, Inc. (Note: page 3 of these plans have been intentionally deleted).

3.1.2 Prior to applying for a Building Permit, Owner will submit the following (collectively "Final Plans and Specifications") to the Mountain Village Metropolitan District for approval. Items (a) through (e), inclusive, will be stamped by a licensed engineer in the State of Colorado.

- a. Utility Plan.
- b. Drainage Plan.
- c. Grading Plan.
- d. Sanitary Sewer Profile.
- e. Common roadway plan, profile and section.
- f. Construction Staging Plan

3.2 Required Actions-Planned Community Plat. As set forth in the Approval Letter, Owner shall be required to do the following prior to recording the planned community plat:

3.2.1 Owner will record the Common Element Open Space description as a deed restriction. The Common Element Open Space description shall read as follows:

"Common Element Open Space Tracts A tract of land owned by The Ridge At Telluride Homeowners Association, Inc., which may be used for, but is not limited to, the following: ski slopes, ski trails, ski lifts, snow making facilities or other recreational facilities, lift structures, communication receiving stations, communication transmitting stations, drainage ditches, drainage swales, drainage structures, access roads, service roads, maintenance roads, utility transmission lines, pedestrian paths, hiking and biking trails, transportation system facilities, golf cart parking lots, storm drainage systems, retaining walls, benches, snow storage, landscaping, cross-country skiing trails, golf cart access, snowcat access and all Buildings and incidental or accessory facilities related to any of the above-described Uses. No Use shall be allowed on these tracts that is incompatible with the general resort nature of the Town as determined by the DRB and the Town Council." (2)

3.2.2 Owner will work with the Town's legal counsel to create the appropriate easements needed for the Mountain Village Metropolitan District and the Town of Mountain Village as necessary for utilities and access. (3)

3.2.3 Owner will inform all buyers of the Ridge Line lots that any subsequent development requires (i) the approval of the Town of Mountain Village Design Review Board and (ii) review by the Town of Telluride and San Miguel County Planning Departments pursuant to the First Amended and Restated Development Covenant For Lots 161A, 161A-1, 161B, 161D and Adjacent Active Open Space, Town of Mountain Village, recorded at Reception #329093 at pages 12 through 21. To accomplish this the following language will be included in the planned community documents: (15)

"All development within the Project requires (i) the approval of the Town of Mountain Village Design Review Board and (ii) review by the Town of Telluride and San Miguel County Planning Departments pursuant to the First Amended and Restated Development Covenant For Lots 161A, 161A-1, 161B, 161D and Adjacent Active Open Space, Town of Mountain Village, recorded at Reception #329093 at pages 12 through 21."

3.2.4 The DRB stated clearly to Owner that the DRB would not allow future development and construction, including hardscape, decks, and all improvements, outside of the building envelopes. Owner will submit to DRB Staff and Legal Counsel a definition of "Development" for approval. Owner will state this restriction along with the definition of "Development" in the recorded condominium documents. To accomplish this the following language will be included in the planned community documents: (17)

"Development. Development shall mean any of the following activities for which permission may be required from the Town of Mountain Village pursuant to its Land Use Ordinance or Design Regulations: (a) the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any buildings, structures, or accessory structures; (b) any use or change in use of any buildings, land, or water; (c) any clearing, grading or other movement of land; (d) any dredging, filling, grading, paving, excavation, or drilling operations; (e) the storage, deposition, or excavation of materials or (f) landscaping or hardscaping."

3.2.5 Owner has represented that the use of the access road from the base of the mountain to the Ridge Line Lots will receive minimal use from private construction and HOA vehicles. Owner represented that private owner vehicles would not be allowed access to the Ridge Line Lots except in limited instances pursuant to the Non-Gondola Access Easement Agreement, recorded on July 14, 2001 at Reception #327491, that provides from time to time a homeowner may be authorized to use the road for a limited purpose (e.g. deliver a large piece of furniture). To accomplish this the following language will be included in the planned community documents: (18)

"The access road from the base of the mountain to the Project will receive minimal use from private construction and Association vehicles. Owner's vehicles will not be allowed access to the Ridge Line Lots except in limited instances pursuant to the Non-Gondola Access Easement Agreement, recorded on July 14, 2001 at Reception #327491, that provides from time to time a homeowner may be authorized to use the road for a limited purpose (e.g. deliver a large piece of furniture)."

3.2.6 Owner has represented that the vehicle access to the proposed development is restricted to golf carts as specified in the Application submitted for the DRB review. Owner shall include a provision in the planned community declaration the states this requirement. To accomplish this the following language will be included in the planned community documents: (19)

"Access on all roads, access tracts and driveways within the Project is restricted to golf carts."

3.2.7 Each detached condominium unit is allowed to have a maximum of two golf carts. Owner shall include a provision in the planned community declaration the states this requirement. To accomplish this the following language will be included in the planned community documents: (20)

"Each Unit is allowed to have a maximum of two golf carts."

3.2.8 The filing of the condominium map and documents will trigger the requirement for the density that is not to be used as part of the approved Master Development Plan (435 density, 145 condominium units) to be transferred off of 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2 to the Density Bank or an approved lot. (22)

3.2.9 Owner will enter into a development agreement prior to receiving a Building Permit for any of the Master Development Plan improvements, which will incorporate the conditions of Master Development Plan approval and include provisions for the escrow of funds necessary to complete the approved infrastructure and amenity improvements, with the Town of Mountain Village and the Metro District. Owner will cause funds to be escrowed for the full dollar amount of the infrastructure improvements upon the closing of the first sale of a Detached Condominium Lot ("First Sale"). Construction of the infrastructure improvements will begin during the first full summer following the First Sale. The full summer season is defined as May 1 to October 31. Owner will complete construction of the infrastructure

improvements within two consecutive full summer seasons. If the infrastructure improvements are not completed within this time frame, the Town of Mountain Village will use the escrowed funds to complete the necessary improvements. (24)

3.2.10 The Owner has stated that all detached condominiums will be required to have a trash compactor. Owner shall include a provision in the planned community declaration that states this requirement. To accomplish this the following language will be included in the planned community documents: (31)

"All Units will be required to have a trash compactor."

3.2.11 The Owner will include a provision in the recorded condominium documents that requires a landscape buffer be created in and around Lots 13,14,15,17 and 21 as represented to and by the DRB. This provision shall stipulate that if the owners of these lots do not complete the required buffer, then the HOA will be responsible to do so. This landscape buffer should include berms as well as trees and vegetation. This requirement, to be included in the recorded condominium documents, shall require that a portion of the building envelope along the ski run be restricted to landscaping. This landscape buffer shall be included and drawn on the recorded condominium map and a copy of this map shall be made a part of the development agreement. The definition of the landscape buffer shall also be included in the development agreement. To accomplish this the following language will be included in the planned community documents: (32)

"Landscape Buffer. "Landscape Buffer" shall mean the landscape buffer to be created on and around Units 13,14,15,17 and 21 in the areas shown on this Plat and supplements hereto. If the Owners of these Units do not complete the required buffer improvements, then The Ridge At Telluride Homeowners Association, Inc. will be responsible to do so. The Landscape Buffer may contain such things that include but are not limited to berms, trees, walls, fences and vegetation. The purpose of the Landscape Buffer is to provide a buffer area between the adjacent ski run and the Development on the applicable Unit. If the DRB determines that an adequate buffer has been created, then structures and other improvements may be located in the balance of the Landscape Buffer."

3.2.12 The Owner will include in the recorded condominium documents the requirement that any tree removal requires the approval of the Town of Mountain Village. The following language was approved by the DRB.

"Town Must Approve Tree Removal. Trees may not be removed from any property without the prior approval of the Town of Mountain Village." (33)

3.2.13 Owner shall be responsible for the installation of the required irrigation and landscaping pursuant to the landscaping plan that will be submitted pursuant to paragraph 3.4.5 below and Section 9-4 of the Design Regulations regarding a plant guarantee. However, Owner may assign the responsibility to maintain the landscaping and irrigation systems after installation to the Ridge At Telluride Homeowners Association, Inc., provided, however, that Owner shall remain responsible for the landscaping for two years following installation pursuant to Section 9-4 of the Design Regulations.

3.2.14 The Owner will note in the recorded condominium documents that there is the possibility that utilities may not be installed along the shortest route in order to protect trees. To accomplish this the following language will be included in the planned community documents: (7)

"In order to protect trees the possibility exists that the DRB may not allow utilities servicing a Unit to be installed along the shortest route from the main utility lines to the Unit."

3.2.14 The Owner will include a provision in the recorded planned community documents that prohibits the provisions to be included in the planned community documents pursuant to this agreement from being modified or deleted without the approval of Town.

3.3 Required Actions-Building Permit. As set forth in the Approval Letter, Owner shall be required to do the following prior to issuance of the building permit for the Public Improvements:

3.3.1 Owner will indicate on the Final Construction Staging Plan that heavy construction/noise is not allowed on Sundays. (5)

3.3.2 Owner must address the issues raised by Kinder Morgan prior to receiving a Building Permit. (10)

3.3.3 Owner must have a Utility Plan approved by SMPA prior to receiving a Building Permit. (11)

3.3.4 Pursuant to Section 2-902 of the Design Regulations, the Owner will pay all outstanding fees owed to the entities of Mountain Village prior to receiving a Building Permit. (36)

3.3.5 The Owner will submit two Construction Staging Plans – one for infrastructure improvements and one for detached condominium development --- to the Building Department for review and approval. The Construction Staging Plans will include the limits of tree removal and method tree protection to be used during the construction. (4)

3.3.6 The Owner must receive the approval of the Building Department for the proposed construction method of the tunnels including ventilation, lighting and fire suppression. (6)

3.3.7 The Owner must receive Metro District approval on the proposed Drainage, Grading, Roadway and Utility Plans. (7)

3.3.8 The Owner will submit the natural stone, retaining wall finishes to the DRB for approval prior to submitting an Application for a Building Permit. (29)

3.3.9 The Owner will receive Metro District approval for the final proposed trash removal plan prior to receiving a Building Permit. (34)

3.4 Required Actions-During Construction. As set forth in the Approval Letter, Owner shall be required to do the following during construction of the Public Improvements:

3.4.1 Owner will locate all utilities around the location of trees whenever feasible in order to preserve as many trees as possible. (8)

3.4.2 Owner, and future owners, will comply with the conditions of the Metro District and Building Department to insure compliance with the Colorado Tramway Safety Board requirements during construction of the proposed development. (9)

3.4.3 Owner will comply with Section 9-109 of the Design Regulations regarding noxious weeds and state compliance with this section in the Landscape Plan submitted to Staff for a Building Permit. (16)

3.4.4 During construction, Owner will place chain link fencing along cuts into individual sites when these building sites are along a tree line. (26)

3.4.5 The Owner must submit a Landscape Plan to the DRB for approval. The Landscape Plan will be submitted after the roads have been roughed in and the retaining walls substantially complete, excluding rock facing. (12)

3.4.6 The Owner will submit a detailed lighting plan to the DRB for approval prior to installation of any lighting. The lighting plan will be submitted after the roads have been roughed in. This lighting plan is subject to the Design Regulations and restrictive covenants governing Ridge Line Lot development. (28)

3.4.7 The Owner stated for the record that any construction equipment to be used during the construction of the infrastructure improvements or building sites can avoid the gondola line and tree lines during construction. (35)

3.5 Required Actions-Certificate of Occupancy. As set forth in the Approval Letter, Owner shall be required to do the following prior to issuance of the certificate of occupancy for the Public Improvements:

3.5.1 Owner must comply with all of the requirements set forth by the TFPD in the "Fire and Emergency Medical Memorandum of Understanding". (13)

3.5.2 Owner must comply with the conditions set forth by the Mountain Village Police Department including the additional conditions noted in this review. (14)

3.5.3 The DRB understands from representations made by Owner that the completion of the Ridge building will be included as part of the infrastructure improvements to be completed by the developer. (21)

3.5.4 Any trails that need to be relocated will be done so at the expense of Owner and to the standards and specifications set forth by the Metro District. No trails are to be eliminated without Metro District approval. (23)

3.5.5 Owner will comply with the outstanding conditions of the TCO for the existing Ridge Building that can be implemented without being damaged by future construction on the Ridge, prior to receiving a Development Permit for the Master Development Plan for the Ridge Line Lots. (25)

3.5.6 Owner has noted that the cart paths will be snow-melted as proposed in the Application submitted for DRB review. (27)

3.5.7 Future development of the spa building and completion of the Ridge building will require the approval of the DRB and be subject to the Design Regulations governing Ridge Line Lot development. (30)

3.5.8 All representations of the Owner, whether within the submittal or at the DRB hearing, are conditions of this approval. (38)

3.5.9 The Owner must have all utilities field verified. (7)

3.6 Required Actions-Completed. As set forth in the Approval Letter, Owner was required to do the following and has completed this requirement:

3.6.1 This approval is subject to agreements being reached between the Owner and the Metro District regarding contributions to the Parking Fund. This requirement has been met. (37)

IV. PUBLIC IMPROVEMENTS

4. CONSTRUCTION OF PUBLIC IMPROVEMENTS

4.1 CONSTRUCTION OF PUBLIC IMPROVEMENTS. The Owner agrees to complete, at Owner's sole cost and expense, the construction of those certain public improvements set forth below ("Public Improvements") and as more fully detailed in the Final Plans and Specifications.

4.1.1 Access ways, excluding driveways.

4.1.2 Metro District relocated hiking trail.

4.1.3 Complete Ridge Building pursuant to plans approved by the Design Review Board approved on March 11, 2004.

4.1.4 Landscaping pursuant to plans to be approved by the Design Review Board.

- 4.1.5 Electric, gas, telephone, sewer, cable television and water utilities.
- 4.1.6 Master grading of Lots 161A-2, 161A-3, 161A-4, 161D-1 and 161D-2.
- 4.1.7 Lampposts.
- 4.1.8 Retaining walls.
- 4.1.9 Drainage structures.
- 4.1.10 Ski trail through Lots 161A-3 and 161A-4.

4.2 OWNER'S CONSTRUCTION OBLIGATION AND STANDARDS. The Owner shall construct and complete all required Public Improvements in accordance with this Agreement, and the Final Plans and Specifications and in compliance with all laws, regulations, standards, specifications and requirements of the United States, the State of Colorado, the Town of Mountain Village, the Telluride Fire Protection District, Metro Services, Mountain Village Metropolitan District and all their pertinent agencies.

4.3 COMPLETION OF PUBLIC IMPROVEMENTS. Construction of the Public Improvements, as described in Section 4.1, shall begin during the first full summer following the first sale of a detached condominium lot from the Property. The full summer season is defined as May 1 to October 31. The Public Improvements shall be completed within two consecutive full summer seasons. If the Public Improvements are not completed within this time frame, the Town of Mountain Village shall be entitled to draw upon the Collateral, as described in Sections 4.4 and 4.5, to complete the Public Improvements. Certificates of Occupancy and Building Permits for the detached condominium lots and/or the Public Improvements may be withheld if (i) Public Improvements are not completed within the requisite timeframe and (ii) the public health, safety or welfare is endangered as a result of the failure to complete with in the requisite timeframe.

4.4 COLLATERAL.

4.4.1 To secure and guarantee performance of its obligations as set forth herein, Owner shall provide collateral ("Collateral") to the Town in the total amount of **\$10,697,341.22**, which amount is based on the estimates provided by Owner as set forth in Exhibit RD-1, attached hereto and incorporated herein by this reference, as follows:

A. Owner shall secure a construction loan from the Community First Bank ("Bank") which loan shall expressly provide for the disbursement of funds to Owner for the construction of the Public Improvements ("Construction Loan"). Owner shall provide the Town with a copy of the loan commitment from the Bank prior to and as a condition of the receipt of a building permit from the Town for the construction of the Public Improvements.

B. Prior to and as a condition of the receipt of a building permit from the Town for the construction of the Public Improvements, Owner shall establish two accounts with the Bank for the benefit of the Town. In one account ("Controlled Account") Owner shall be required to deposit the "Net Proceeds" from each of the detached condominium lot sales from the Property into the Account until the amount of the Account plus the total of the Construction Loan disbursements for construction of the Public Improvements equals **\$10,697,341.22**. "Net Proceeds" shall be defined as the gross sales price minus only those costs payable by Owner for real estate commissions, title insurance, title company and closing costs. The second account ("Checking Account") will be funded from the Collateral Account and will be the account from which the checks are paid for work performed. The Control Account and the Checking Account shall collectively be referred to as the "Accounts". No disbursement will be written from the Controlled Account unless it has been previously approved by the Town and the Bank. The Owner shall be the only authorized signatory on the Checking Account. Interest from both accounts, if any, shall accrue to the benefit of the Owner.; and

4.4.2 The source of funds to pay for the actual construction of the Public Improvements shall be as follows:

A. Construction Loan proceeds shall be disbursed until such time as the amount of the Controlled Account plus the amount of the Construction Loan proceeds disbursed for the construction of the Public Improvements equals \$10,697,341.22. For example, if the total amount in the Controlled Account equals \$4,000,000.00, the Construction Loan must be drawn upon until the amount of the Construction Loan disbursements allocated for the Public Improvements equals \$6,697,341.22.

B. The funds in the Accounts may only be drawn upon by Owner to pay for the Public Improvements at such time as the total amount contained in the Controlled Account plus the total amount of the Construction Loan disbursements allocated for the construction of the Public Improvements equals \$10,697,341.22.

4.4.3 In order to process requests for disbursements from either the Construction Loan or the Accounts (subject to the conditions of paragraph 4.4.2 above), Owner shall comply with the following requirements:

A. Owner shall submit to both the Town and the Bank a written disbursement request while shall include, without limitation, (i) a construction progress report prepared or approved by the Bank's designated inspector, (ii) reconciliation of the amounts previously disbursed from the Construction Loan for the construction of the Public Improvements and the current amount of the Account, and (iii) copies of invoices from Owner's construction contractor(s) and/or subcontractors for the subject work ("Disbursement Request") for review and approval by (x) William Mahoney, Jr. or his designee on behalf of the Town and (y) the Bank.

B. Only upon the written approval of the Disbursement Request by the Town and Bank and subject to the conditions of paragraph 4.4.2 above, shall the Bank be authorized to disburse the requisite proceeds from the Construction Loan or the Controlled Account for payment directly to the Owner's construction contractor(s) or subcontractor's or transferred to the Checking Account.

4.4.4 If at any time the balance of the Controlled Account and the amount disbursed from the Construction Loan is not sufficient to provide for the payment of the remaining Public Improvements, the Owner shall be required to deposit additional funds into the Controlled Account in an amount sufficient to pay for the remaining Public Improvements. Owner shall use the Collateral solely to pay for the construction of the Public Improvements; however, after completion of the Public Improvements any excess funds shall remain the property of Owner and may be used by Owner or returned to Owner, in Owner's sole discretion.

4.5 USE OF COLLATERAL BY TOWN. If the Town Manager determines that reasonable grounds exist to believe that the Owner is failing or will fail to construct or install the Public Improvements as required by this Agreement, the Town Manager shall notify the Owner in writing and send by registered mail, return receipt requested that: (i) the Town intends to draw on the Accounts for the purpose of completing the Public Improvements; (ii) the specific reasons therefore; and (iii) Owner may request a hearing before the Town Council on the matter, such request to be made no less than fifteen (15) days from the date of the notice. Should a hearing not be requested within (15) fifteen days, or should the Town Council conduct a hearing and thereafter determine that the Owner is failing or has failed to satisfactorily install the required Public Improvements, the Town may thereafter draw on the Account as necessary solely for purposes of paying for the costs of constructing the Public Improvements. In such event the Town shall be entitled to recover such costs as are reasonable to administer the construction of the Public Improvements.

4.6 APPROVAL AND ACCEPTANCE OF IMPROVEMENTS.

4.6.1 Upon completion of all of the Public Improvements Owner shall notify the Town Manager in writing and request inspection. The Town Building Official and/or Metro District shall promptly inspect all such Public Improvements within thirty (30) days after the date of Owner's request and promptly notify the Owner in writing of non-approval or approval. If such Public Improvements are not acceptable, the reasons for non-acceptance (which shall be limited to the failure of the Public Improvements to have been constructed in accordance with this Agreement and the Plans and Specifications) shall be stated and corrective measures shall be outlined in a written notice by the Town Building Official. The Owner shall thereafter undertake reasonable measures to correct the Public Improvements and upon completion thereof Owner shall request a re-inspection of the Public Improvements. The Building Official and/or Metro District shall not be required to make inspections during any period when climatic conditions make thorough inspections impractical.

4.6.2 Acceptance of water, sewer and cable television improvements by Metro District Board of Directors shall be a condition of the fulfillment of Owner's obligations under this agreement. Upon acceptance of all of the water, sewer and cable television improvements by the Metro District Board of Directors, the Town shall release the collateral posted by the Owner for these improvements and thereafter Metro District shall assume normal maintenance responsibilities for the water, sewer and cable television improvements.

4.7 Owner shall warrant to the Town and Metro District the quality, workmanship and function of all the water, sewer and cable television improvements for a period of two (2) years after Final Acceptance by the Metro District Board of Directors, or until July 1 of the year during which the second winter terminates after Final Acceptance by the Metro District Board of Directors, which ever is greater.

4.8 Owner agrees to repair any existing improvements or facilities damaged during construction and such other items as the Town Manager or Town Building Official or Metro District deems reasonably appropriate as a result of an act or omission of the Owner or any of its employees, agents or independent contractors.

V. MISCELLANEOUS

5.1 REMEDIES FOR BREACH OR DEFAULT. In the event Owner, or its successor in interest, should fail to perform or adhere to its obligations as set forth herein, and such failure continues for a period of thirty (30) days after the Owner receives written notice by registered mail, return receipt requested from the Town describing the failure in reasonable detail, then the Town shall have the following remedies against the Owner, or its successors and assigns, which remedies are cumulative and non-exclusive:

5.1.1 Specific performance;

5.1.2 Injunctive relief, both mandatory and or prohibitory;

5.1.3 Denial, withholding, or cancellation of any building permit or any other authorization authorizing or implementing the development of the Property and/or any structure or improvement to be constructed on the Property.

5.2 INDEMNITY. Except as otherwise set forth herein, the Owner shall defend and hold the Town harmless from and against any and all claims, demands, liabilities, actions, costs, damages, and reasonable attorney's fees that may arise out of or result directly or indirectly from the Owner's failure to comply with the terms and conditions of this Agreement, including without limitation, Owner's defective design or construction of the Public Improvements or Owner's failure to construct or complete the same. After inspection and acceptance by the Metro District Board of Directors, and after expiration of any applicable warranty period entered into by Owner with the Town, this agreement of indemnity shall expire and be of no future force or effect.

5.3 ATTORNEY FEES. In the event of any action, proceeding or litigation between the Town and the Owner concerning this Agreement, the prevailing party shall be entitled to collect its reasonable legal fees and costs, including the reasonable value of salaried attorneys' time. Any state court litigation to enforce the terms of this Agreement shall be commenced in San Miguel County, Colorado and venue shall be restricted to such county.

5.4 BINDING EFFECT. This Agreement shall extend to, inure to the benefit of, and be binding upon the Town and its successors and assigns and, except as otherwise provided herein, upon the Owner, its successors (including subsequent owners of the Property, or any part thereof, or the Ridge At Telluride Homeowners Association, Inc., or both), legal representatives and assigns. This Agreement shall constitute an agreement running with the Property until: (a) modification or release by mutual agreement of the Town and the Owner or their successors and assigns; or (b) expiration of the term hereof. Upon the conveyance of the Property by St. Sophia Partners, LLLP to a different entity or person, and provided that the Owner is not in default hereunder at the time of conveyance, then upon the conveyance of the Property the Owner shall have no liability under this Agreement for any act or omission occurring after the date of such conveyance; provided, that the third party transferee shall assume all liability for any act or omission arising under this Agreement.

5.5 AUTHORIZATION. The parties hereto warrant they are fully authorized to execute this Agreement and have taken all actions necessary to obtain such authorization.

5.6 NOTICES. Notice. All notices, demands, or writings in this agreement provided to be given or made or sent that may be given or made or sent by either party hereto to the other, shall be deemed to have been fully given or made or sent when personally delivered to the person, person's home or place of business, or faxed in writing or made in writing and deposited in UPS or Federal Express next business day courier service with postage prepaid, or emailed and addressed to the party at the following addresses:

To Town:
Kathy Mahoney
Town Manager
Town of Mountain Village
113 Lost Creek Lane
Mountain Village, Colorado 81435
Fax: 970-728-7577

To Owner:
St. Sophia Partners, LLLP
c/o John J. Horn
PO Box 518
261 Country Club Dr.
Telluride, CO 81435
Tele: 970-728-5677
Fax: 970-728-8315

The address to which any notice, demand, or writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

5.7 SEVERABILITY. If any term or provision or article of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the applications or such term or provision or Article to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

5.8 DEFINED TERMS. All capitalized but undefined terms used in this Agreement shall have the meanings set forth in the LUO and/or Design Regulations.

5.9 EXHIBITS AND ATTACHMENTS. All exhibits and attachments to this Agreement shall be incorporated herein and deemed a part of this Agreement.

5.10 NO ERRORS OR VIOLATIONS. Per Sections 2-1207 and 2-1207-2 of the Town of Mountain Village Design Regulations, this approval does not allow any violation to the LUO and/or Design Regulations or imply approval of any errors that may be contained in this application that violate the LUO and/or the Design Regulations. (39)

VI. TOWN/METRO DISTRICT APPROVAL

6.1 Subject to the conditions herein, Town does hereby finally approve this Agreement and the Plans and Specifications. These instruments shall constitute the complete approval for the Property. The map for the planned community and this Agreement shall be recorded, at the Owner's expense, in the records of the San Miguel County Clerk and Recorder and shall run with the Property. The Plans and Specifications shall be filed of record with the Town of Mountain Village Department of Planning and Design Review.

IN WITNESS THEREOF, this Agreement is approved, covenanted, agreed to and executed this 1st day of April, 2004.

TOWN OF MOUNTAIN VILLAGE
By: Davis Fansler
Davis Fansler, Mayor

By: Kathy Mahoney
Kathy Mahoney, Town Manager

St. Sophia Partners, LLLP, a Colorado limited liability limited partnership,

By: John J. Horn
John J. Horn, Chief Operating Officer

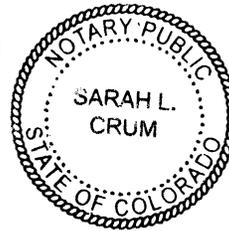
State of Colorado
County of San Miguel

Subscribed to and acknowledged before me this 1st day of April, 2004 by John J. Horn as Chief Operating Officer of St. Sophia Partners, LLLP, a Colorado limited liability limited partnership..

Witness my hand and official seal.
My commission expires: _____

My Commission Expires 08-22-06

Sarah L. Crum
Notary Public

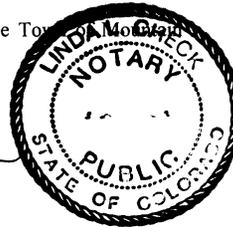


State of Colorado
County of San Miguel

Subscribed, sworn to and acknowledged before me by Davis Fansler, Mayor of the Town of Mountain Village, Colorado on this 1st day of April, 2004.

Witness my hand and seal.
My commission expires: 03-15-07

Linda R. Check
Notary Public

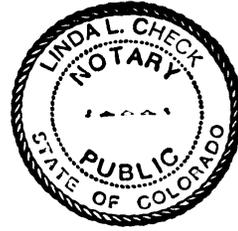


State of Colorado
County of San Miguel

Subscribed, sworn to and acknowledged before me by Kathy Mahoney, Town Manager, Town of Mountain Village, Colorado on this 1st day of April, 2004.

Witness my hand and seal.
My commission expires: 03-15-07

Linda L. Check
Notary Public



MOUNTAIN VILLAGE METROPOLITAN DISTRICT:

Mountain Village Metropolitan District

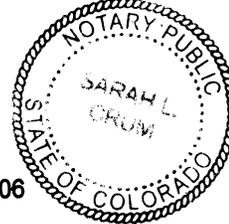
ATTEST:

By: Philip
Date: 4/1/04
Philip Evans, Sec/Treas.

By: Linda L. Check
Date: 04/01/04
Linda Check, Assistant Manager

By: Kathy Mahoney
Kathy Mahoney, District Manager

Date: 4/1/04



STATE OF Colorado)
County of San Miguel) SS.
TOWN OF Mountain Village)

My Commission Expires 08-22-06

The foregoing signature was acknowledged before me this 1st day of April, 2004 by Philip Evans, as Sec/Treas. of Mountain Village Metropolitan District.

Witness my hand and official seal.
My commission expires: _____

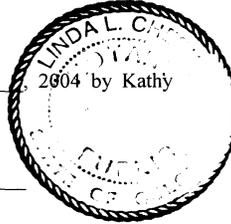
Sarah L. Crum
Notary Public

STATE OF Colorado)
County of San Miguel) SS.
TOWN OF Mountain Village)

The foregoing signature was acknowledged before me this 1st day of April, 2004 by Kathy Mahoney, as the District Manager of the Mountain Village Metropolitan District.

Witness my hand and official seal.
My commission expires: 03-15-07

Linda L. Check
Notary Public



Community First ~~Bank~~ ^{National} represents and warrants to the Town of Mountain Village that it acknowledges, approves and agrees to be bound by the provisions of Paragraph 4 that pertain to Community First ~~Bank~~ ^{National}. Community First ~~Bank~~ ^{National} further agrees and acknowledges that the Town of Mountain Village is relying on such representations and warranties as a material inducement in agreeing to the provisions of Paragraph 4. Community First shall not release any proceeds from the Controlled Account or the Construction Loan pertaining to the construction of the Public Improvements without the written consent of the Town as set forth in 4.4.3(B) above. COMMUNITY FIRST ~~NATIONAL~~ ^{NATIONAL} BANK UNDERSTANDS AND AGREES THAT IF COMMUNITY FIRST ~~BANK~~ ^{NATIONAL} DOES NOT COMPLY WITH THE REQUIREMENTS OF PARAGRAPH 4 THE TOWN SHALL HAVE A CLAIM AGAINST COMMUNITY FIRST ~~BANK~~ ^{NATIONAL} FOR, AMONG OTHER THINGS, BREACH OF CONTRACT.

Community First National Bank
By: Terry Hedd
Senior VP

List of Exhibits

Exhibit #	Name
RD-1	Public Improvements Cost Estimate
RD-2	Sheets 1 through 27 of The Ridge Infrastructure Civil Construction Plans prepared by Foley & Associates, Inc. (Note: page 3 of these plans have been intentionally deleted).
RD-3	Letter, dated August 15, 2003, to John Horn, St. Sophia Partners, from Mollye A. Wolahan, Director of Planning, Housing and Economic Development, Town of Mountain Village, Re: Master Development Plan for Lots 161A-1R, 161A-2, 161A-3 and 161A-4, 161D-1 and 161D-2 ("Approval Letter")



January 27, 2015

MEMORANDUM

TO: Steve Cram, St. Shopia Partners LLLP

FROM: Todd Frisbie, PE, FHU; Colleen Guillotte, PE, FHU

SUBJECT: The Ridge Parking Analysis
FHU Reference No. 115027-01

Parking occupancy data was collected for four condominiums in Mountain Village, CO. The data was collected at peak parking times between 10 PM and 5 AM during the holiday season (between Christmas and New Years). It was anticipated that using both the holidays and collecting overnight counts would lead to the highest parking occupancy rates. **Table 1** provides the parking data collect at all locations.

Table 1. Parking Data

Development	Residential Units	Parking Spaces	Maximum Occupancy Observed	Occupied Spaces/Units
See Forever Vilage	27	43	27	1.00
Lorian	26	32	9	0.35
Lorian New	6	10	3	0.50
Westermere	14	11	9	0.64
Palmyra	20	17	10	0.50
Total	93	113	58	0.62

As shown, the maximum number of parking spaces occupied per residential unit varied between 0.35 and 1.00. The overall average occupancy rate for all the developments was 0.62 parking spots occupied per residential unit.

We hope this information is helpful. If you have any questions, then please feel free to call me or Colleen at 719-314-1800.

**RESOLUTION OF THE TOWN COUNCIL
OF MOUNTAIN VILLAGE, RESOLUTION APPROVING ALTERNATIVE PARKING
REQUIREMENTS FOR LOTS 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 AND 161D-2**

RESOLUTION NO. 2018

- A. The Ridge At Telluride Homeowners Association, Inc. (“The Ridge HOA”), a Colorado nonprofit corporation has applied for an Alternative Parking Requirement pursuant to the Town’s Community Development Code (“CDC”) on behalf of the following owners of The Ridge Development: Coonskin Ridge Cabin Lot, LLC, a Michigan limited liability company (“Coonskin”); Ironhorse Land Company, LLC, a Nevada limited liability company (“Ironhorse”); CO Ridge Lots 3 & 11, LLC, a Delaware limited liability company (“CO Ridge Lots”); Jonathan H. and Tiffany L. Horton Living Trust (“Horton Trust”); Life @ 10,500 Ft LLC, a Colorado limited liability company (“Life @ 10,500”); Telluride Longview, LLC, a Colorado limited liability company (“Longview”); See Forever Holdings, LLC, a Tennessee limited liability company (“See Forever”); Eenhoorn Ridge, LLC, a Michigan limited liability company (“Eenhoorn”); Leonard Conway (“Conway”); SSS Ranch, LLC, a Colorado limited liability company (“SSS Ranch”); Ridge Cabin Holdings, LLC, a Colorado limited liability company (“Ridge Cabin”); Lakshmana R. Madala (“L. Madala”); Manjula Madala (“M. Madala”); Lot 20 , LLC, a Michigan limited liability company (“Lot 20”); Lot 16 The Ridge, LLC, a Michigan limited liability company (“Lot 16”) (collectively excluding the Ridge HOA, the “Ridge Owners”).
- B. The Ridge consists of 35 detached condominiums, 15 condominiums, 1 lodge unit, 5 efficiency lodge units, commercial and associated amenity space (“The Ridge Development”) that is located on Lots 161A-1R, 161A-2, 161A-3, 161A-4, 161D-1 AND 161D-2 (“THE RIDGE Lots”)
- C. The Ridge HOA has authorized Alpine Planning LLC to pursue the approval of Alternative Parking Requirement which Alpine Planning LLC has submitted to the Town (“Application”).
- D. The Ridge Development has previous approvals relating to the parking requirements of The Ridge Development which allow for off-premise parking on Lot 161C-R (“Lot 161C-R”), including but not limited to Resolution Number 2003-0610-10, The Ridge Development Parking Performance Agreement as recorded at Reception Number 363808, Resolution Number 2003-0610-10 approving off-site parking on Lot 161C-R or a payment in-lieu, and the Lot 161C-R “Parking Assurance Covenant” with the Town as recorded at Reception Number 363809 (collectively the “Ridge Parking Agreements”).
- E. The Ridge Parking Agreements allow for, among other things, the satisfaction of parking requirements for The Ridge Development and the Ridge Lots through off-site parking on Lot 161C-R or through a payment of a parking payment in lieu fee to the Town or a combination thereof. The Town, The Ridge HOA, The Ridge Owners, CO Lot 161C-R, Mountain Village, LLC, the owner of Lot 161C-R (“CO Lot”) and the Town are parties to the “Lawsuit” (defined below), which involve among other things The Ridge Parking Agreements.
- F. On or about April 26, 2018, The Town, The Ridge HOA, The Ridge Owners and CO Lot entered into a Settlement Term Sheet (“Term Sheet”) which sets out the basis for resolving the Lawsuit and identifies the key terms to a Settlement Agreement to be prepared and entered into by the Parties to the Term Sheet. One requirement of the Term Sheet is that The Ridge Owners and The

Ridge HOA submit an application to the Town to establish Alternative Parking Requirements consistent with the terms of the Term Sheet.

- G. The Application is consistent with the Term Sheet.
- H. The Ridge HOA, The Ridge Owners and the Town all acknowledge and rely upon the fact that The Ridge Development has limited vehicular access as outlined in the Non-Gondola Access Easement Agreement as recorded at Reception Number 335491 and as amended at Reception Number 342408 (collectively referred to as “The Ridge Access Agreements”). Therefore, the limited vehicular access pursuant to The Ridge Access Agreements will suppress the number of vehicles associated with The Ridge Development is one of the primary factors supporting approval of the Alternative Parking Requirement, which is a reduction in the required parking at The Ridge Development.
- I. The Application provided a parking study which shows lower parking utilization numbers for similar developments within the Town.
- J. The Alternative Parking Requirement is generally the same parking as required for the Village Center with one space per condominium unit, with The Ridge development designed and planned integral to the Village Center and with limited vehicular access. Therefore, the parking approved herein for The Ridge generally conforms to the parking required for Village Center Development.
- K. The Owners have addressed, or agreed to address, all conditions of approval of the Application imposed by Town Council.
- L. The Ridge Development currently has 56 total units of density with 50 condominium units of density, 1 lodge unit, and 5 efficiency lodge units along with commercial. The Parking Requirements per the CDC are shown in the table below:

Zoning Designation	Actual Units	Parking Space Per Unit	Total Parking Requirement
Detached Condominium	35	2	70
Condominium	15	2	30
Lodge	1	.5	.5
Efficiency Lodge	5	.5	2.5
Totals	56		103

- M. The proposed and approved Alternative Parking Requirements consistent with this approval are shown in Table 2 below:

Zoning Designation	Actual Units	Alternate Parking Space Per Unit	Total Parking Requirement
Detached Condominium	35	1	35
Condominium	15	1	15
Lodge and Efficiency Lodge	6	.33	2
Totals	56		52

- N. The Town Council finds that the Alternative Parking Requirement meets the criteria for decision set forth in Section 17.5.8.A.6 of the CDC as follows:
1. The Alternative Parking Requirements shall be sufficient to meet the parking demand for the proposed uses; and
 2. The Alternative Parking Requirements are not detrimental to the public health, safety and welfare.

NOW, THEREFORE, BE IT RESOLVED THAT THE TOWN COUNCIL HEREBY APPROVES THE ALTERNATIVE PARKING REQUIREMENT AS SHOWN IN EXHIBIT A AND AUTHORIZES THE MAYOR TO SIGN THE RESOLUTION SUBJECT TO THE FOLLOWING CONDITIONS:

- 1) This Resolution shall not be valid, take effect, nor be binding and recorded in the records of the San Miguel County Clerk and Recorder unless and until the Town, The Ridge Owners, The Ridge HOA, CO Lot 161C-R, LLC, and St. Sophia Partners, LLLP enter into a legally binding “Settlement Agreement” consistent with the Term Sheet resolving civil action No. 2015CV30031, San Miguel County District Court (the “Lawsuit”) as between the Parties to the Term Sheet.
- 2) This Resolution shall become null and void if the Settlement Agreement has not been finalized and executed by all Parties to the Term Sheet and St. Sophia Partners, LLLP, by December 31, 2018.
- 3) Upon satisfaction of all conditions of this Resolution it shall thereupon become effective, at which point it shall then supersede and replace The Ridge Parking Agreements upon the terms and conditions set forth in the Settlement Agreement, and this Resolution shall then also supersede and replace any provision of any other document related to parking approvals for The Ridge Development. Upon satisfaction of all conditions of this Resolution and thereupon becoming effective, this Resolution shall be recorded, along with the Settlement Agreement recorded at Reception Number _____, in the records of the San Miguel County Clerk and Recorder, at which point this Resolution shall be the sole Town approval governing the parking requirements for The Ridge Development.
- 4) Any change in location of parking from Lot 161C-R, or any change of zoning at The Ridge that increases the actual unit density will be required to concurrently amend this Alternative Parking Requirement.
- 5) In the event the Ridge Development becomes a vehicularly accessed community at any time in the future beyond those rights as set forth in the Ridge Access Agreements, the parking requirements for all lots and all density at the Ridge Development who elect to use that vehicular access to park at the Ridge shall revert to requiring two parking spaces per Ridge Unit of condominium unit. These two parking spaces can be fulfilled with a combination of 161C-R parking spaces pursuant to the Settlement Agreement, building covered parking spaces at the Ridge, pursuant to the CDC design standards for covered parking, or paying the then current parking payment in lieu fee to the Town.

Section 1. Resolution Effect

- A. This Resolution shall have no effect on pending litigation, if any, and shall not operate as an abatement of any action or proceeding now pending under or by virtue of the resolutions repealed or amended as herein provided and the same shall be construed and concluded under such prior resolutions.
- B. All resolutions, of the Town, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed, replaced and superseded to the extent only of such inconsistency or conflict.

Section 2. Severability

The provisions of this Resolution are severable and the invalidity of any section, phrase, clause or portion of this Resolution as determined by a court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of this Resolution.

Section 3. Effective Date

This Resolution, with its stated conditions and contingencies, shall become initially effective on July 19, 2018 (the "Effective Date") as herein referenced throughout this Resolution.

Section 4. Public Meeting

A public meeting on this Resolution was held on the 19th day of July, 2018 in the Town Council Chambers, Town Hall, 455 Mountain Village Blvd, Mountain Village, Colorado 81435.

Approved by the Town Council at a public meeting held on July 19, 2018.

Town of Mountain Village, Town Council

By: _____
Laila Benitez, Mayor

Attest:

By: _____
Jackie Kennefick, Town Clerk

Approved as to Form:

James Mahoney, Assistant Town Attorney

EXHIBIT A

The Alternative Parking Requirements for The Ridge Development shall be as follows:

1. The number of parking spaces per unit of density shall be as follows for all units in The Ridge Development:

Zoning Designation	Actual Units	Alternate Parking Space Per Unit	Total Parking Requirement
Detached Condominium	35	1	35
Condominium	15	1	15
Lodge and Efficiency Lodge	6	.33	2
Totals	56		52

2. The Alternative Parking Requirements for units which have not been constructed at The Ridge Development shall be required to be satisfied in the manner set forth below prior to the pulling of a building permit for a unit at The Ridge Development.
3. The Alternative Parking Requirements for units which have been constructed prior to the date of this Resolution had promissory notes issued by the original developer St. Sophia Partners, LLLP to Town for parking payment-in-lieu fees in the total principal amount of \$234,000.00 as follows:
 - a. Principal amount of \$78,000 for three parking spaces for Unit 2, Lot 161A-1R Building;
 - b. Principal amount of \$52,000 for two parking spaces for Unit 7, Lot 161A-1R Building;
 - c. Principal amount of \$52,000 for two parking spaces for Unit C-3, The Ridge; and
 - d. Principal amount of \$52,000 for two parking spaces for Unit 21, The Ridge.

The Settlement Agreement shall require that replacement promissory be issued by The Ridge Owners of the same units and parking spaces identified above and for the same amounts as provided for in the St. Sophia promissory notes as follows (the “Promissory Note Owners”):

- a. Coonskin - Principal amount of \$78,000 for three parking spaces for Unit 2, Lot 161A-1R Building;
- b. Coonskin - Principal amount of \$52,000 for two parking spaces for Unit 7, Lot 161A-1R Building;
- c. SSS Ranch - Principal amount of \$52,000 for two parking spaces for Unit C-3, The Ridge;
- d. Eenhoorn - Principal amount of \$52,000 for two parking spaces for Unit 21, The Ridge.

The Promissory Note Owners shall be required to pay their respective Promissory Notes or provide the Town with an executed “Reservation Agreement” which demonstrates

their commitment to purchase a deed parking space at Lot 161C-R within 60 days of execution of the Settlement Agreement along with proof of deposit of the escrowed funds related to the Reservation Agreement.

4. The Town approves the manner of satisfying the Alternative Parking Requirements for The Ridge Development as follows:
 - a. Purchasing a deeded parking space at Lot 161C-R, which has a deed restriction, restricting said parking space to the particular Ridge unit owned by the applicable Ridge Unit Owner; or
 - b. Paying to the Town a payment in lieu fee at the then current rate as established by the Town Council multiplied by the number of parking spaces required by this approval.

5. The purchasing of a deeded parking space at Lot 161C-R shall be evidenced by either (a) presenting a deed to a parking space at Lot 161C-R deed restricted to the particular Ridge Unit; or (b) presenting a fully executed Reservation Agreement, which demonstrates the commitment to purchase a deeded parking space at Lot 161C-R which contains language which requires release of the then current amount of the payment in lieu fee from the escrow guaranteeing the Reservation Agreement to the Town and proof of deposit of the related escrowed funds.



**PLANNING AND DEVELOPMENT SERVICES
DEPARTMENT**
455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 369-8250

Agenda Item No. 9

TO: Town Council
FROM: Sam Starr, Planner
FOR: Meeting of July 19, 2018
DATE: July 12, 2018
RE: Second Reading, Public Hearing and Council Vote on an Ordinance Approving (1) a Rezone of Lot 151R from Multi-Family to Single Family (2) Changing Four Condominium Unit Designations to Three Single Family Unit Designations to be Assigned to Each Replatted Lot (Lot 151A, Lot 151B, and Lot 151C) Per Community Development Code Sections 17.4.9 & 17.4.10.

PROJECT GEOGRAPHY

Legal Description: Lot 151R, Town of Mountain Village according to Plat Book 1, Page 4436 according to records of San Miguel County, Colorado.

Address: 239 Country Club Drive

Applicant/Agent: Alpine Planning LLC

Owner: The Retreat at Mountain Village III, LLC

Zoning: Multi Family

Existing Use: Vacant land

Proposed Use: Rezone and replat into three single family lots on Lot 151R

Lot Size: .909 acres

Adjacent Land Uses:

- **North:** Single Family
- **South:** Open Space
- **East:** Multi Family
- **West:** Multi Family

ATTACHMENTS

- Exhibit A: Applicant's Narrative
- Exhibit B: Ordinance

BACKGROUND

The owners of Lot 151R, 239 Country Club Drive have applied to replat the property into three (3) single family lots. In addition to the Major subdivision application the applicant submitted a rezoning and density transfer application, to rezone the property from multi-family zoning to single family zoning and change the zoning designation from four condominium units to three single family units having a resulting equal person equivalent density. Both applications have been received and are being reviewed concurrently. The minor subdivision application was reviewed with the rezone and density transfer application by Town Council on June 14th, 2018. The subdivision of 151R was concurrently passed on June 14th, with the added condition that all exterior General Easements be set to 16 feet.

CRITERIA AND ANALYSIS

The criteria for decision for the board to evaluate a rezone from the Multi-Family Zone District to Single-Family Zone District is listed below. The following criteria must be met for the review authority to approve a rezoning application:

- a. The proposed rezoning is in general conformance with the goals, policies and provisions of the Comprehensive Plan;
- b. The proposed rezoning is consistent with the Zoning and Land Use Regulations;
- c. The proposed rezoning meets the Comprehensive Plan project standards;
- d. The proposed rezoning is consistent with public health, safety and welfare, as well as efficiency and economy in the use of land and its resources;
- e. The proposed rezoning is justified because there is an error in the current zoning, there have been changes in conditions in the vicinity or there are specific policies in the Comprehensive Plan that contemplate the rezoning;
- f. Adequate public facilities and services are available to serve the intended land uses;
- g. The proposed rezoning shall not create vehicular or pedestrian circulation hazards or cause parking, trash or service delivery congestion; and
- h. The proposed rezoning meets all applicable Town regulations and standards.

The proposed rezone the property from Multi-Family to Single Family and change of unit designation from condominium to single family is consistent with the Comprehensive Plan which notes in Land Use Value Number 8, land uses are envisioned to fit into the surrounding neighborhood. (p. 35 of the Comprehensive Plan). The existing zoning and density of single family homes from 230 to 266 Country Club Drive demonstrate that this density transfer and rezone would be appropriate for the neighborhood character. Items F and G will be addressed in the Major Subdivision Application.

PROPOSED MOTION

I move to approve the rezone and density transfer application pursuant to CDC Sections 17.4.9 & 17.4.10 to rezone the property from the Multi-Family zone district to the Single-Family zone district and change the Zoning Designations from four condominium units to three single family units (one per each proposed new lot) with the resulting 12 person equivalent for the project with the findings found in the staff memo and the following conditions:

1. The approval is conditioned upon the Major subdivision plat approval by the Town Council.
2. Direct town staff to update the official Town of Mountain Village zoning map accordingly.

/STS

Lot 151R Rezoning and Subdivision



BACKGROUND

The Retreat at Mountain Village III (“Owner”) desires to rezone Lot 151R (“Property”) from the Multi-family Zone District to the Single-family Zone District and to replat the Property to create three single-family lots as shown in Exhibit A.

The Property is located at 239 Country Club Drive as shown in Figure 1. The Property is located to the north of the Hole 1 Fairway, with the Big Billies Trail located along the property line and in a portion of the southern general easement.

The Property has a low USGS elevation of 9296 and a high elevation of 9362 with an overall elevation gain of 66 feet with slopes that are generally less than 30%. There are some slopes that are 30% or greater that are located in the westerly half of the Property as shown on the slope map in Exhibit B.

The Property has the following designated land uses:

Lot	Acreage	Zone District	Zoning Designation	Actual Units	Density Per Unit	Equivalent Units
151R	0.91	Multi-Family	Condo	4	3	12

The proposed land uses for the Property follows:

Lot	Acreage	Zone District	Zoning Designation	Actual Units	Density Per Unit	Equivalent Units
151R	0.91	Single-family	Single-family	3	4	12

There is no need to transfer density to or from the Property.

The Property was first platted in 1984 under the Mountain Village Filing No. 1 Plat at Reception Number 233115, with the designated use of a Condominium Lot with three condominium units. The Property was re-platted in 1987 to create three lots that allowed one detached single-family condominium on each lot. The Town approved a replat of the Property in 2011 that vacated the lot lines to create Lot 151R that is the current plat for the Property (Exhibit C).

REZONING

Rezoning Criteria for Decision

The proposed rezoning meets the Rezoning criteria for decision set forth in Community Development Code (“CDC”) Section 17.4.9(C) as set forth in the following sections.

General Conformance with the Comprehensive Plan

The Mountain Village Comprehensive Plan (“Comprehensive Plan”) Future Land Use Plan envisions the Property rezoned to the Single-family Zone District as shown in Figure 2. The Multi-family Zone District currently permits detached condominiums that are built as single-family dwellings. Detached condominiums are viewed as single-family development. So both the current zoning and the Comprehensive Plan contemplate the single-family land uses for the Property. There are no wetlands, trees or forests located on the Property. Steep slopes are addressed latter in this narrative.

Figure 1. Vicinity Map

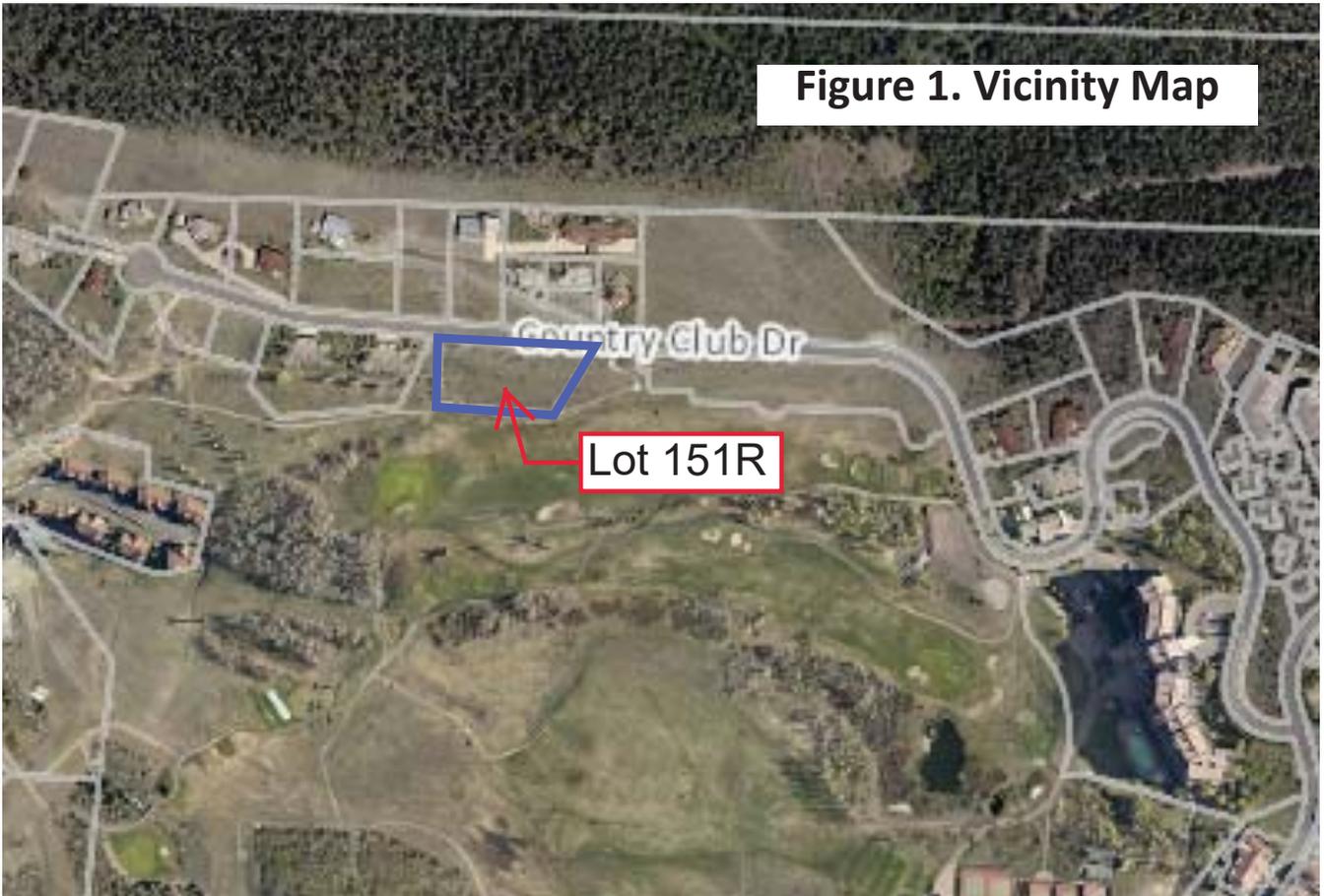
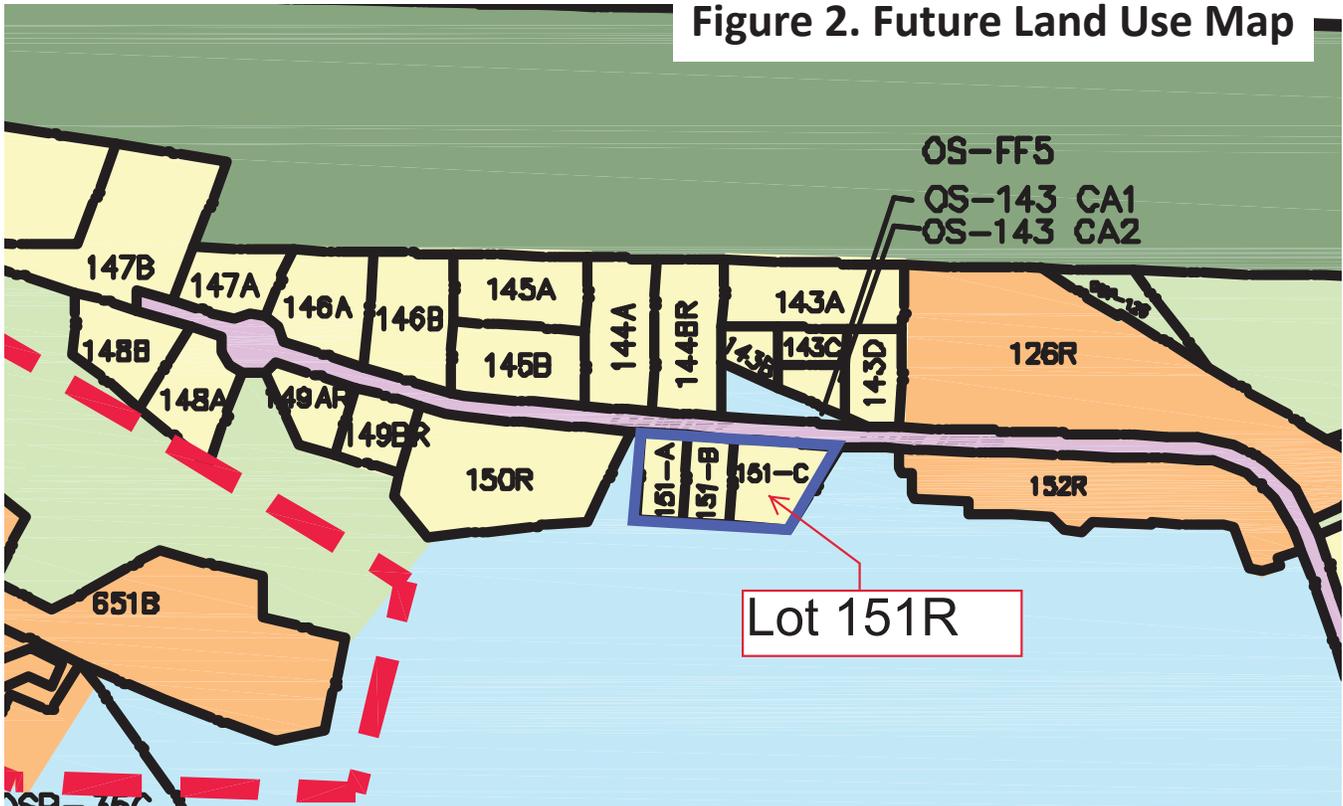


Figure 2. Future Land Use Map



Consistency with the Zoning and Land Use Regulations

The proposed rezoning and subdivision are consistent with the Zoning and Land Use Regulations contained in CDC Section 17.3. Single-family dwellings are permitted uses in the Single-family Zone District. The existing person equivalent density allows for the conversion of four condominium units to three single-family dwellings with no need to transfer density to or from the Property. The rezoning and subdivision do not impact platted open space. Building height and lot coverage will be in compliance with the CDC limitations. The owner is proposing to establish 16 foot general easements in between the proposed building envelopes with eight (8) feet on either side of the interior lot lines and to vacate the general easement on the east and west sides of the Property as discussed below.

General Easement Vacation

The Owner is seeking to vacate the eastern and western general easements from 16 feet to 8 feet as shown in Exhibit A. The main purposes of the general easement are to provide buffering to surrounding land uses and to maintain the ability to conduct any of the general easement allowed uses. The west and east sides of the Property abut TSG open space which provides ample buffering to surrounding land uses, with 64 feet to the development to the west, and over 127 feet to the Northlight property to the east. The Big Billies Trail will be provided a 16 foot general easement setback as it runs along the southerly Property boundary. The Owner has agreed to a plat note that requires landscape buffering in the western and eastern general easements of Lot 1 and Lot 3, respectively, to soften the development as viewed from surrounding development.

The general easement definition allows for the following uses, improvements and activities:

“...utilities, drainage, electrical service, communication service, ski slope maintenance, bicycle

access, skier access, roadway access, equestrian access, pedestrian access, golf cart access, snow making, waterways, slope maintenance, snow storage, retaining walls, snowmobile access, snow removal, snowcat access, water, sanitary sewer and storm sewer.”

These general easement uses and activities are not needed for the Property because all utilities have been established in the area and the surrounding open space allows for ski-related uses. We therefore believe that the eastern and western general easements may be reduced and vacated from 16’ to 8’ as shown on the proposed plat.

The Town has historically allowed for the vacation and reduction of the general easement to allow for desired development plans, with the most applicable example at Trails Edge Subdivision where the general easement was vacated where it adjoined open space to the north. Even Lot 151R had portions of the general easement vacated as shown in Exhibit E. We are similarly requesting the Town consider vacating the general easement as shown, with the general easement section of the CDC recognizing general easement vacations.

Comprehensive Plan Project Standards

The proposed rezoning will meet the Comprehensive Plan Project Standards because visual impacts will be minimized. The current and proposed zoning allowing a building height of 30 feet plus 5 feet for gabled roofs and for detached condominiums without size limitations pursuant to the Multi-family Zone District standards, subject to a 65% lot coverage. The Single-family Zone District limits lot coverage to 40%, so there is also a 20% reduction in allowed lot coverage with the rezoning. The single-family dwellings will have less scale and mass that is designed in accordance with the Zoning and Land Use Regulations and the Design Regulations. Environmental and geotechnical impacts will be minimized and mitigated consistent with the Comprehensive Plan and the CDC. Site specific issues will be addressed concurrent with the Design Review Process.

Rezoning Justification

The rezoning is justified because it is envisioned by the Future Land Use Map as shown in Figure 2.

Public Facilities and Services

The site survey in Exhibit D shows that water, natural gas and telecommunications are available in the Country Club Drive Right-of-Way. Electricity will have to be provided from the north of County Club Drive. Sewer is available in the TSG open space to the south. Fire protection is provided by the Telluride Fire Protection District. Police protection, street maintenance and general government services are available from the Town.

Circulation, Parking, Trash and Deliveries

The Property has access from Country Club Drive, with trash pickup and deliveries easily and safely accessible. Parking will be provided on each site in accordance with the Design Regulations.

SUBDIVISION

Criteria for Decision

The proposed development is classified as a Major Subdivision. The proposed subdivision complies with the Subdivision criteria for decision set forth in CDC Section 17.4.13(E)(1) as outlined in the following sections.

General Conformance with the Comprehensive Plan

The proposed subdivision generally conforms to the Comprehensive Plan as outlined under the rezoning section above.

Consistency with the Zoning and Land Use Regulations

The proposed subdivision is consistent with the Zoning and Land Use Regulations as set forth under the rezoning section above.

Density Allocation

The concurrent rezoning request is proposing to convert the four actual units and 12 person equivalent units of condominium density to 12 person equivalents of single-family density for the three (3) proposed lots.

Consistency with Subdivision Regulations

The proposed subdivision is consistent with the Subdivision Regulations as set forth below.

Adequate Public Facilities and Services

The site survey in Exhibit D shows that water, natural gas and telecommunications are available in the Country Club Drive Right-of-Way. Electricity will have to be provided from the north of County Club Drive. Sewer is available in the TSG open space to the south, with a draft easement to cross TSG land in process. Fire protection is provided by the Telluride Fire Protection District. Police protection, street maintenance and general government services are available from the Town. A draft civil plan for utilities is shown in Exhibit F.

Soil and Geologic Conditions

The approval of the Mountain Village Filing No. 1 plat and the original County PUD found that the development of the area avoids areas subject to geological hazards. A geotechnical report may be required by the Town Building Department as a part of the building permit process for each lot to ensure homes are designed in accordance with soil conditions that are present on the Property. A geotechnical report for the Property to the west, Lot 150, is shown in Exhibit E.

Subdivision Access

Each lot will be accessed from Country Club Drive and will be designed to meet the Driveway Standards contained in CDC Section 17.6.6(B) unless a variation is granted by the Design Review Board during the Design Review Process as allowed by Subsection 23. The draft access and grading plan is shown in Exhibit F.

Subdivision Design Standards and General Standards

The proposed subdivision complies with the Subdivision Design and General Standards set forth in CDC Section 17.4.13(F) as set forth in the following sections.

Minimum Frontage. Each lot has over 50 feet of frontage.

Vehicular and Utility Access. Vehicular and utility access is provided off of Country Club Road with the exception of sewer. The site survey shows the sewer line is located on TSG open space so we are working with TSG to create a new sewer line easement for the subdivision. This easement will be submit-

ted for Town review and approval in the near future.

Minimum Lot Size. The proposed lot sizes are envisioned by the Comprehensive Plan as shown in Figure 2. In addition, the proposed lot sizes are approximately 0.3 acres which is very similar to the lots to the north (Lots 143B, 143C and 143D) that have an average size of 0.22 acre.

Solar Access. Each lot will have great solar access to the south.

General Easement. A 16 foot general easement is provided on the north and south lot lines. The Owner is proposing to vacate the 16 foot western and eastern general easement and provide an 8 foot setback/general easement as outlined in the zoning discussion above. The general easements and setbacks as proposed will provide for adequate buffering and general easement uses. A 16 foot general easement is provided in between each building envelope in the subdivision, with 8 feet on either side of the lot line.

Design of Lots. The lots have been designed in accordance with the development pattern envisioned in the Comprehensive Plan; topographical considerations; convenient and safe access; provision of adequate building area that meets the zoning and subdivision requirements; utilities and views to the southwest.

Protection of Natural Features. There are no natural features on the site.

Topography of the Land. The subdivision has been designed to fit the topography of the land to the extent practical.

Areas Subject to Environmental Hazard. There are no environmental hazard areas in the Property.

Drainage. The Property survey shows two culverts in the northwest corner that are planned to be replaced with a new culvert as shown on the drainage plan in Exhibit F. Drainage from the proposed culvert is located in the proposed 8' general easement. The development of each lot will have to provide for the required drainage improvements as a part of the required Design Review Process.

Fire Protection. Fire protection is provided by the Telluride Fire Protection District. Hydrants have been installed along Country Club Drive as required by the original subdivision development of the area.

Street Improvements. Country Club Drive street improvements have already been installed. Each home will have to provide a new driveway onto Country Club Drive concurrent with development.

Water, Sewer and Utilities. Water, gas, telecommunications and electric utilities are available from Country Club Drive. The sewer line intended to serve Lot 151R and other lots to the west is located in TSG open space as discussed above.

Utility Design and Improvements. The Owner's team will need to work with the Town and utility agencies to create an overall utility plan with any needed subdivider improvements listed on a subdivision improvements agreement.

Required Dedications. There are no required land dedications for the subdivision. Big Billies Trail is located in the 16 foot general easement on proposed Lot 151R-3.

Maintenance of Common Areas. There are no common areas associated with the proposed subdivision.

Public Improvement Policy. The subdivision improvements agreement will be provided to the Town

after a utility plan is reviewed and approved by the utility agencies and the Town.

Steep Slope Regulations

The proposed subdivision has some area with slopes that are 30 percent or greater. CDC Section 17.6.1(C)(2)(a) states:

“Building and development shall be located off slopes that are thirty percent (30%) or greater to the extent practical.

i. In evaluating practicable alternatives, the Town recognizes that it may be necessary to permit disturbance of slopes that are 30% or greater on a lot to allow access to key viewsheds, avoid other environmental issues, buffer development and similar site-specific design considerations.”

Most of the lots on the south side of Country Club Drive contain steep slopes with the lots platted and density assigned to the site knowing such conditions existed. Disturbance to steep slopes is needed to allow for development envisioned by the Comprehensive Plan, access to key views and to allow for reasonable use of the Property. The Town has always envisioned the development of Lot 151 including the steep slopes areas given its size and the density permitted.

The intent of the Steep Slope Regulations is to protect water quality, visual resources and slope stability. In this case, there will be no adverse impacts to water quality, visual resources or slope stability due to the need to provide engineered plans, application of water quality protection measures, and height being limited due to the slopes dropping from Country Club Drive.

CDC 17.6.1(C)(2)(c) states:

The review authority shall only allow for disturbance to slopes thirty percent (30%) or greater if it is demonstrated that there is not a practicable alternative to avoiding such activities and if the following criteria are met:

- i. The proposed steep slope disturbance is in general conformance with the Comprehensive Plan;
- ii. The proposed disturbance is minimized to the extent practical;
- iii. A Colorado professional engineer or geologist has provided:
 - (a) A soils report or, for a subdivision, a geologic report; or
 - (b) An engineered civil plan for the lot, including grading and drainage plans.
- iv. And the proposal provides mitigation for the steep slope development in accordance with the engineered plans.

The Comprehensive Plan envisions the development of three single-family lots as proposed by the Owner. The general easement and setback areas for each lot will minimize steep slopes associated with the fill for Country Club Drive. A soils report for Lot 150R to the west has been provided to show the general soils conditions for the area. Each lot will be required to submit a geotechnical report with the building permit applications to show that each home has been designed to meet site specific soils conditions. A Colorado Professional Engineer has prepared the conceptual grading plans for the drive-ways and the drainage as shown in Exhibit F, with each lot also required to have a Colorado PE prepare the drainage and grading plans.

ORDINANCE NO. 2018-__

ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF MOUNTAIN VILLAGE, COLORADO APPROVING: (1) REZONE LOT 151R FROM MULTI-FAMILY TO SINGLE FAMILY (2) CHANGING FOUR CONDOMINIUM UNIT DESIGNATIONS TO THREE SINGLE FAMILY UNIT DESIGNATIONS TO BE ASSIGNED TO EACH REPLATTED LOT (LOT 151A, LOT 151B AND LOT 151C)

RECITALS

- A. The applicant and owner’s representative, Alpine Planning, LLC., has submitted an application for a rezoning and density transfer for the replat of Lots 151R into Lots 151A 151B and 151C. The owner proposed to rezone the property from multi-family to single family and change four condominium unit designations to three single family unit designation to be assigned one single family unit designation per each replatted lot pursuant to the requirements of the Community Development Code (“**CDC**”).
- B. Retreat at Mountain Village III, LLC. is the owner of Lot 151R.
- C. Replatted 151R results in Lot 151A, 151B and 151C (collectively the “**Property**”) and have the following physical addresses in respective order: 239 Country Club, 241 Country Club and 243 Country Club Drive.
- D. The Owner has authorized the Alpine Planning LLC. to pursue the approval of the major subdivision application to replat Lot 151R into Lots 151A 151B and 151C (the “Subdivision Application”). Concurrent with the Subdivision Application a rezoning and density transfer application to rezone the property from multi-family to single family and change the unit configuration from condominium unit designation to single family unit designation has been filed (the “Rezoning Application”).
- E. The Property has the following zoning designations pursuant to the Official Land Use and Density Allocation List and zoning as set forth on the Town Official Zoning Map:

Lot No.	Zone District	Zoning Designation	Actual Units	Person Equivalent per Actual Unit	Total Person Equivalent Density
Lot 151R	Multi Family	Condominium	4	3	12

- F. At a duly noticed public hearing held on June 7, 2018, the DRB considered the Applications, testimony and public comment and recommended to the Town Council that the Applications be approved with conditions pursuant to the requirement of the CDC.
- G. At its regularly scheduled meeting held on June 14, the Town Council conducted a public hearing on this Ordinance, pursuant to the Town Charter and after receiving testimony and public comment, closed the hearing and approved the Applications and this Ordinance on second reading.

H. This Ordinance rezones the Property as follows

Lot No.	Zone District	Zoning Designation	Actual Units	Person Equivalent per Actual Unit	Total Person Equivalent Density	Notes
Lot 151A	Single Family	Single Family	1	4	4	
Lot 151B	Single Family	Single Family	1	4	4	
Lot 151C	Single Family	Single Family	1	4	4	

I. The meeting held on June 14 was duly publicly noticed as required by the CDC Public Hearing Noticing Requirements, including but not limited to notification of all property owners within 400 feet of the Property, posting of a sign and posting on the respective agendas.

J. The Town Council hereby finds and determines that the Applications meet the Rezoning Process Criteria for Decision as provided in CDC Section 17.4.9(D) as follows:

Rezoning Findings

1. The proposed rezoning is in general conformance with the goals, policies and provisions of the Comprehensive Plan.
2. The proposed rezoning is consistent with the Zoning and Land Use Regulations.
3. The proposed rezoning meets the Comprehensive Plan.
4. The proposed rezoning is consistent with public health, safety and welfare, as well as efficiency and economy in the use of land and its resources.
5. The proposed rezoning is justified because of the specific policies in the Comprehensive Plan that contemplate the rezoning as applied for.
6. Adequate public facilities and services are available to serve the intended land uses.
7. The proposed rezoning shall not create vehicular or pedestrian circulation hazards or cause parking, trash or service delivery congestion.
8. The proposed rezoning meets all applicable Town regulations and standards.

K. The Town Council finds that the Applications meet the Rezoning Density Transfer Process criteria for decision contained in CDC Section 17.4.10(D)(2) as follows:

NOW, THEREFORE, BE IT RESOLVED THAT THE TOWN COUNCIL HEREBY APPROVES THE APPLICATION SUBJECT TO THE FOLLOWING CONDITIONS.

- 1) The approval is conditioned upon the Major subdivision plat approval by the Town Council.
- 2) Direct town staff to update the Town of Mountain Village zoning map accordingly.

Section 1. Effect on Zoning Designations

A. This Resolution changes the zoning from Single Family to Multi-Family on the Properties.

B. This Resolution changes the unit designation from Condominium to Single Family.

Section 2. Ordinance Effect

All ordinances, of the Town, or parts thereof, inconsistent or in conflict with this Ordinance, are hereby repealed, replaced and superseded to the extent only of such inconsistency or conflict.

Section 3. Severability

The provisions of this Ordinance are severable and the invalidity of any section, phrase, clause or portion of this Ordinance as determined by a court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of this Ordinance.

Section 4. Effective Date

This Ordinance shall become effective on _____, 2018 following public hearing and approval by Council on second reading.

Section 5. Public Hearing

A public hearing on this Ordinance was held on the 19th of July, 2018 in the Town Council Chambers, Town Hall, 455 Mountain Village Blvd, Mountain Village, Colorado 81435.

INTRODUCED, READ AND REFERRED to public hearing before the Town Council of the Town of Mountain Village, Colorado on the 14th day of June, 2018.

TOWN OF MOUNTAIN VILLAGE

**TOWN OF MOUNTAIN VILLAGE,
COLORADO, A HOME-RULE
MUNICIPALITY**

By: _____
Laila Benitez, Mayor

ATTEST:

Jackie Kennefick, Town Clerk

HEARD AND FINALLY ADOPTED by the Town Council of the Town of Mountain Village,
Colorado this ____ day of July, 2018

**TOWN OF MOUNTAIN VILLAGE
TOWN OF MOUNTAIN VILLAGE,
COLORADO, A HOME-RULE
MUNICIPALITY**

By: _____
Laila Benitez, Mayor

ATTEST:

Jackie Kennefick, Town Clerk

Approved As To Form:

Jim Mahoney, Assistant Town Attorney

I, Jackie Kennefick, the duly qualified and acting Town Clerk of the Town of Mountain Village, Colorado ("Town") do hereby certify that:

1. The attached copy of Ordinance No. _____ ("Ordinance") is a true, correct and complete copy thereof.

2. The Ordinance was introduced, read by title, approved on first reading with minor amendments and referred to public hearing by the Town Council the Town ("Council") at a regular meeting held at Town Hall, 455 Mountain Village Blvd., Mountain Village, Colorado, on _____, 2018, by the affirmative vote of a quorum of the Town Council as follows:

Council Member Name	"Yes"	"No"	Absent	Abstain
Laila Benitez, Mayor				
Dan Caton, Mayor Pro-Tem				
Dan Jansen				
Bruce MacIntire				
Patrick Berry				
Natalie Binder				
Jack Gilbride				

3. After the Council's approval of the first reading of the Ordinance, notice of the public hearing, containing the date, time and location of the public hearing and a description of the subject matter of the proposed Ordinance was posted and published in the Telluride Daily Planet, a newspaper of general circulation in the Town, on _____, 2018 in accordance with Section 5.2b of the Town of Mountain Village Home Rule Charter.

4. A public hearing on the Ordinance was held by the Town Council at a regular meeting of the Town Council held at Town Hall, 455 Mountain Village Blvd., Mountain Village, Colorado, on _____, 2018. At the public hearing, the Ordinance was considered, read by title, and approved without amendment by the Town Council, by the affirmative vote of a quorum of the Town Council as follows:

Council Member Name	"Yes"	"No"	Absent	Abstain
Laila Benitez, Mayor				
Dan Caton, Mayor Pro-Tem				
Dan Jansen				
Bruce MacIntire				
Patrick Berry				
Natalie Binder				
Jack Gilbride				

5. The Ordinance has been signed by the Mayor, sealed with the Town seal, attested by me as Town Clerk, and duly numbered and recorded in the official records of the Town.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town this ____ day of _____, 2018.

Jackie Kennefick, Town Clerk

(SEAL)

							
Business and Government Activity Report For the month ending: June 30th							
Activity	2018		2017		Variance		
	MONTH	YTD	MONTH	YTD	Variance	Variance %	
Cable/Internet							
<i>Some prior year numbers have been adjusted to accommodate the change in reporting by EBU</i>							
# Residential & Bulk Basic Cable	838		840		(2)	-0.2%	
# Premium Channel Residential & Bulk Subscribers	476		501		(25)	-5.0%	
# Digital Subscribers	214		244		(30)	-12.3%	
# Internet Subscribers	1,746		1,712		34	2.0%	
Average # Phone Subscribers	102		100		2	2.0%	
Village Court Apartments							
Occupancy Rate	%	99.10%	98.49%	97.94%	96.23%	2.26%	2.3%
# Vacated Units		1	3	4	30	(27)	-90.0%
# Work Orders Completed		32	173	47	244	(71)	-29.1%
# on Waiting List		86		39		47	120.5%
Public Works							
Service Calls		326	1,691	408	1,643	48	2.9%
Snow Fall	Inches	0	154	0	116	38	32.8%
Snow Removal - Streets & Prkg Lots	Hours	0	1,436	0	1,221	215	17.6%
Roadway Maintenance	Hours	409	1,002	402	739	263	35.6%
Water Billed Consumption	Gal.	14,684,000	132,714,000	14,582,000	67,264,000	65,450,000	97.3%
Sewage Treatment	Gal.	7,609,000	44,063,000	6,186,000	45,427,000	(1,364,000)	-3.0%
Child Development Fund							
# Infants & Toddlers Actual Occupancy		20.40	124.92	20.62	127.69	(2.77)	-2.2%
# Preschoolers Actual Occupancy		14.82	89.89	15.37	89.71	0.18	0.2%
Transportation and Parking							
GPG (noon snapshot)		6,014	36,276	5,686	29,972	6,304	21.0%
GPG Parking Utilization (% of total # of spaces occupied)		43.6%	43.8%	41.2%	36.2%	7.6%	21.0%
HPG (noon snapshot)		904	7,423	771	7,213	210	2.9%
HPG Parking Utilization (% of total # of spaces occupied)		28.4%	38.9%	24.2%	37.8%	1.1%	2.9%
Total Parking (noon snapshot)		12,017	68,315	11,356	60,775	7,540	12.4%
Parking Utilization (% of total # of spaces occupied)		49.5%	46.9%	46.8%	41.7%	5.2%	12.5%
Paid Parking Revenues		\$58,801	\$161,805	\$38,782	\$168,246	(\$6,441)	-3.8%
Bus Routes	# of Passengers	9,038	17,720	8,400	16,301	1,419	8.7%
Employee Shuttle	# of Passengers	1,243	7,575	1,403	7,651	(76)	-1.0%
Employee Shuttle Utilization Rate	%	52.5%	49.9%	56.0%	49.7%	0.20%	0.4%
Inbound (Vehicle) Traffic (Entrance)	# of Cars	72,525	372,053	71,792	363,205	8,848	2.4%
Human Resources							
FT Year Round Head Count		86		81		5	6.2%
Seasonal Head Count (FT & PT)		11		10		1	10.0%
PT Year Round Head Count		24		27		(3)	-11.1%
Gondola FT YR, Seasonal, PT YR Head Count		53		58		(5)	-8.6%
Total Employees		174		176		(2)	-1.1%
Gondola Overtime Paid	Hours	448	1868	349	1017	851	83.7%
Other Employee Overtime Paid		214	631	202	540	90	16.7%
# New Hires	Total New Hires	13	34	15	42	(8)	-19.0%
# Terminations		8	33	6	45	(12)	-26.7%
# Workmen Comp Claims		1	4	1	4	0	0.0%
Workmen Comp Claims Costs		\$288	\$792	\$660	\$6,414	(\$5,622)	-87.7%
Marketing & Business Development							
<i>Prior year numbers will be skewed due to several reasons, many transitions took place in 2017 leaving comparison information inaccurate.</i>							
Town Hosted Meetings		5	28	4	25	3	12.0%
Email Correspondence Sent		13	42	13	40	2	5.0%
E-mail List	#	7,890		na		#VALUE!	#VALUE!
Wifi Subscribers		2,949		na		#VALUE!	#VALUE!
Press Releases Sent		4	12	7	11	1	9.1%
Gondola and RETA							
<i>Current RETA revenues are unaudited</i>							
Gondola	# of Passengers	334,566	1,428,850	302,982	1,373,695	55,155	4.0%
Chondola	# of Passengers	0	99,459	0	92,368	7,091	7.7%
RETA fees collected by TMVOA		367,463	2,959,078	372,773	3,390,092	(\$431,014)	-12.7%

Activity	2018		2017		Variance		
	MONTH	YTD	MONTH	YTD	Variance	Variance %	
Police							
Calls for Service	#	500	2,279	445	2,325	(46)	-2.0%
Investigations	#	17	104	34	145	(41)	-28.3%
Alarms	#	28	152	13	118	34	28.8%
Arrests	#	2	13	1	5	8	160.0%
Traffic Contacts	#	40	131	38	210	(79)	-37.6%
Traffic Tickets Written	#	29	78	8	42	36	85.7%
Parking Tickets Written	#	417	1,908	266	1,738	170	9.8%
Administrative Dismissals	#	2	34	6	25	9	36.0%
Building/Planning							
Community Development Revenues		\$49,303	\$449,107	\$145,613	\$562,271	(\$113,164)	-20.1%
# Permits Issued		45	221	49	240	(19)	-7.9%
Valuation of Mtn Village Remodel/New/Additions Permits		\$1,120,601	\$11,567,503	\$10,600,009	\$22,999,238	(\$11,431,735)	-49.7%
Valuation Mtn Village Electric/Plumbing/Other Permits		\$183,581	\$1,084,981	\$304,368	\$1,796,669	(\$711,688)	-39.6%
Valuation Telluride Electric/Plumbing Permits		\$204,327	\$1,937,583	\$231,391	\$1,912,114	\$25,469	1.3%
# Inspections Completed		313	1,482	225	1,318	164	12.4%
# Design Review/Zoning Agenda Items		15	64	5	44	20	45.5%
# Staff Review Approvals		22	193	40	194	(1)	-0.5%
Recreation Summer - May 1 - October 31							
Mile of Trails Maintained		10.6	17.2	9.8	16.4	0.80	4.9%
Adventure Rock Registrations		567	770	484	589	181	30.7%
Bike Park Waivers		420	420	511	411	9	2.2%
Bike Park Trips		2050	2050	1447	1447	603	41.7%
Disc Golf Registrations		885	1257	906	1144	113	9.9%
Platform Tennis Registrations		42	176	32	289	(113)	-39.1%
Plaza Services							
Snow Removal Plaza	Hours	0	848	0	1651	(803)	-48.6%
Plaza Maintenance	Hours	370	2732	276	2103	629	29.9%
Lawn Care	Hours	354	610	465	925	(314)	-34.0%
Plant Care	Hours	570	1267	567	1275	(8)	-0.6%
Irrigation	Hours	157	342	156	320	22	6.9%
TMV Trash Collection	Hours	108	663	124	547	116	21.3%
Christmas Decorations	Hours	5	863	0	601	262	43.6%
Vehicle Maintenance							
# Preventive Maintenance Performed		14	120	17	104	16	15.4%
# Repairs Completed		27	175	22	129	46	35.7%
Special Projects		2	7	7	20	(13)	-65.0%
# Roadside Assists		0	1	0	4	(3)	-75.0%
Finance							
# Employee Based Business Licenses Issued		19	782	14	745	37	5.0%
# Privately Licensed Rentals		1	73	2	70	3	4.3%
# Property Management Licensed Rentals		5	411	2	405	6	1.5%
# VRBO Listings for MV		406		421		(15)	-3.6%
# Paperless Billing Accts (YTD is total paperless customers)		15	868	20	745	123	16.5%
# of TMV AR Bills Processed		2,191	12,755	2,155	12,726	29	0.2%
Accounts Receivable - Total Bad Debt Reserve/Allowance: \$							
Current 30+ Days 60+ Days 90+ Days over 120 days Total	TMV Operating Receivables (includes Gondola funding)		Utilities - Broadband and Water/Sewer		VCA - Village Court Apartments		General Fund Investment Activity Change in Value (Month) \$245,798 Ending Balance \$7,674,528 Investment Income (Month) \$8,104 Portfolio Yield 1.78% Yield Change (Month) +.05%
	\$558,785	64.5%	\$369,143	82.2%	\$1,480	50.0%	
	284,944	32.9%	43,055	9.6%	1,479	50.0%	
	733	0.1%	17,198	3.8%	-	0.0%	
	368	0.0%	16,952	3.8%	-	0.0%	
	21,895	2.5%	2,839	0.6%	-	0.0%	
	\$ 866,725	100.0%	\$ 449,187	100.0%	\$ 2,959	100.0%	
Current 30+ Days 60+ Days 90+ Days over 120 days Total	Other Billings - CDF, Construction Parking		Total All AR		Change Since Last Month - Increase (Decrease) in AR		Other Statistics Population (estimated) 1,411 (Active) Registered Voters 882 Property Valuation 289,947,030
	\$ 4,383	47.2%	\$ 933,792	70.3%	\$ 473,279	74.9%	
	2,269	24.5%	331,747	25.0%	162,943	25.8%	
	1,046	11.3%	18,977	1.4%	(11,707)	-1.9%	
	276	3.0%	17,596	1.3%	8,917	1.4%	
	1,303	14.0%	26,037	2.0%	(1,878)	-0.3%	
	\$ 9,278	100.0%	\$ 1,328,148	100.0%	\$ 631,554	100.0%	



Memorandum

To: Town Council
From: Kevin Swain, Finance Director
Date: July 11, 2018
Re: Town of Mountain Village Financial Statements through May 2018

Mountain Village Financials Statements through May 2018

General Fund Summary

Through this period the General Fund reflects a surplus of \$2.6 million. Sales taxes show an increase of 5.8% over prior year and 4% over budget. Revenues of \$6.3 million were over the budget by \$366,600 due mainly to property tax, sales tax, and development related revenues.

Total operating expenditures of \$3.3 million were under budget by \$265,000. Capital expense through this period was for wayfinding and trail improvements.

Transfers to other funds include:

Fund	This Month	YTD Budget	YTD Actual	Budget Variance
Capital Projects Fund (From GF)	\$ -	\$ 20,000	\$ 19,724	(276)
Child Development Fund	\$ 2,620	\$ 7,907	\$ 5,736	(2,171)
Conference Center Subsidy	\$ 50,000	\$ 104,195	\$ 102,882	(1,313)
Affordable Housing Development Fund (Monthly Sales Tax Allocation)	\$ 7,710	\$ 235,070	\$ 237,295	2,226
Vehicle & Equipment Acquisition Fund	\$ 45,122	\$ 252,000	\$ 251,938	(62)

Income transfers from other funds include:

Fund	This Month	YTD Budget	YTD Actual	Budget Variance
Overhead allocation from Broadband, W/S, Gondola, VCA and Parking Services	\$ 42,484	\$ 201,547	\$ 208,309	6,762
*Tourism Fund	\$ 3,911	\$ 27,958	\$ 37,675	9,717
*This transfer is comprised of administrative fees, interest, and penalties collected.				
Debt Service Fund (Specific ownership taxes)	\$ 2,806	\$ 21,848	\$ 12,687	(9,161)

Vehicle and Equipment Acquisition Fund – No Fund Income Statement Attached

A mini-ex for the recreation department, an employee shuttle, a backhoe and tilt deck for Road & Bridge, and some shop equipment have been purchased. \$197,797

Capital Projects Fund – No Fund Income Statement Attached

\$10,238 was spent on the Meadows Improvement Plan and \$9,487 was spent on DOJ grant funded fingerprint scanning equipment.

Historical Museum Fund – No Fund Income Statement Attached

\$80,287 in property taxes were collected and \$43,372 was tendered to the historical museum. The county treasurer retained \$885 in treasurer’s fees.

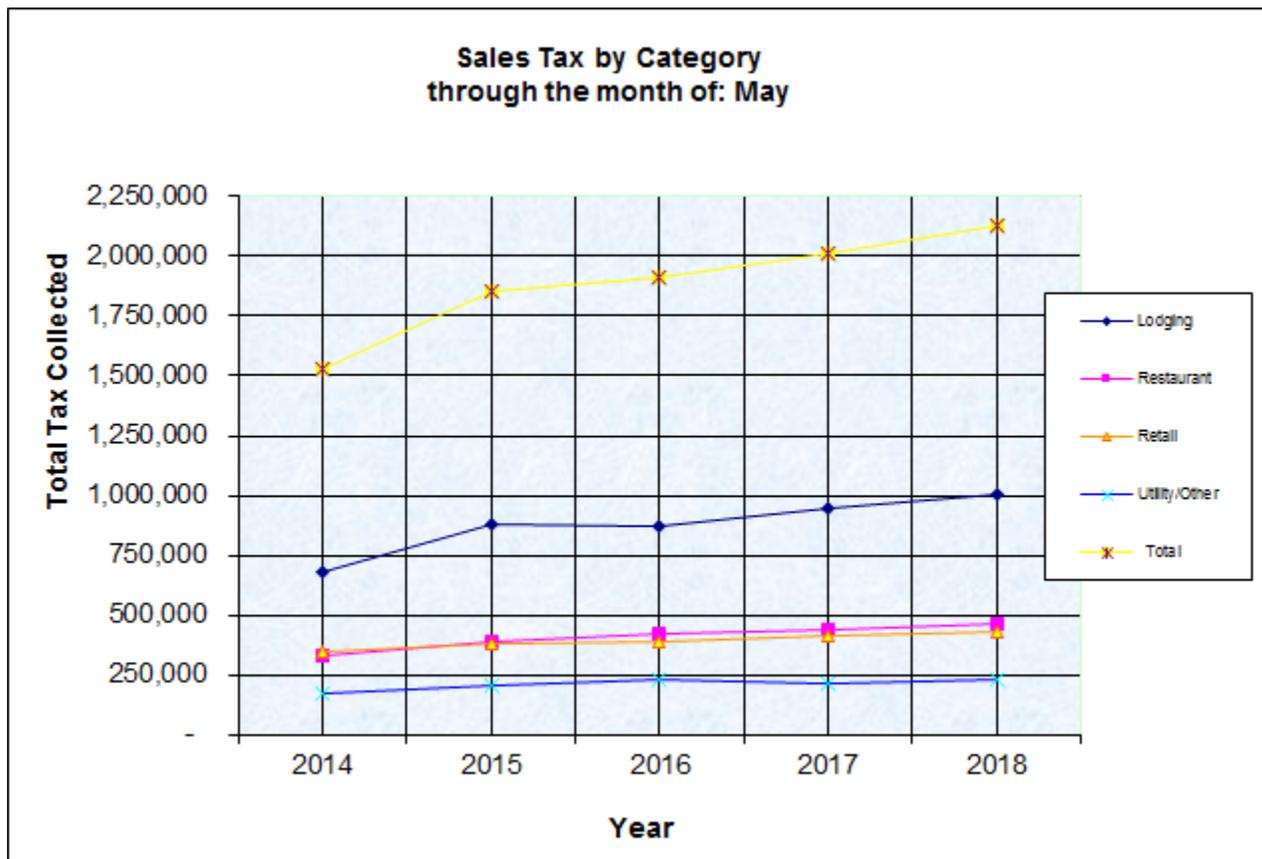
Mortgage Assistance Fund – No Fund Income Statement Attached

There has been no activity in this fund.

Sales Tax

Sales taxes of \$2.13 million are 5.8% over 2017 through this period and are over budget by 4%. Utility/Other shows the highest growth at 8.65%, followed by restaurant at 6.3%.

Actual Sales Tax Base By Class, Through May 2018										
Category	Actual 2014	Actual 2015	PY % Increase	Actual 2016	PY % Increase	Actual 2017	PY % Increase	Actual 2018	PY \$ Variance	PY % Increase
	4.5%	4.5%	2014 to 2015	4.5%	2015 to 2016	4.5%	2016 to 2017	4.5%	2017 to 2018	2017 to 2018
Lodging	15,122,109	19,532,707	29%	19,432,566	-1%	20,997,222	8%	22,242,906	1,245,684	5.93%
Restaurant	7,303,814	8,562,896	17%	9,295,048	9%	9,736,762	5%	10,350,304	613,543	6.30%
Retail	7,795,319	8,492,476	9%	8,658,108	2%	9,254,510	7%	9,586,281	331,770	3.58%
Utility/Other	3,807,277	4,648,127	22%	5,103,089	10%	4,747,192	-7%	5,158,001	410,810	8.65%
Total	34,028,519	41,236,206	21%	42,488,811	3%	44,735,686	5%	47,337,492	2,601,807	5.82%



Tourism Fund

2018 restaurant taxes totaling \$206,912 have been collected and \$202,774 was tendered to the airline guarantee program. \$889,119 in lodging taxes were collected and \$875,782 was tendered to the airline guarantee program and to MTI. The Town retained \$17,475 in administrative fees, and penalties and interest of \$7,460.

Lodging taxes are exceeding prior year by 5.8% and exceeded budget by 6.8%. Restaurant taxes are ahead of prior year and budget by 6.3% and 9.1%, respectively.

Town of Mountain Village Colorado Lodging Tax Summary									
	2014	2015	2016	2017	2018		2017	2018	Budget
	Activity (4%)		Var %	Budget	Var %				
January	159,264	216,904	193,815	245,628	273,034		11.16%	241,544	11.53%
February	170,098	231,700	249,339	260,809	261,362		0.21%	258,018	1.28%
March	248,285	303,173	304,515	312,990	318,597		1.79%	308,569	3.15%
April	7,291	12,319	7,638	8,353	18,205		117.96%	8,167	55.14%
May	10,627	15,282	16,633	12,493	17,921		43.44%	12,408	30.76%
June	74,275	84,204	106,415	122,193	-		-100.00%	121,502	#DIV/0!
July	109,934	136,711	153,342	158,585	-		-100.00%	157,746	#DIV/0!
August	88,929	88,990	111,760	112,264	-		-100.00%	112,063	#DIV/0!
September	82,891	113,475	139,363	148,591	-		-100.00%	148,289	#DIV/0!
October	17,383	22,812	31,322	34,399	-		-100.00%	34,290	#DIV/0!
November	11,840	11,372	14,725	18,535	-		-100.00%	18,160	#DIV/0!
December	191,249	226,508	261,808	287,893	-		-100.00%	264,934	#DIV/0!
Total	1,172,067	1,463,449	1,590,676	1,722,733	889,119		-48.39%	1,685,690	-89.59%
Tax Base	29,301,670	36,586,237	39,766,902	43,068,320	22,227,979			42,142,250	

Town of Mountain Village Colorado Restaurant Tax Summary									
	2014	2015	2016	2017	2018		2017	2018	Budget
	Activity (2%)		Var %	Budget	Var %				
January	38,239	46,261	48,594	54,097	57,188		5.72%	52,230	8.67%
February	48,466	53,871	60,243	60,144	63,140		4.98%	58,069	8.03%
March	53,516	60,420	71,171	74,202	74,672		0.63%	71,642	4.06%
April	1,995	2,876	1,511	1,829	7,119		289.24%	1,766	75.19%
May	5,154	5,457	4,568	4,448	4,792		7.73%	4,294	10.39%
June	25,366	25,426	34,359	34,365	-		-100.00%	33,179	#DIV/0!
July	32,661	40,081	44,827	46,470	-		-100.00%	44,866	#DIV/0!
August	25,017	29,015	35,020	34,998	-		-100.00%	33,790	#DIV/0!
September	23,831	32,169	36,195	39,291	-		-100.00%	37,891	#DIV/0!
October	5,369	9,492	11,312	13,519	-		-100.00%	13,020	#DIV/0!
November	5,765	6,637	5,099	5,352	-		-100.00%	5,244	#DIV/0!
December	49,923	55,055	59,070	54,303	-		-100.00%	52,049	#DIV/0!
Total	315,303	366,759	411,969	423,017	206,912		-51.09%	408,040	-97.20%
Tax Base	15,765,152	18,337,941	20,598,437	21,150,852	10,345,600			20,402,000	

Business license fees of \$295,846 are over budget (1%) and slightly less than prior year (less than 1%). \$278,095 was remitted to MTI and \$24,226 in admin fees and penalties were transferred to the General Fund.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2018**

	2018						2017	2016	2015
	Actual YTD	Budget YTD	Budget Variance	Budget Variance	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
			(\$)	(%)					
Revenues									
Charges for Services	\$ 191,221	\$ 121,421	\$ 69,800	57.49%	\$ 306,432	\$ 115,211	\$ 168,802	\$143,738	\$116,161
Contributions	-	-	-	#DIV/0!	68,438	68,438	89,709	14,562	25,539
Fines and Forfeits	2,634	960	1,674	174.38%	6,077	3,443	2,072	6,226	2,264
Interest Income	24,481	16,467	8,014	48.67%	45,000	20,519	27,450	36,326	41,295
Intergovernmental	274,390	268,928	5,462	2.03%	494,898	220,508	263,116	260,221	226,340
Licenses and Permits	136,965	75,121	61,844	82.33%	292,708	155,743	140,877	151,950	126,705
Miscellaneous Revenues	22,557	34,669	(12,112)	-34.94%	79,118	56,561	35,498	34,859	26,796
Taxes and Assessments	5,645,501	5,413,558	231,943	4.28%	9,016,979	3,371,478	5,545,975	5,430,326	5,057,371
Total Revenues	6,297,749	5,931,124	366,625	6.18%	10,309,650	4,011,901	6,273,499	6,078,208	5,622,471
Operating Expenses									
Legislation & Council	27,904	29,017	(1,113)	-3.84%	83,109	55,205	17,703	21,279	5,943
Town Manager	105,503	105,505	(2)	0.00%	307,902	202,399	99,219	93,159	89,418
Administrative Services	146,794	162,409	(15,615)	-9.61%	411,967	265,173	160,621	145,354	131,542
Finance	412,370	427,122	(14,752)	-3.45%	844,120	431,750	395,314	391,697	404,314
Technical	159,301	130,973	28,328	21.63%	291,615	132,314	93,987	84,310	82,284
Human Resources	139,374	139,412	(38)	-0.03%	330,074	190,700	120,891	118,909	100,359
Town Attorney	172,625	199,815	(27,190)	-13.61%	527,994	355,369	190,378	250,411	233,339
Marketing and Business Development	116,371	131,012	(14,641)	-11.18%	440,173	323,802	98,845	115,450	98,745
Municipal Court	10,873	11,610	(737)	-6.35%	31,839	20,966	10,976	10,462	10,639
Police Department	336,902	408,292	(71,390)	-17.49%	985,164	648,262	312,111	291,543	299,153
Community Services	19,688	21,043	(1,355)	-6.44%	54,433	34,745	18,425	17,675	19,169
Community Grants and Contributions	57,850	57,850	-	0.00%	126,850	69,000	26,000	26,000	20,000
Roads and Bridges	280,025	281,712	(1,687)	-0.60%	1,122,357	842,332	269,653	257,303	259,158
Vehicle Maintenance	173,210	179,393	(6,183)	-3.45%	453,126	279,916	168,245	185,549	176,250
Municipal Bus	57,011	46,889	10,122	21.59%	189,635	132,624	84,644	59,695	36,027
Employee Shuttle	23,603	28,019	(4,416)	-15.76%	86,043	62,440	16,395	17,566	19,642
Parks & Recreation	200,762	207,391	(6,629)	-3.20%	611,003	410,241	160,770	152,998	147,811
Plaza Services	496,712	589,703	(92,991)	-15.77%	1,397,252	900,540	452,342	495,925	404,413
Public Refuse Removal	25,170	26,150	(980)	-3.75%	65,028	39,858	16,676	16,957	20,250
Building/Facility Maintenance	55,578	74,266	(18,688)	-25.16%	209,424	153,846	72,498	57,354	58,518
Planning & Development Services	2,745	2,815	(70)	-2.49%	6,649	3,904	3,492	2,954	2,433
Building Division	106,443	111,260	(4,817)	-4.33%	548,963	442,520	188,020	217,872	103,271
Housing Division Office	7,086	9,796	(2,710)	-27.66%	19,808	12,722	9,232	8,021	7,298
Planning and Zoning Division	145,672	162,943	(17,271)	-10.60%	97,831	95,086	149,968	117,145	98,065
Contingency	-	-	-	#DIV/0!	638,542	631,456	-	-	-
Total Operating Expenses	3,279,572	3,544,397	(264,825)	-7.47%	9,880,901	6,737,170	3,136,405	3,155,588	2,828,041
Surplus / Deficit	3,018,177	2,386,727	631,450	26.46%	428,749	(2,725,269)	3,137,094	2,922,620	2,794,430
Capital Outlay	35,253	35,500	(247)	-0.70%	905,000	869,747	234,011	4,301	64,391
Surplus / Deficit	2,982,924	2,351,227	631,697	26.87%	(476,251)	(3,459,175)	2,903,083	2,918,319	2,730,039
Other Sources and Uses									
Sale of Assets	15,378	-	15,378	#DIV/0!	-	(15,378)	-	4,822	29,834
Transfer (To) From Affordable Housing	(237,295)	(235,070)	(2,226)	0.95%	(460,969)	(223,674)	(222,701)	(211,440)	(210,149)
Transfer (To) From Broadband	-	-	-	#DIV/0!	10,000	10,000	-	-	69,973
Transfer (To) From Child Development	(5,736)	(7,907)	2,171	-27.46%	(192,041)	(89,159)	-	(12,727)	(2,359)
Transfer (To) From Capital Projects	(19,724)	(20,000)	276	-1.38%	(300,000)	(337,675)	(26,735)	(29,807)	-
Transfer (To) From Debt Service	12,687	21,848	(9,161)	-41.93%	85,587	(122,722)	59,613	58,859	60,211
Transfer (To) From Overhead Allocation	208,309	201,547	6,762	3.35%	494,374	286,065	196,556	189,147	172,624
Transfer (To) From Parking Services	-	-	-	#DIV/0!	(65,835)	(60,099)	-	-	-
Transfer (To) From Conference Center	(102,882)	(104,195)	1,313	-1.26%	(259,352)	(259,352)	(104,693)	(93,554)	(43,690)
Transfer (To) From Tourism	37,675	27,958	9,717	34.75%	24,865	12,178	42,949	13,078	48,760
Transfer (To) From Vehicle/Equipment	(251,938)	(252,000)	62	-0.02%	(434,725)	(182,787)	(369,589)	(171,303)	(45,146)
Transfer (To) From Water/Sewer	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	(343,527)	(367,818)	24,291	-6.60%	(1,098,096)	(982,602)	(424,600)	(252,925)	80,058

2018						2017	2016	2015
Actual YTD	Budget YTD	Budget Variance	Budget Variance	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
		(\$)	(%)					

Surplus / Deficit \$ 2,639,397 \$ 1,983,409 \$ 655,988 33.07% \$ (1,574,347) \$ (4,441,777) \$ 2,478,483 \$ 2,665,394 \$ 2,810,097

<u>Beginning Fund Balance Components</u>	<u>Actual YTD</u>	<u>Annual Budget</u>
Emergency Reserve	\$ 3,458,315	\$ 3,458,314
Unreserved	7,455,610	5,542,978
Beginning Fund Balance	\$ 10,913,925	\$ 9,001,292

<u>YTD Ending Fund Balance Components</u>		
Emergency Reserve	\$ 3,458,315	\$ 3,458,314
Health Care Premium Savings Reserve	50,000	50,000
Facility Maint Reserve	155,000	155,000
Unreserved	9,890,006	3,763,631
Ending Fund Balance	\$ 13,553,322	\$ 7,426,945

Revenues

Taxes & Assessments - Property taxes are exceeding budget 1% at this time. Specific Ownership taxes collected are exceeding budget and prior year.
 Sales tax revenues are 4% over budget and 5.8% over prior year. Construction use tax are exceeding budget but under prior year.
 Licenses & Permits - Construction, electrical, and Telluride plumbing permits are over budget.
 Intergovernmental - Intergovernmental revenues are over budget due to county R&B taxes.
 Charges for Services - DRB fees are over budget \$15,300 and plan review fees are exceeding budget \$24,900, road impact fees are also exceeding budget.
 Fines & Forfeitures -Over budget due to building fines.
 Investment Income - Interest is over budget and under prior year.
 Miscellaneous - Under budget in miscellaneous finance revs and ice rink revenues.
 Contributions - No activity to date.

Top Ten Budget Variances

Under Budget

Plaza Services - \$92,991 Under budget in natural gas, electricity, and salaries and wages.
 Police - \$71,390 Savings in personnel costs due to vacancies and turnover.
 Town Attorney - \$27,190 General legal is running behind budget.
 Building/Facility Maintenance - \$18,688 Savings in personnel costs due to vacancies and turnover.
 Planning & Zoning - \$17,271 Savings in travel and training, forestry management, and personnel costs.
 Admin Services- \$15,615 Under budget in utilities and salaries & wages.
 Finance - \$14,752 Under budget for property insurance and employee expense due to a vacancy.
 Marketing and Business Development - \$14,641 Under budget in live video streaming.

Over Budget

Technical - \$28,328 Over budget due to the unbudgeted Opengov implementation.
 Municipal Bus Service - \$10,122 Over budget due to group insurance and worker's comp.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2018**

	2018						2017	2016	2015
	Actual	Budget	Budget	Budget	Annual	Budget	Actual	Actual	Actual
	YTD	YTD	Variance	Variance	Budget	Balance	YTD	YTD	YTD
		(\$)	(%)						
Tourism Fund									
Revenues									
Business License Fees	\$ 295,846	\$ 290,938	\$ 4,908	2%	\$ 315,307	\$ 19,461	\$ 296,059	\$269,341	\$249,748
Lodging Taxes - Condos/Homes	514,786	457,802	56,984	12%	893,416	378,630	486,441	442,553	448,331
Lodging Taxes - Hotels	373,420	370,902	2,518	1%	792,274	418,854	353,671	329,388	330,709
Lodging Taxes - Prior Year	5,075	-	5,075	#DIV/0!	-	(5,075)	692	786	4,600
Penalties and Interest	13,935	9,311	4,624	50%	15,000	1,065	8,939	6,603	18,631
Restaurant Taxes	206,834	188,001	18,833	10%	408,040	201,206	194,720	186,087	168,885
Restaurant Taxes - Prior Year	394	-	394	#DIV/0!	-	(394)	-	85	568
Total Revenues	1,410,290	1,316,954	93,336	7%	2,424,037	1,013,747	1,340,522	1,234,843	1,221,472
Tourism Funding									
Additional Funding	11,555	15,000	(3,445)	-23%	40,000	28,445	260	25,000	-
Airline Guaranty Funding	640,791	590,306	50,485	9%	1,225,867	585,076	602,820	561,085	550,048
MTI Funding	720,269	683,690	36,579	5%	1,130,805	410,536	694,493	635,680	622,665
Total Tourism Funding	1,372,615	1,288,996	83,619	94%	2,396,672	1,024,057	1,297,573	1,221,765	1,172,712
Surplus / Deficit	37,675	27,958	9,717	35%	27,365	(10,310)	42,949	13,078	48,760
Administrative Fees									
Audit Fees	-	-	-	#DIV/0!	2,500	2,500	-	-	-
Total Administrative Fees	-	-	-	#DIV/0!	2,500	2,500	-	-	-
Surplus / Deficit	37,675	27,958	9,717	35%	24,865	(12,810)	42,949	13,078	48,760
Other Sources and Uses									
Transfer (To) From Other Funds	(37,675)	(27,958)	(9,717)	35%	(24,865)	12,810	(42,949)	(13,078)	(48,760)
Total Other Sources and Uses	(37,675)	(27,958)	(9,717)	35%	(24,865)	12,810	(42,949)	(13,078)	(48,760)
Surplus / Deficit	\$ -	\$ -	\$ -		\$ -		\$ -	\$ -	\$ -

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2018**

	2018				Annual Budget	Budget Balance	2017	2016	2015
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)			Actual YTD	Actual YTD	Actual YTD
Parking Services Fund									
Revenues									
Contributions/Shared Facility Expenses	\$ -	\$ -	\$ -	#DIV/0!	\$ 13,473	\$ 13,473	\$ 621	\$ 5,432	\$ 1,321
Fines and Forfeits	18,749	12,869	5,880	46%	24,900	6,151	12,210	25,605	18,949
Gondola Parking Garage	15,090	35,000	(19,910)	-57%	105,000	89,910	38,560	15,995	79,883
Heritage Parking Garage	84,016	67,836	16,180	24%	150,000	65,984	88,238	58,126	74,389
Parking in Lieu Buyouts	-	-	-	#DIV/0!	-	-	-	-	-
Parking Meter Revenues	7,934	4,272	3,662	86%	12,000	4,066	6,592	1,206	4,358
Parking Permits	8,480	3,046	5,434	178%	12,000	3,520	3,185	3,375	4,755
Special Event Parking	-	-	-	#DIV/0!	41,000	41,000	20,000	60	-
Total Revenues	134,269	123,023	11,246	9%	358,373	224,104	169,406	109,799	183,655
Operating Expenses									
Other Operating Expenses	12,518	12,552	(34)	0%	24,630	12,112	2,297	3,376	1,124
Personnel Expenses	45,996	49,588	(3,592)	-7%	137,392	91,396	43,743	51,959	52,850
Gondola Parking Garage	13,183	13,185	(2)	0%	62,969	49,786	12,494	17,133	14,997
Surface Lots	8,306	8,386	(80)	-1%	27,900	19,594	3,585	3,815	15,418
Heritage Parking Garage	28,684	42,682	(13,998)	-33%	105,093	76,409	39,884	26,284	30,530
Meadows Parking	-	-	-	#DIV/0!	1,000	1,000	-	-	-
Total Operating Expenses	108,687	126,393	(17,706)	-14%	358,984	250,297	102,003	102,567	114,919
Surplus / Deficit	25,582	(3,370)	28,952	-859%	(611)	(26,193)	67,403	7,232	68,736
Capital									
Capital	5,615	5,000	615	12%	34,800	29,185	4,800	4,800	10,895
Surplus / Deficit	19,967	(8,370)	28,337	-339%	(35,411)	(55,378)	62,603	2,432	57,841
Other Sources and Uses									
Sale of Assets	-	-	-	#DIV/0!	-	-	-	-	-
Overhead Allocation	(12,677)	(12,677)	-	0%	(30,424)	(17,747)	(12,133)	(11,805)	(12,071)
Transfer (To) From General Fund	-	-	-	#DIV/0!	65,835	65,835	-	-	-
Total Other Sources and Uses	(12,677)	(12,677)	-	0%	35,411	48,088	(12,133)	(11,805)	(12,071)
Surplus / Deficit	\$ 7,290	\$ (21,047)	\$ -	0%	\$ -	\$ -	\$ 50,470	\$ (9,373)	\$ 45,770
Beginning Fund Balance	\$ 144,009	\$ 144,009	\$ -						
Ending Fund Balance	\$ 151,299	\$ 122,962	\$ 28,337						

Parking revenues are over budget \$11,200. HPG revenues are over budget 24% and under prior year 4%. Parking meter (surface lots) revenues are over budget 86% and prior year 20%. GPG revenues are under budget and prior year 57% and 60%. Personnel costs and other costs are under budget. HPG is under budget in shared expenses and maintenance. The year to date transfer to the General Fund is \$12,677, which is the overhead allocation.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2018**

	2018					2017	2016	2015	
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Gondola Fund									
Revenues									
Event Operations Funding	\$ 2,667	\$ -	\$ 2,667	#DIV/0!	\$ -	\$ (2,667)	\$ 5,148	\$ 4,944	\$ 5,425
Event Operations Funding - TOT	-	-	-	#DIV/0!	36,000	36,000	-	-	-
Operations Grant Funding	64,623	65,000	(377)	-0.58%	150,100	85,477	16,153	-	14,943
Capital/MR&R Grant Funding	470,615	470,615	-	0.00%	784,000	313,385	88,000	235,594	-
Insurance Proceeds	-	-	-	#DIV/0!	-	-	-	-	-
Miscellaneous Revenues	661	-	661	#DIV/0!	-	(661)	-	158	100
Sale of Assets	-	-	-	#DIV/0!	-	-	-	3,350	4,000
TMVOA Operating Contributions	1,339,455	1,352,250	(12,795)	-0.95%	3,676,282	2,336,827	790,866	806,675	874,463
TMVOA Capital/MR&R Contributions	312,253	316,385	(4,132)	-1.31%	1,103,426	791,173	239,507	195,026	15,000
TSG 1% Lift Sales	151,854	175,410	(23,556)	-13.43%	200,000	48,146	163,196	152,913	139,315
Total Revenues	2,342,128	2,379,660	(37,532)	-1.58%	5,949,808	3,607,680	1,302,870	1,398,659	1,053,246
Operating Expenses									
Overhead Allocation Transfer	21,071	18,750	2,321	12.38%	45,000	23,929	11,481	13,434	10,440
MAARS	22,808	24,810	(2,002)	-8.07%	76,246	53,438	13,960	14,084	15,190
Chondola	167,426	93,555	73,871	78.96%	206,751	39,325	69,870	72,219	77,181
Grant Success Fees	-	-	-	#DIV/0!	56,046	56,046	-	-	-
Operations	651,881	711,640	(59,759)	-8.40%	1,846,562	1,194,681	419,490	427,226	434,143
Maintenance	507,458	526,998	(19,540)	-3.71%	1,257,115	749,657	312,870	297,091	366,830
FGOA	188,616	216,907	(28,291)	-13.04%	463,994	275,378	147,692	143,985	134,462
Major Repairs and Replacements	701,413	705,000	(3,587)	-0.51%	1,767,426	1,066,013	133,594	136,127	15,000
Contingency	-	-	-	#DIV/0!	110,668	110,668	-	-	-
Total Operating Expenses	2,260,673	2,297,660	(36,987)	-1.61%	5,829,808	3,569,135	1,108,957	1,104,166	1,053,246
Surplus / Deficit	81,455	82,000	(545)	-0.66%	120,000		193,913	294,493	-
Capital									
Capital Outlay	81,455	82,000	(545)	-0.66%	120,000	38,545	193,913	294,493	-
Surplus / Deficit	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -

The gondola fund is \$38,000 under budgeted expenditures.

MARRS is under budget with savings in employee costs and supplies. Chondola expenses are over budget due to major projects unbudgeted in our budget year. Gondola operations is under budget in worker's compensation and group insurance. Maintenance is under budget with savings in worker's comp and contract labor. FGOA costs are under budget mainly in electricity, natural gas, and property insurance. Capital and MR&R expenditures are for haul ropes, cabin refurb, gondola cabins, a vehicle, a generator and lightning array repairs.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2018**

	2018				Annual Budget	Budget Balance	2017	2016	2015
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)			Actual YTD	Actual YTD	Actual YTD
Child Development Fund									
Revenues									
Daycare Fees	\$ 113,793	\$ 117,097	(3,304)	-2.82%	\$ 275,396	\$ 161,603	\$ 116,001	\$117,520	\$100,537
Fundraising Revenues - Daycare	1,950	600	1,350	225.00%	8,500	6,550	1,184	1,115	1,384
Fundraising Revenues - Preschool	-	-	-	0.00%	3,500	3,500	-	-	374
Grant Revenues - Daycare	34,005	31,842	2,163	6.79%	35,000	995	24,450	14,799	16,593
Grant Revenues - Preschool	17,700	15,000	2,700	18.00%	15,000	(2,700)	13,000	7,783	9,780
Preschool Fees	73,364	78,957	(5,593)	-7.08%	177,167	103,803	72,535	71,497	69,742
Total Revenues	240,812	243,496	(2,684)	-1.10%	514,563	273,751	227,170	212,714	198,410
Operating Expenses									
Daycare Other Expense	26,504	32,819	(6,315)	-19.24%	99,346	72,842	24,953	32,791	21,185
Daycare Personnel Expense	138,268	137,095	1,173	0.86%	383,294	245,026	124,727	132,312	118,242
Preschool Other Expense	21,242	15,138	6,104	40.32%	42,410	21,168	13,277	12,326	13,366
Preschool Personnel Expense	60,534	66,351	(5,817)	-8.77%	181,554	121,020	57,961	48,012	47,976
Total Operating Expenses	246,548	251,403	(4,855)	-1.93%	706,604	460,056	220,918	225,441	200,769
Surplus / Deficit	(5,736)	(7,907)	2,171	-27.46%	(192,041)		6,252	(12,727)	(2,359)
Other Sources and Uses									
Contributions	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From General Fund	5,736	7,907	2,171	27.46%	192,041	186,305	-	12,727	2,359
Total Other Sources and Uses	5,736	7,907	2,171	27.46%	192,041	186,305	-	12,727	2,359
Surplus / Deficit	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ 6,252	\$ -	\$ -

Child Development revenues are \$2,700 under budget or 1.1%. Operating expenses are \$4,900 under budget due primarily to group insurance in both daycare and preschool. Daycare's scholarship expense is under budget but the preschool is over as the needs of the children change. The program has required \$5,736 from the General Fund to date.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2018**

	2018						2017	2016	2015	
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD	
Water & Sewer Fund										
Revenues										
Mountain Village Water and Sewer	\$ 1,127,011	\$ 902,534	\$ 224,477	24.87%	\$ 2,499,793	\$ 1,372,782	\$ 912,886	\$812,192	\$800,946	
Other Revenues	2,903	3,043	(140)	-4.60%	13,450	10,547	4,578	3,829	4,313	
Ski Ranches Water	62,145	62,208	(63)	-0.10%	161,263	99,118	60,486	54,697	52,666	
Skyfield Water	8,844	9,149	(305)	-3.33%	27,896	19,052	9,224	7,239	7,985	
Total Revenues	1,200,903	976,934	223,969	22.93%	2,702,402	1,501,499	987,174	877,957	865,910	
Operating Expenses										
Mountain Village Sewer	157,179	168,520	(11,341)	-6.73%	547,636	390,457	154,992	136,909	131,767	
Mountain Village Water	389,067	336,499	52,568	15.62%	1,123,518	734,451	305,729	291,027	300,337	
Ski Ranches Water	7,192	9,328	(2,136)	-22.90%	42,283	35,091	9,427	6,429	7,416	
Contingency	-	-	-	#DIV/0!	34,269	34,269	-	-	-	
Total Operating Expenses	553,438	514,347	39,091	7.60%	1,747,706	1,194,268	470,148	434,365	439,520	
Surplus / Deficit	647,465	462,587	184,878	39.97%	954,696		517,026	443,592	426,390	
Capital										
Capital Outlay	80,189	85,000	(4,811)	-5.66%	1,379,250	1,299,061	34,999	104,366	87,192	
Surplus / Deficit	567,276	377,587	189,689	50.24%	(424,554)		482,027	339,226	339,198	
Other Sources and Uses										
Overhead Allocation Transfer	(63,503)	(63,503)	-	0.00%	(152,406)	(88,903)	(60,252)	(57,273)	(50,893)	
Mountain Village Tap Fees	47,324	50,000	(2,676)	-5.35%	100,000	52,676	158,168	20,784	45,244	
Grants	-	-	-	#DIV/0!	-	-	-	-	-	
Ski Ranches Tap Fees	-	-	-	#DIV/0!	5,000	5,000	6,320	-	-	
Skyfield Tap Fees	-	-	-	#DIV/0!	2,000	2,000	-	-	-	
Sale of Assets	-	-	-	#DIV/0!	-	-	-	-	-	
Transfer (To) From General Fund	-	-	-	#DIV/0!	-	-	-	-	-	
Total Other Sources and Uses	(16,179)	(13,503)	(2,676)	19.82%	(45,406)	(29,227)	104,236	(36,489)	(5,649)	
Surplus / Deficit	\$ 551,097	\$ 364,084	\$ 187,013	51.37%	\$ (469,960)		\$ 586,263	\$ 302,737	\$ 333,549	

Snowmaking is over budget \$195,000 and excess usage and irrigation water fees are over \$21,800. Skyfield, Ski Ranches, and other revenues are on budget. Sewer expenditures are under budget by 7% due to regional (TOT) costs. MV water is over budget primarily due to electricity, which is due to snowmaking. Ski Ranches, which is over budget in salaries and wages, has savings in utilities. Capital costs were for a the Ski Ranches project, generators, water rights, and regional sewer.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2018**

	2018					2017	2016	2015	
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Broadband Fund									
Revenues									
Cable User Fees	\$ 404,194	\$ 425,250	\$ (21,056)	-4.95%	\$ 1,002,395	\$ 598,201	\$ 377,927	\$358,228	\$344,948
Internet User Fees	429,666	362,138	67,528	18.65%	877,312	447,646	392,999	360,318	322,269
Other Revenues	21,580	23,794	(2,214)	-9.30%	62,764	44,984	24,085	19,504	26,365
Phone Service Fees	17,780	15,267	2,513	16.46%	35,987	14,407	16,038	15,430	15,129
Total Revenues	873,220	826,449	46,771	5.66%	1,978,458	1,105,238	811,049	753,480	708,711
Operating Expenses									
Cable Direct Costs	344,641	385,922	(41,281)	-10.70%	904,894	560,253	336,441	325,577	268,940
Phone Service Costs	9,836	11,219	(1,383)	-12.33%	27,000	17,164	10,072	10,968	11,424
Internet Direct Costs	85,000	85,000	-	0.00%	204,000	119,000	98,500	98,500	45,000
Cable Operations	217,894	226,264	(8,370)	-3.70%	664,443	446,549	222,907	215,461	199,793
Contingency	2,313	3,000	(687)	-22.90%	3,000	687	-	-	-
Total Operating Expenses	659,684	711,405	(51,721)	-7.27%	1,803,337	1,143,653	667,920	650,506	525,157
Surplus / Deficit	213,536	115,044	98,492	85.61%	175,121		143,129	102,974	183,554
Capital									
Capital Outlay	4,922	5,000	(78)	-1.56%	87,500	82,578	31,091	48,649	117,872
Surplus / Deficit	208,614	110,044	98,570	89.57%	87,621		112,038	54,325	65,682
Other Sources and Uses									
Sale of Assets	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From General Fund	-	-	-	#DIV/0!	(10,000)	(10,000)	-	-	(69,973)
Overhead Allocation Transfer	(65,524)	(65,524)	-	0.00%	(157,258)	(91,734)	(59,123)	(52,998)	(45,709)
Total Other Sources and Uses	(65,524)	(65,524)	-	0.00%	(167,258)	(101,734)	(59,123)	(52,998)	(115,682)
Surplus / Deficit	\$ 143,090	\$ 44,520	\$ 98,570	221.41%	\$ (79,637)		\$ 52,915	\$ 1,327	\$ (50,000)
Beginning (Available) Fund Balance	\$ 126,924	\$ 126,924	\$ -						
Ending (Available) Fund Balance	\$ 270,014	\$ 171,444	\$ 98,570						

Cable user revenues are under budget but over prior year. The prior year variance is mainly due to increased rates. Internet revenues are over budget 18.7% and prior year 9%. Other revenues are under budget 9.3% due primarily to equipment rental revenues. Direct costs for cable are under budget but over prior year due to increasing programming costs. Internet costs are right on budget and is normally a flat monthly fee. Phone service revenues are over budget by 16.5%, while phone service expenses are under budget by 12%. Cable operating expenses are under budget with small savings in multiple line items. Capital expense was for equipment through 90 time period.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2018**

	2018				Annual Budget	Budget Balance	2017	2016	2015
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)			Actual YTD	Actual YTD	Actual YTD
Telluride Conference Center Fund									
Revenues									
Beverage Revenues	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -
Catering Revenues	-	-	-	#DIV/0!	-	-	-	-	-
Facility Rental	-	-	-	#DIV/0!	-	-	-	-	-
Operating/Other Revenues	-	-	-	#DIV/0!	-	-	-	-	-
Total Revenues	-	-	-	#DIV/0!	-	-	-	-	-
Operating Expenses									
General Operations	2,017	2,100	(83)	-3.95%	50,000	47,983	2,500	-	27
Administration	46,293	47,095	(802)	-1.70%	89,352	43,059	46,629	43,554	43,663
Marketing	50,000	50,000	-	0.00%	100,000	50,000	50,000	50,000	-
Contingency	-	-	-	#DIV/0!	-	-	-	-	-
Total Operating Expenses	98,310	99,195	(885)	-0.89%	239,352	141,042	99,129	93,554	43,690
Surplus / Deficit	(98,310)	(99,195)	885	-0.89%	(239,352)		(99,129)	(93,554)	(43,690)
Capital Outlay/ Major R&R	4,572	5,000	(428)	-8.56%	20,000	15,428	5,564	-	-
Surplus / Deficit	(102,882)	(104,195)	1,313	-1.26%	(259,352)		(104,693)	(93,554)	(43,690)
Other Sources and Uses									
Damage Receipts	-	-	-	#DIV/0!	-	-	-	-	-
Insurance Proceeds	-	-	-	#DIV/0!	-	-	-	-	-
Sale of Assets	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From General Fund	102,882	104,195	(1,313)	-1.26%	259,352	156,470	104,693	93,554	43,690
Overhead Allocation Transfer	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	102,882	104,195	(1,313)	74.00%	259,352	156,470	104,693	93,554	43,690
Surplus / Deficit	\$ -	\$ -	\$ (0)	#DIV/0!	\$ -		\$ -	\$ -	\$ -

Expenses for the year are HOA dues, HVAC repairs, marketing contract, and other minor facility repairs.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2018**

	2018				2017	2016	2015		
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Affordable Housing Development Fund									
Revenues									
Contributions	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	-	-	-	#DIV/0!	-	-	-	-	-
Rental Income	5,420	5,581	(161)	-2.88%	12,778	7,358	5,805	5,745	5,446
Sales Proceeds	-	-	-	#DIV/0!	-	-	-	-	-
Total Revenues	5,420	5,581	(161)	-2.88%	12,778	7,358	5,805	5,745	5,446
Operating Expenses									
Community Garden	-	-	-	#DIV/0!	750	750	-	-	2,337
Cassidy Ridge Purchase	279,635	-	279,635	#DIV/0!	(1)	(279,636)	-	-	-
HA Consultant	-	-	-	#DIV/0!	-	-	4,900	-	-
RHA Funding	50,000	50,000	-	0.00%	107,388	57,388	50,000	44,250	41,069
Town Owned Properties	18,880	11,000	7,880	71.64%	5,000	(13,880)	10,685	9,383	9,345
Density bank	8,856	11,013	(2,157)	-19.59%	20,000	11,144	8,856	8,856	8,856
Total Operating Expenses	357,371	72,013	285,358	396.26%	133,137	(224,234)	74,441	62,489	61,607
Surplus / Deficit	(351,951)	(66,432)	285,519	-429.79%	(120,359)	231,592	(68,636)	(56,744)	(56,161)
Other Sources and Uses									
Transfer (To) From MAP	-	-	-	#DIV/0!	(60,000)	-	-	-	-
Transfer (To) From General Fund - Sales Tax	237,295	235,070	2,226	0.95%	480,777	243,482	222,701	211,440	210,149
Transfer (To) From Capital Projects Fund (1)	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From General Fund Housing Office	-	-	-	#DIV/0!	(19,808)	-	-	-	-
Total Other Sources and Uses	237,295	235,070	2,226	0.95%	400,969	243,482	222,701	211,440	210,149
Surplus / Deficit	\$ (114,655)	\$ 168,638	\$ 283,293	167.99%	\$ 280,610	\$ 475,073	\$ 154,065	\$ 154,696	\$ 153,988
Beginning Fund Equity Balance	\$ 1,504,952	\$ 1,504,952	\$ -						
Ending Equity Fund Balance	\$ 1,390,297	\$ 1,673,590	\$ (283,293)						

Expenses consist of HOA dues, RHA contribution, maintenance and utilities on town owned property and the Cassidy Ridge unit purchase.

Town of Mountain Village Monthly Revenue and Expenditure Report

May 2018

	2018						2017	2016	2015
	Actual YTD	Budget YTD	Budget Vary (\$)	Budget Var (%)	Annual Budget	Budget Balance	Actual	Actual	Actual
Village Court Apartments									
Operating Revenues									
Rental Income	\$ 1,135,451	\$ 1,123,886	\$ 11,565	1%	\$ 2,247,771	\$ 1,112,320	\$ 1,117,093	\$950,797	\$940,944
Other Operating Income	55,749	39,355	16,394	42%	79,260	23,511	48,559	24,287	32,854
Less: Allowance for Bad Debt	-	-	-	#DIV/0!	-	-	-	(1,917)	(4,207)
Total Operating Revenue	1,191,200	1,163,241	27,959	2%	2,327,031	1,135,831	1,165,651	973,167	969,590
Operating Expenses									
Office Operations	93,544	99,396	5,852	6%	202,718	109,174	83,734	70,281	69,682
General and Administrative	93,872	103,781	9,909	10%	121,435	27,563	112,973	87,523	93,007
Utilities	195,350	197,547	2,197	1%	395,945	200,595	196,199	165,156	163,799
Repair and Maintenance	183,400	189,924	6,524	3%	411,862	228,462	200,809	163,995	149,405
Major Repairs and Replacement	60,843	63,514	2,671	4%	108,817	47,974	71,614	98,233	52,332
Contingency	-	-	-	0%	12,288	12,288	-	9,338	-
Total Operating Expenses	627,009	654,162	27,153	4%	1,253,065	626,056	665,329	594,526	528,224
Surplus / (Deficit) After Operations	564,191	509,079	55,113	11%	1,073,966		500,322	378,642	441,367
Non-Operating (Income) / Expense									
Investment Earning	(2,044)	(8)	2,036	24384%	60	2,104	(230)	(24)	(30)
Debt Service, Interest	196,729	197,270	541	0%	394,541	197,812	202,644	209,924	214,730
Debt Service, Fees	-	-	-	#DIV/0!	-	-	-	-	2,750
Debt Service, Principal	-	-	-	#DIV/0!	393,738	393,738	-	-	-
Total Non-Operating (Income) / Expense	194,685	197,262	2,577	1%	788,339	593,654	202,413	209,900	217,450
Surplus / (Deficit) Before Capital	369,507	311,817	57,690	19%	285,627		297,909	168,742	223,916
Capital Spending	80,366	15,000	(65,366)	-436%	-	(80,366)	3,671	-	-
Surplus / (Deficit)	289,141	296,817	(7,676)	-3%	285,627		294,238	168,742	223,916
Other Sources / (Uses)									
Transfer (To)/From General Fund	(54,641)	(54,641)	-	0%	(109,282)	(109,282)	(56,082)	(45,256)	(46,938)
Sale of Assets	-	-	-	0%	-	-	2,068	-	-
Grant Revenues	-	-	-	0%	-	-	-	-	-
Transfer From AHDF	-	-	-	0%	-	54,641	-	-	-
Total Other Sources / (Uses)	(54,641)	(54,641)	-	0%	(109,282)	54,641	(54,014)	(45,256)	(46,938)
Surplus / (Deficit)	234,500	242,176	(7,676)	-3%	176,345		240,224	123,486	176,978

Rent revenues exceeded budget 1% and are ahead of prior year. Other revenues are over budget 42% due mainly to laundry revenues, lease break fees, and late payment fees. Office operations are under budget 6% due mainly to worker's compensation and other employee benefits. General and administrative is under budget 10% due mainly to property insurance, credit card charges, and legal fees. Utilities are 1% under budget. Maintenance is under budget 3% due to personnel vacancies. MR&R is under budget 3%. Expenses include window repairs, carpet replacement, appliances, vinyl replacement, cabinet replacement, and common area improvements.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2018**

	2018						2017	2016	2015
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Debt Service Fund									
Revenues									
Abatements	\$ (53,221)	\$ -	\$ (53,221)	#DIV/0!	\$ -	\$ 53,221	\$ (87)	\$ -	\$ -
Contributions	43,325	-	43,325	#DIV/0!	201,450	158,125	44,753	46,488	48,138
Miscellaneous Revenue	-	-	-	#DIV/0!	-	-	-	-	-
Property Taxes	467,616	233,939	233,677	99.89%	552,059	84,443	2,889,312	2,879,524	2,890,697
Reserve/Capital/Liquidity Interest	1,885	464	1,421	306.24%	2,000	115	1,845	467	802
Specific Ownership Taxes	12,687	21,848	(9,161)	-41.93%	85,587	72,900	59,613	58,859	60,211
Total Revenues	472,292	256,251	216,041	140.00%	841,096	368,804	2,995,436	2,985,337	2,999,848
Debt Service									
2001/2011 Bonds - Gondola - Paid by contributions from TMVOA and TSG									
2001/2011 Bond Issue - Interest	43,325	-	43,325	#DIV/0!	86,650	43,325	44,753	46,488	48,138
2001/2011 Bond Issue - Principal	-	-	-	#DIV/0!	115,000	115,000	-	-	-
2005 Bonds - Telluride Conference Center - (refunding portion)									
2005 Bond Issue - Interest	-	-	-	#DIV/0!	-	-	17,000	33,125	48,500
2005 Bond Issue - Principal	-	-	-	#DIV/0!	-	-	-	-	-
2006/2014 Bonds - Heritage Parking									
2014 Bond Issue - Interest	128,113	-	128,113	#DIV/0!	256,225	128,113	134,118	138,213	-
2014 Bond Issue - Principal	-	-	-	#DIV/0!	275,000	275,000	250,000	-	-
2007 Bonds - Water/Sewer (refunding 1997)									
2007 Bond Issue - Interest	-	-	-	#DIV/0!	-	-	44,756	87,413	122,800
2007 Bond Issue - Principal	-	-	-	#DIV/0!	-	-	-	-	-
2009 Bonds - Telluride Conference Center (refunding 1998 bonds)									
2009 Bond Issue - Interest	-	-	-	#DIV/0!	-	-	6,200	12,100	16,450
2009 Bond Issue - Principal	-	-	-	#DIV/0!	-	-	-	-	-
Total Debt Service	171,438	-	171,438	#DIV/0!	732,875	561,438	496,827	317,338	235,888
Surplus / (Deficit)	300,855	256,251	44,604	17.41%	108,221	-	2,498,609	2,668,000	2,763,960
Operating Expenses									
Administrative Fees	250	250	-	0.00%	16,230	15,980	250	250	500
County Treasurer Collection Fees	12,444	6,993	5,451	77.95%	6,250	(6,194)	86,695	86,432	86,740
Total Operating Expenses	12,694	7,243	5,451	75.26%	22,480	9,786	86,945	86,682	87,240
Surplus / (Deficit)	288,161	249,008	39,153	15.72%	85,741	-	2,411,664	2,581,318	2,676,720
Other Sources and Uses									
Transfer (To) From General Fund	(12,687)	(21,848)	9,161	-41.93%	(85,587)	(72,900)	(59,613)	(58,859)	(60,211)
Transfer (To) From Other Funds (1)	-	-	-	#DIV/0!	-	-	-	-	-
Bond Premiums	-	-	-	#DIV/0!	-	-	-	-	-
Proceeds From Bond Issuance	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	(12,687)	(21,848)	9,161	-41.93%	(85,587)	(72,900)	(59,613)	(58,859)	(60,211)
Surplus / (Deficit)	\$ 275,474	\$ 227,160	\$ 48,314	21.27%	\$ 154	\$ -	\$ 2,352,051	\$ 2,522,459	\$ 2,616,509
Beginning Fund Balance	\$ 450,278	\$ 450,278	\$ -						
Ending Fund Balance	\$ 725,752	\$ 677,438	\$ 48,314						

**TOWN OF MOUNTAIN VILLAGE
COLORADO**

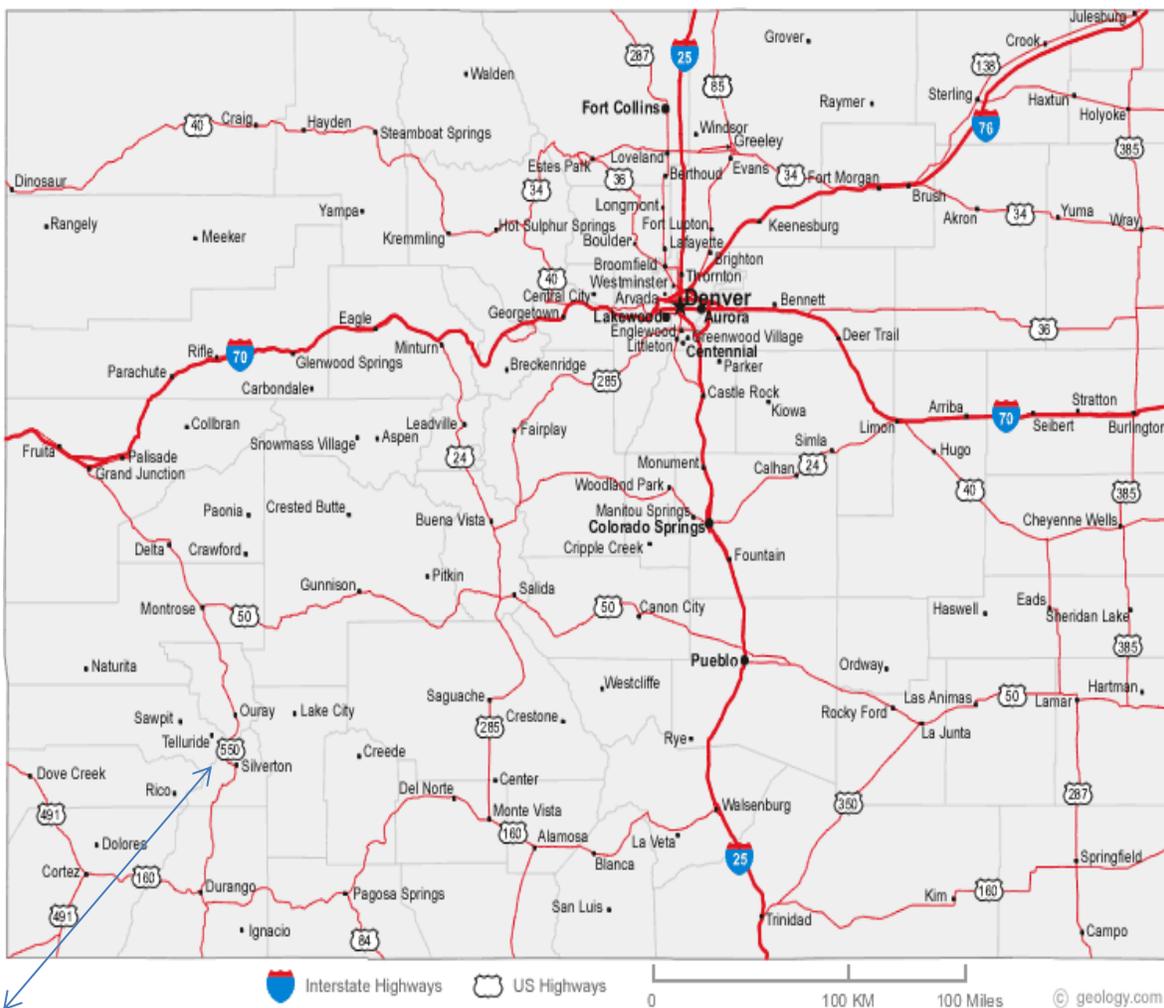


COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2017

ABOUT MOUNTAIN VILLAGE

Situated in the heart of the breathtaking San Juan Mountains, Mountain Village was incorporated in 1995 as a home rule municipality. Its founders envisioned a European-style ski-in/ski-out, pedestrian-friendly destination resort that would complement the historic mining town of Telluride. A three-stage gondola transportation system connects the Town of Mountain Village with the Town of Telluride. Situated at 9,500 feet, Mountain Village is comparably a world apart from other resorts: it is innately spectacular, beautifully orchestrated and planned, and overflowing with style, charm and sophistication. For more information, please visit us on the Web at www.townofmountainvillage.com.



Mountain Village

Table of Contents

	Page
Introductory Section	
Letter of Transmittal.....	i
Organizational Chart.....	v
List of Elected and Appointed Officials.....	v
Certification of Achievement for Excellence in Financial Reporting.....	vii
Independent Auditor’s Report.....	3
Management’s Discussion and Analysis	7
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	21
Statement of Activities.....	22
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	25
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	26
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	27
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	28
Statement of Net Position - Enterprise Funds.....	29
Statement of Revenues, Expenses, and Changes in Net Position - Enterprise Funds.....	30
Statement of Cash Flows - Enterprise Funds.....	31
Notes to Basic Financial Statements.....	35
Required Supplementary Information	
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
General Fund.....	71
Gondola (Special Revenue) Fund.....	72
Tourism Fund.....	73
Schedules of Activity – Pension Liability and Contribution Schedules.....	74

(Continued)

Table of Contents (Continued)

	Page
Other Supplementary Information	
Combining Balance Sheet – Nonmajor Governmental Funds.....	79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	80
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Historical Museum Fund.....	81
Vehicle and Equipment Acquisition Fund	82
Debt Service Fund.....	83
Capital Projects Fund	84
Enterprise Funds:	
Combining Schedule of Net Position-Housing Authority Enterprise Fund	85
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Housing Authority Enterprise Fund.....	86
Combining Schedule of Cash Flows - Housing Authority Enterprise Fund	87
Schedules of Revenues, Expenditures, and Changes in Working Capital - Budget and Actual:	
Village Court Apartments	88
Affordable Housing Development Fund.....	89
Mortgage Assistance Pool.....	90
Water and Sewer Fund.....	91
Telluride Conference Center.....	92
Broadband Fund.....	93
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	94
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds	95
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	96
Schedules of Revenues, Expenditures, and Changes in Working Capital - Budget and Actual:	
Parking Services Fund	97
Child Development Enterprise Fund	98
Local Highway Finance Report	99

(Continued)

Table of Contents (Continued)

STATISTICAL SECTION (Unaudited)

Financial Trends:	
A-1 Net Position by Component	102
A-2 Changes in Net Position	103
A-3 Program Revenues by Function/Program	105
A-4 Fund Balances, Governmental Funds	106
A-5 Changes in Fund Balances, Governmental Funds	107
A-6 Tax Revenues by Source, Governmental Funds	108
A-7 User Fee Revenues – Enterprise Funds	109
A-8 Enterprise Fund Expenses	110
Revenue Capacity:	
B-1 Actual Value and Estimated Assessed Value of Taxable Property	111
B-2 Direct and Overlapping Property Tax Rates	112
B-3 Principal Property Taxpayers	113
B-4 Property Tax Levies and Collections	114
Debt Capacity:	
C-1 Ratios of Outstanding Debt Type- Town of Mountain Village	115
C-2 Direct and Overlapping Debt – Town of Mountain Village	116
C-3 Pledged Revenue Coverage	117
C-4 Legal debt Margin information	118
Demographic and Economic Information:	
D-1 Demographic and Economic Statistics	119
D-2 Principal Employers	120
Operating Information:	
E-1 Full-time Equivalent Town Employees by Function/Program	121
E-2 Operating Indicators by Function/Program	122
E-3 Capital Asset Statistics by Function/Program	123



Mayor, Laila Benitez
Mayor Pro Tem, Dan Caton
Council Members: Dan Jansen, Patrick Berry,
Bruce MacIntire, Natalie Binder, Jack Gilbride
Town Manager, Kim Montgomery

Prepared by:
The Finance Department of the Town of Mountain Village
Kevin Swain, Treasurer and Finance Director
Kate Burns, Controller
Julie Vergari, Chief Accountant
Kathy Smith, Accounts Payable Technician
Susan Ray, Billing Service Specialist
Sheri Mahoney, Payroll Technician



June 30, 2018

To the Honorable Mayor, Members of the Governing Town Council and Citizens of the Town of Mountain Village:

The Comprehensive Annual Financial Report of the Town of Mountain Village (the "Town") for the year ended December 31, 2017, is hereby submitted as mandated by the Town's home rule charter and state statutes. The charter and statutes require that the Town of Mountain Village issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures, rests with the Town's management. We believe the information as presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Governmental Structure, Local Economic Condition and Outlook

The Town, incorporated under a Home Rule Charter in 1995, is located in the San Juan Range of the Rocky Mountains, in southwest Colorado, in San Miguel County, and consists of approximately 2,100 acres of land. The Town is an upscale European styled resort-oriented community situated in the mountains above and adjacent to, the Town of Telluride and includes a large part of the Telluride Ski Area. The Town also has the power, by state statute, to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the governing town council.

The Town has operated under a council-mayor form of government since its inception. Policy-making and legislative authority are vested in the governing council; certain executive authority rests with the Mayor. The governing council ("Town Council" or the "Council") is responsible, among other things, for passing ordinances, adopting the budget and appointing committees. The Mayor is selected from within the Town Council and his or her tenure in office is subject to termination at any time by the Town Council. The Mayor is responsible, among other things, for appointing the various officials of the Town and is empowered to carry out the policies and ordinances of the Town Council.

The Council is elected on a non-partisan basis. Council members are elected at large to four year staggered terms.

It was determined by the District and the Town that it was in the best interests of the residents of the Town and the District that the District be dissolved and that the Town assume the governmental services and functions currently performed by the District. On December 13, 2006, the District Court, San Miguel County, Colorado approved the dissolution of the District effective January 1, 2007, which was approved by the District's electors on November 7, 2006. The District stays in existence to the extent necessary to provide for the payment of the debt service requirements of its outstanding General Obligation Bonds. The Town Council of the Town of Mountain Village, Colorado (the Town) is responsible for setting an annual mill levy on behalf of the District for the payment of the debt service requirements. The Town assumed the assets and all other obligations of the District effective January 1, 2007.

The Town is a body corporate and politic with all of the powers of a public or quasi-municipal corporation and is a political subdivision of the State of Colorado. The Town was organized for the purpose of providing for its residents various governmental services including, but not limited to, general governmental services, (affordable housing, building code enforcement, planning, zoning and design review) and law enforcement. The Town is empowered to levy taxes subject to voter authorization and may issue bonds. The Town imposes certain fees and charges upon its residents and users for design review, plan review, inspection, planning and zoning. Mountain Village has a zoned "person equivalent density" of just over 8,000. Currently 38% of this density has been constructed. Approximately 65 person equivalent density is under construction or in the design review process. The Town Planning and Development Services Department estimates the current permanent population is 1,411 people, and the 2017 assessed valuation of the Town is \$289,947,030.

The Town has recently enjoyed several years of favorable economic conditions which resulted in operating surpluses allowing investments in affordable housing and the growth of fund reserves. While the Town has grown and begun to mature as a stable resort destination, it is still very much reliant on real estate development. As the national economy entered into a global recession the pace of real estate development and property sales slowed dramatically and the result was a devalued property tax base. In recognition of these factors, the Town took budgetary measures for 2013 and 2014 that offset the decline in property tax in those years. Budget measures taken included a policy established for 2010 and 2011 whereby a set-aside of current property tax revenue was established as a backstop against falling revenue resulting from the reduced property tax base. The two year result ended up in additional reserves for the General Fund in the amount of \$450,828. Those reserves have been maintained and have been repurposed for utilization in 2015 and 2016.

As the Town has been able to grow its cash reserves the investment accounts have been increased and reflect the growth of those unrestricted reserves. However continued low interest rates and the conservative investment policy of the town have served to restrain the income earned off investments of idle funds.

The continued strong financial condition of the Town is creating both opportunities and challenges for the organization and its constituents. Although the Town's finances have stabilized recently, the Town is faced with new challenges to meet increased demand for

services, facilities and amenities triggered by the local growth. As the Village grows, demand for more affordable housing and childcare services and facilities are of primary concern. It will require significant financial resources to address these deficiencies in the upcoming years.

Financial Information

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the organization are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Town maintains extensive budgetary controls. The objective of these controls is to ensure compliance with the legal provisions embodied in the annually appropriated budget approved by the Town Council. Financial activities of the Town's governmental funds are included in the annual appropriated budget. The point of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. In order to address long range financial planning issues, a long-range financial plan is maintained and revised periodically by the Town Council. As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A") which can be found immediately following the independent auditor's report.

Long Term Financial Planning

As part of the Town's annual budget process, a five year financial plan for all funds and operations of the Town is updated and included as part of the budget adoption process. Revenue projections are updated and all Town department and fund budgets are forecast for the upcoming five years.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The firm of Chadwick, Steinkirchner, Davis, & Co. has been retained to audit the Town. The auditors used Generally Accepted Auditing Standards in conducting the engagement. The auditor's report in the general-purpose financial statements, and combining and individual fund statements and schedules, is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the year ended December 31, 2016. This was the eighteenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

I would like to express my appreciation to all members of the Town's staff who assisted and contributed to the preparation of this report. I would also like to thank the Mayor and the Town Council for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,

Kevin Swain
Town Finance Director

Town of Mountain Village Organizational Chart Voters/Electorate Town Council (Legislative) Mayor (Executive)		
<u>Town Offices</u> Town Manager Town Attorney Town Clerk Town Treasurer	<u>Departments</u> Planning & Development Services, Public Safety, Road & Bridge, Transportation, Recreation, Public Works, Vehicle Maintenance, Plaza & Environmental Services, Marketing & Business Development, Human Relations	<u>(Judicial)</u> Municipal Court
	<u>Enterprise Operations</u> Broadband Services Water & Sanitary Sewer Conference Center Child Development Housing Authority Parking Services	

**List of Elected and Appointed Officials
December 31, 2017**

Elected Officials

Council Member-At large	Laila Benitez (Mayor)
Council Member-At large	Dan Jansen
Council Member-At large	Patrick Berry
Council Member-At large	Bruce MacIntire
Council Member-At large	Dan Caton (Mayor Pro Tem)
Council Member-At large	Jack Gilbride
Council Member-At large	Natalie Binder

Appointed Officials

Town Manager	Kim Montgomery
Town Attorney (Contracted)	J. David Reed esq.
Town Clerk	Jackie Kennefick
Town Treasurer	Kevin Swain
Director of Community Development	Michelle Haynes
Police Chief	Chris Broady

This Page Left Blank Intentionally



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Mountain Village
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

This Page Left Blank Intentionally

Independent Auditors Report

This Page Left Blank Intentionally

**INDEPENDENT AUDITOR'S REPORT**

June 27, 2018

To the Town Council
Town of Mountain Village, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mountain Village, Colorado as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mountain Village, Colorado, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Town of Mountain Village, Colorado

June 27, 2018

Page Two

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7–15 and 71–73 and the pension schedules on pages 74–75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mountain Village's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget to actual fund schedules, the Local Highway Finance Report and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budget to actual fund schedules for the debt services fund, proprietary funds and non-major governmental funds, and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budget to actual fund schedules for the debt service fund, proprietary funds and the nonmajor governmental funds, and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.

Management's Discussion and Analysis

This Page Left Blank Intentionally

TOWN OF MOUNTAIN VILLAGE, COLORADO

Management's Discussion and Analysis

For the Year Ended December 31, 2017

As management of the Town of Mountain Village (the Town), we offer readers of these financial statements this summary overview and analysis of the financial activities and position through and as of December 31, 2017. We encourage readers to consider the information presented in conjunction with the additional information furnished in our basic financial statements to more thoroughly understand the financial activities and position of the Town.

A. Financial Highlights

- Net Position (excess assets/deferred outflows over liabilities/deferred inflows) increased \$4.2 million from \$52.6 to \$56.8 million
- Sales taxes collections continue to establish new record levels and exceeded \$4.26 million for the first time in Town history and development related revenues exceeded prior year by over 100%, contributing to surpluses building the Town's General Fund reserves to almost \$11 million.

Transfer of assets and assumption of services of the Mountain Village Metropolitan District. The Mountain Village Metropolitan District (the District) was established on September 12, 1983 for the purpose of providing certain services including: domestic water, wastewater treatment, drainage, roads, television relay and translator facilities, public parks and recreation facilities, and transportation. It was determined by the District and the Town that it is in the best interests of the residents of the Town and the District that the District be dissolved and that the Town assume the governmental services and functions currently performed by the District. On December 13, 2006, the District Court, San Miguel County, Colorado approved the dissolution of the District effective January 1, 2007, which was approved by the District's electors on November 7, 2006. **The District will stay in existence to the extent necessary to provide for the payment of the debt service requirements of its outstanding General Obligation Bonds.** The Town Council will be responsible for setting an annual mill levy on behalf of the District for the payment of the debt service requirements. The Town assumed the assets and all other obligations of the District effective January 1, 2007.

B. Overview of Financial Statements

This discussion and analysis is intended to serve as the introduction to the Town's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements- The government-wide financial statements are designed to provide readers with a broad overview of the organization's finances in a similar manner to a private sector business.

The statement of net position presents information on all of the organization's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the organization's financial condition is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, economic development, debt service, capital projects, culture and recreation, and transportation. The business-type activities include affordable housing rental and development, cable television, water and sewer, conference center, child development, parking services, and regional communications.

Fund Financial Statements- A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. The Town funds are separated into two classifications: governmental funds and enterprise (proprietary) funds.

Governmental Funds- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may more thoroughly understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental funds are separated into the following major funds: General Fund, Gondola Special Revenue Fund, and as a unit of The Town, Debt Service Fund. All non-major funds (Capital Projects Fund, Vehicle and Equipment Acquisition, Historical Museum and Tourism Funds) are combined as other governmental funds.

An annual appropriated budget is adopted for all governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the budgets.

Enterprise Funds- Enterprise funds (proprietary) are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The enterprise funds are used to account for child development, regional communications and affordable housing programs. The Town's major enterprise funds are the Housing Authority Fund, Cable, Telluride Conference Center, and the Water and Sewer Fund. All non-major funds (Child Development, Parking Services, and Communication System Funds) are combined as other enterprise funds.

Notes to Financial Statements The notes provide additional information that are essential to full understanding of the data provided in the various financial reports.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the *Governmental Accounting Standards Board*.

Capital Assets- Beginning with the 2004 financial statements, the Town must comply with the capital assets reporting requirements as specified in Governmental Accounting Standards Board Statement 34 (GASB 34). One of the requirements is to report capital assets in the government-wide financial statements. The Town has complied with these requirements.

In addition, beginning with the 2007 financial statements, the Town must report on its capital assets. In anticipation of this requirement, the Town decided to report its capital assets beginning with the 2004 financial statements. Accordingly, the government-wide financial statements include information about capital assets and the related expenses.

Fund Balance- Effective with financial reporting periods beginning after June 15, 2010, Governmental Accounting Standards Board Statement 54 (GASB 54) requires the classification of fund balance in governmental funds. The objective is to enhance the usefulness of fund balance information. The Town has complied with GASB 54 requirements starting with its 2009 financial statements.

C. Government-wide Financial Analysis

At the close of 2017, the total Net Position was \$56.8 million, an increase of \$4.2 million from prior year which is primarily a result of continued record breaking sales tax collections, increased development revenues, and controlled spending.

For a full summary of the Town's Net Position, please see page 21 of this report.

Statements of Net Position December 31, 2017 and 2016

	Governmental Activities		Business - Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$17,590,404	\$22,274,573	\$ 8,629,419	\$ 6,821,935	\$ 26,219,823	\$ 29,096,508
Capital Assets	46,395,667	45,899,223	22,714,358	23,838,307	69,110,026	69,737,530
Total Assets	63,986,072	68,173,796	31,343,778	30,660,242	95,329,849	98,834,038
Deferred Outflow of Resources	3,399,892	3,052,619	629,662	560,301	4,029,554	3,612,920
Current Liabilities	12,242,855	16,771,146	3,172,132	2,751,124	15,414,987	19,522,270
Non - Current Liabilities						
Due Within One Year	530,745	3,447,024	393,738	357,073	924,483	3,804,097
Due In More Than One Year	9,844,377	10,241,522	11,881,789	12,275,527	21,726,166	22,517,049
Total Liabilities	22,617,977	30,459,692	15,447,659	15,383,724	38,065,637	45,843,416
Deferred Inflow of Resources	4,422,683	3,955,579	26,372	93,307	4,449,055	4,048,886
Net Position						
Net Investment in Capital Assets	36,036,460	32,372,113	10,436,162	11,205,709	46,472,622	43,577,822
Restricted for Debt Service	450,278	947,096	852,366	850,109	1,302,643	1,797,205
Restricted for Emergencies	641,878	619,295	-	-	641,878	619,295
Unrestricted	3,216,687	2,872,639	5,210,881	3,687,696	8,427,568	6,560,335
Total Net Position	\$40,345,303	\$36,811,143	\$ 16,499,409	\$ 15,743,514	\$ 56,844,712	\$ 52,554,657

For a full summary of the Town's changes in Net Position, see page 22 of this report.

Statements of Changes in Net Position
For the Years Ended December 31, 2017 and 2016

	Governmental Activities		Business - Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 1,773,594	\$ 1,263,120	\$ 7,929,418	\$ 7,419,858	\$ 9,703,012	\$ 8,682,978
Operating Grants and Contributions	5,187,988	5,104,263	50,880	56,475	5,238,868	5,160,738
Capital Grants and Contributions	209,970	986,478	276,548	42,960	486,518	1,029,438
Total Program Revenues	<u>7,171,552</u>	<u>7,353,861</u>	<u>8,256,846</u>	<u>7,519,293</u>	<u>15,428,398</u>	<u>14,873,154</u>
General Revenues						
Property and Specific Ownership Taxes	7,660,046	7,659,902	-	-	7,660,046	7,659,902
Sales and Use Taxes	5,460,964	4,497,202	-	-	5,460,964	4,497,202
Lodging and Restaurant Taxes	2,144,201	2,050,963	-	-	2,144,201	2,050,963
Miscellaneous	249,927	90,656	105,096	59,251	355,023	149,907
Investment Earnings	36,824	49,223	1,264	52	38,088	49,275
Gain on Sale of Assets	1,672	8,172	-	-	1,672	8,172
Total General Revenues	<u>15,553,634</u>	<u>14,356,118</u>	<u>106,361</u>	<u>59,302</u>	<u>15,659,995</u>	<u>14,415,420</u>
Total Revenues	22,725,186	21,709,979	8,363,206	7,578,595	31,088,393	29,288,574
Expenses						
General Government	4,905,524	4,265,811	-	-	4,905,524	4,265,811
Gondola Operations and Capital Expenditures	5,313,304	5,655,506	-	-	5,313,304	5,655,506
Public Safety	964,517	947,987	-	-	964,517	947,987
Roads and Bridges	1,793,680	1,780,946	-	-	1,793,680	1,780,946
Culture and Recreation	607,253	538,001	-	-	607,253	538,001
Equipment & Property Maintenance	2,203,815	2,249,671	-	-	2,203,815	2,249,671
Transportation	(78,542)	966,645	-	-	(78,542)	966,645
Water & Sewer	-	-	2,201,535	2,083,245	2,201,535	2,083,245
Broadband	-	-	1,704,487	1,783,156	1,704,487	1,783,156
Telluride Conference Center	-	-	500,926	498,242	500,926	498,242
Economic Development	3,145,477	3,110,718	-	-	3,145,477	3,110,718
Housing Authority	-	-	2,358,389	2,229,997	2,358,389	2,229,997
Parking Services	-	-	405,192	286,610	405,192	286,610
Daycare Program	-	-	772,782	605,668	772,782	605,668
Regional Communications System	-	-	-	-	-	-
Total Expenses	<u>18,855,027</u>	<u>19,515,285</u>	<u>7,943,311</u>	<u>7,486,917</u>	<u>26,798,338</u>	<u>27,002,203</u>
Change in Net Position before Transfers	3,870,159	2,194,694	419,896	91,678	4,290,054	2,286,372
Transfers	(336,000)	(320,470)	336,000	320,470	-	-
Change in Net Position	3,534,159	1,874,224	755,896	412,148	4,290,054	2,286,372
Beginning Net Position	36,811,145	34,936,921	15,743,513	15,331,365	52,554,658	50,268,286
Prior Period Adjustment - Change in Accounting Principle	-	-	-	-	-	-
Beginning Net Position - As Re-stated	36,811,145	34,936,921	15,743,513	15,331,365	52,554,658	50,268,286
Ending Net Position	\$ 40,345,303	\$36,811,145	\$ 16,499,409	\$15,743,513	\$ 56,844,712	\$52,554,658

D. Financial Analysis of the Town's Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Town's Governmental Funds are comprised of the following:

- General Fund
- Gondola Fund (special revenue)
- Tourism Fund (special revenue)
- Historical Museum Fund (special revenue)
- Debt Service Fund (acting for the Mountain Village Metropolitan District)
- Vehicle and Equipment Acquisition Fund
- Capital Projects Fund

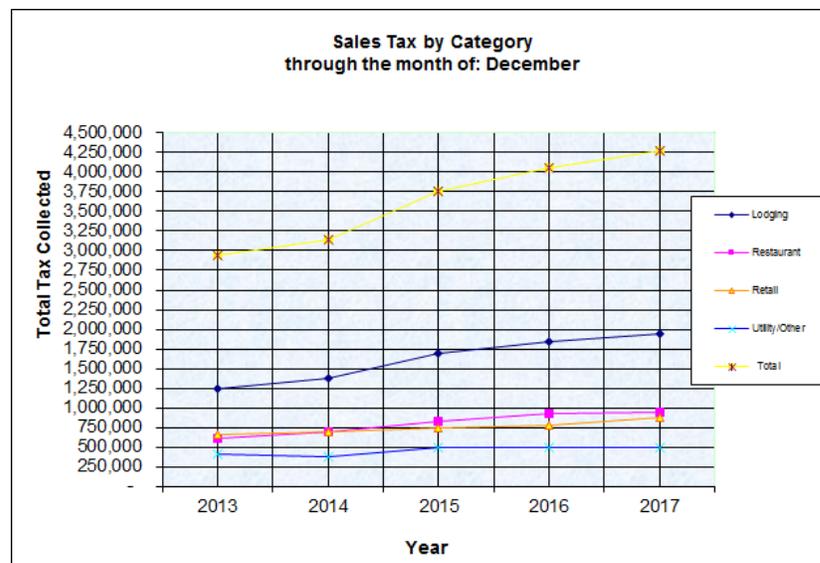
General Fund

Revenues of \$11.3 million were over budgeted expectations by \$205,000. Expenditures came in under budget by \$1.36 million leaving the general fund a surplus of \$1.5 million after inter-fund transfers. Budget savings were due to the continued conscientiousness of staff in controlling expenditures, savings in utilities because of ongoing energy efficiencies, and environmental projects that did not happen. Total fund balance remains healthy at \$10.9 million.

Sales Tax

Sales tax revenues of \$4.26 million increased from prior year by \$212,000 or 5.2% with record breaking tax collections including the highest collection month on record, December 2017. Sales tax increases were noticed most heavily in the lodging and retail categories. Please see detailed analysis that follows.

Actual Sales Tax Base By Class, Through December 2017										
Category	Actual 2013	Actual 2014	PY % Increase	Actual 2015	PY % Increase	Actual 2016	PY % Increase	Actual 2017	PY \$ Variance	PY % Increase
	4.5%	4.5%	2013 to 2014	4.5%	2014 to 2015	4.5%	2015 to 2016	4.5%	2016 to 2017	2016 to 2017
Lodging	27,745,883	30,473,814	10%	37,582,678	23%	40,954,783	9%	43,054,003	2,099,220	5.13%
Restaurant	13,631,180	15,497,118	14%	18,425,565	19%	20,589,021	12%	21,149,461	560,440	2.72%
Retail	14,864,000	15,593,895	5%	16,511,742	6%	17,404,997	5%	19,651,825	2,246,827	12.91%
Utility/Other	9,049,664	8,363,744	-8%	10,952,440	31%	11,105,038	1%	10,917,419	(187,619)	-1.69%
Total	65,290,728	69,928,571	7%	83,472,424	19%	90,053,839	8%	94,772,708	4,718,869	5.24%



Tourism Fund

Lodging taxes, restaurant taxes and business license fees flow through this fund to fund various Mountain Village marketing, promotion and economic development programs. Those programs include general regional marketing, promotion and group sales activity through Marketing Telluride Inc. (MTI) and various airline guaranty programs through the Telluride and Montrose Regional Air Organization (TMRAO).

Lodging tax receipts of \$1.7 million were up 5% from prior year, and restaurant tax receipts of \$423,000 show an increase of 2.7% from prior year. 2017 cash receipts include prior year taxes which are shown in the proper periods in the tables below. Business license fees of \$321,000 increased over prior year activity by 8%. Tourism activity generated approximately \$1.26 million for the airline guaranty program and \$1.15 million for regional marketing programs and group sales efforts. Overall, the town’s tourism fund reinvested over \$2.4 million back into the region to support the various businesses operating in the community which includes additional funding of \$28,000 to MTI for a guest services. Please see the lodging and restaurant tax revenue summary below for further information.

Town of Mountain Village Colorado Lodging Tax Summary								
	2013	2014	2015	2016	2017	2016	2017	Budget
	Activity	Activity	Activity	Activity	Activity	Var %	Budget	Var %
	(4%)	(4%)	(4%)	(4%)	(4%)			
Total	1,081,555	1,207,325	1,498,749	1,640,771	1,722,573	4.99%	1,669,000	3.11%
Tax Base	27,038,867	30,183,132	37,468,729	41,019,282	43,064,320		41,725,000	

Town of Mountain Village Colorado Restaurant Tax Summary								
	2013	2014	2015	2016	2017	2016	2017	Budget
	Activity	Activity	Activity (2%)	Activity (2%)	Activity (2%)	Var %	Budget	Var %
	(2%)	(2%)						
Total	274,828	315,303	366,759	411,969	423,017	2.68%	404,000	4.50%
Tax Base	13,741,420	15,765,152	18,337,941	20,598,437	21,150,852		20,200,000	

Vehicle and Equipment Acquisition Fund

A snowcat for the recreation department, snow blower, a transit bus, an excavator, a building maintenance truck, a vehicle maintenance truck, a police vehicle and shop equipment were purchased and the bobcat leases were paid. Total expenditures in 2017: \$495,405.

Capital Projects Fund

Activity in the Capital Projects Fund was for ongoing planning funds for the project known as the Meadows Improvement Plan. Total for 2017: \$266,071

Historical Museum Fund

The Town instituted a voter approved mill levy January 1, 2005 for the purpose of providing funding to the Telluride Historical Museum for operating costs. The property taxes generated for this purpose in 2017 were approximately \$96,066.

Gondola Fund

The Gondola Fund is used to account for the activity of financing, improving and operating the Gondola and Chondola transit system. The costs for this program are funded through contributions from TMVOA, Telluride Ski and Golf Company (Telski), as well as contributions and charges for extended operating hours. Current year funding of \$5.17 million was primarily provided by TMVOA (90%), with contributions of approximately \$4.69 million, \$186,075 (3%) provided by TSG from lift ticket sales, \$88,000 in capital grant funding (1%), \$149,982 in

operating grant funding (2%), sale of assets of \$1,672, TOT contribution of \$36,000, and event operations funding of \$14,157. Fund expenditures of \$5.1 million decreased over prior year by \$.6 million. Decreases from prior year are primarily the result of capital and major repair expenses.

Debt Service Fund

Current year debt service activity reflected \$3,315,000 in debt reduction (or 27%) from the prior year’s outstanding bond level. The total general obligation bond debt outstanding at 12/31/2017 was \$9,250,000.

	2014	2015	2016	2017
Assessed Valuation	266,407,970	294,538,840	294,011,170	289,947,030
Tax Supported Bonds Outstanding	15,595,000	12,890,000	10,310,000	7,110,000
% of Tax Supported Bonds Outstanding vs. AV	7%	7%	4%	2%
Mill Levy	13.325	11.82	11.84	1.904
Self Supported Bonds Outstanding	2,595,000	2,485,000	2,370,000	2,255,000

The Town’s enterprise funds are comprised of the following:

- Housing Authority
 - Village Court Apartments (Affordable Housing)
 - Affordable Housing Development Fund
 - Mortgage Assistance Pool Fund
- Child Development Fund
- Broadband Fund
- Water and Sewer Fund
- Telluride Conference Center Fund
- Parking Services Fund

Village Court Apartments

VCA net operating income of \$1.3 million (before capital and debt service obligations) decreased from prior year by \$77,000. Operating revenues of \$2.3 million remained stable with prior year. Operating costs of \$1.1 million increased from prior mainly due to stability in personnel and resident projects. Long term bonds and other debt were refinanced in 2014 to take advantage of continued low interest rates and longer term financing availability. That debt was reduced by \$357,073 in 2017.

Affordable Housing Development Fund

Since 2007, The Town pledged 11.11% of sales taxes to the affordable housing development fund, 2017 contributions were \$455,479. Expenses of \$113,226 were for HOA dues and other small repair items for Town owned units as well as support to the Regional Housing Authority.

Mortgage Assistance Pool Fund

Interest was received on one note that was paid in full.

Child Development Fund

The Town has operated daycare services since 2004. In September of 2009, the director launched a preschool, in addition to the daycare and the fund is now called the Child Development Fund with daycare and preschool activities as individual departments. The daycare program provides services for approximately 21 children (6 infants and 15 toddlers) and the preschool accommodates up to 15 children. The preschool showed a deficit of \$19,965 and the

daycare a deficit of \$100,439. General Fund subsidy requirement of \$120,404 for the program was up \$53,000 from 2016.

Parking Services Fund

Operating costs in 2017 of \$405,200 include personnel, utilities, and maintenance, were offset by parking fees of \$493,100, receipts from other entities for shared expenses of \$12,230 and fines of \$10,156 Any deficit is funded by transfer from the general fund. In 2017, expenses were under budget \$72,000 due mainly to unspent capital funds. The gondola intercept parking bonds are not accounted for in this fund; rather it is in the Debt Service Fund.

Water and Sewer Fund

The fund added to reserves in the amount of \$1 million. Operating expenditures of \$1.52 million were \$106,000 more than prior year due mainly to utilities, legal costs, and equipment replacement. Capital investment of 382,600 was for regional sewer system improvements, lift 7 waterline project, water rights, vehicle replacement, and the “Ski Ranches” chlorine building. Remaining available reserves remain adequate.

Broadband Fund

Revenues of \$1.9 million surpassed prior year performance by \$127,300 due mainly to growth in internet subscribers and a rate increase for TV services. Expenses totaling \$1.6 million were \$23,400 more than prior year due to the increasing programming costs for TV services and personnel cost increases. The cable fund was able to return to the General Fund a transfer of \$145,028 which is the overhead administrative allocation.

Telluride Conference Center

In October 2009, the conference center operations were turned over to an outside local contractor. The required transfer from the general fund of \$199,089 was for HOA dues, marketing, and some equipment maintenance. Under the agreement, the town continues to fund these costs, and upon certain thresholds, will share in a portion of the revenues earned.

E. General Fund Budgetary Results

The General Fund finished the fiscal year with a surplus of \$1.5 million. The budgeted deficit was \$445,000. The budgetary variance was the result of total expenditures coming in under budget by 1.4 million, revenues exceeding budget by \$205,000 and other sources and uses under budget by \$352,000.

F. Capital Asset and Debt Administration

Capital Assets

The Town’s investment in capital assets for its governmental activities increased by \$500,000, from \$45,899,233 to \$46,395,667, due to capital asset purchases. The Town’s investment in capital assets for its business-type activities, which include Village Court Apartments, other affordable housing endeavors, the water and sewer system, and the regional communication system decreased \$1,123,948 from \$23,838,307 to \$22,714,358 primarily as a result of depreciation expense and deletions.

Additional information on the Town’s capital assets can be found in Note 9.

Long-Term Debt

Total outstanding debt at the beginning of the fiscal year amounted to \$12,680,000. Throughout the year, \$3,315,000 was retired bringing the outstanding bond debt down to \$9,365,000 at year end.

On June 2, 2005, the Town entered into an interest rate swap agreement, effective January 2, 2007, which fixed the interest rate at 3.485%. That agreement terminated on September 1, 2010. A new agreement was entered into beginning on December 31, 2010. That agreement was terminated on September 30, 2014 as part of the refinancing of the Series 2000 Housing Facility Revenue Bonds.

Additional information on the Town's long-term debt can be found in Note 10.

Economic

Prior to 2008 the Town enjoyed several years of favorable economic conditions which resulted in operating surpluses allowing investments in affordable housing and the growth of fund reserves. While the Town has grown and begun to mature as a stable resort destination, it is still very much reliant on real estate development. As the national economy exited from a global recession in 2011 the pace of real estate development and property sales accelerated and the result has been a bottoming and now a property tax base beginning to recover its value lost during the recession. New challenges related to this recovery have arisen in Colorado as a result of the Constitutional amendment known as the Gallagher Amendment passed in 1982. By way of this amendment the taxable values for residential property have been reduced. The result is a lowering of the tax base and reduced revenue from the residential assessment for property tax. The impact in 2017 was offset to an extent by new construction and the same conditions are present in Mountain Village in 2018. At this time the near term fiscal impact is difficult to measure because preliminary property assessment valuations are not typically received by the Town until August. For preliminary budget planning the forecast will be at 90% of the 2017 valuation.

Request for Information

This financial report is designed to provide a general overview of the Town of Mountain Village's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in the report or requests for additional information should be addressed to:

Finance Director
Town of Mountain Village
455 Mountain Village Blvd-Suite A
Mountain Village, CO 81435
970.728.8000 kswain@mtnvillage.org

This Page Left Blank Intentionally

Basic Financial Statements

This Page Left Blank Intentionally

Government-Wide Financial Statements

This Page Left Blank Intentionally

Town of Mountain Village
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-type Activities	Total
Assets			
Cash (See Note 5)	\$ 2,250,610	\$ 6,611,547	\$ 8,862,157
Investments (See Note 5)	6,548,230	654,703	7,202,933
Receivables			
Taxes	5,439,103	-	5,439,103
Accounts	1,694,160	473,877	2,168,037
Interest	7,138	-	7,138
Notes (See Note 6)	-	134,000	134,000
Internal Balances	537	(537)	-
Accrued Revenues	-	-	-
Prepaid Items	264,540	24,027	288,568
Deposits (See Note 5)	6,919	2,272	9,190
Restricted Investments (See Note 5)			
Housing Authority	-	451,261	451,261
Bond Reserve Fund	1,379,169	-	1,379,169
Development Property Held for Sale (See Note 8)	-	278,268	278,268
Capital Assets			
Non-depreciable Capital Assets (See Note 9)	2,253,578	206,756	2,460,334
Depreciable Capital Assets (See Note 9)	44,142,089	22,507,603	66,649,692
Total assets	<u>63,986,072</u>	<u>31,343,778</u>	<u>95,329,849</u>
Deferred Outflow of Resources Related to Pensions (See Note 14)	2,832,808	629,662	3,462,470
Deferred Outflow of Resources Deferred Loss on Refunding	567,084	-	567,084
Deferred Outflow of Resources	<u>3,399,892</u>	<u>629,662</u>	<u>4,029,554</u>
Liabilities			
Accounts Payable	960,211	427,895	1,388,106
Accrued Expenses	150,402	31,285	181,687
Deposits	217,876	272,386	490,261
Due to Pooled Cash (See Note 5)	335	-	335
Accrued Interest Payable	28,573	-	28,573
Unearned Revenue	225,464	71,968	297,432
Noncurrent Liabilities (See Note 10)			
Net Pension Liability	10,659,996	2,368,599	13,028,595
Due within one year	530,745	393,738	924,483
Due in more than one year	9,844,377	11,881,789	21,726,166
Total liabilities	<u>22,617,977</u>	<u>15,447,659</u>	<u>38,065,637</u>
Deferred Inflow of Resources Related to Pensions (See Note 14)	119,953	26,372	146,325
Deferred Inflow of Resources Property Tax	4,302,731	-	4,302,731
Deferred Inflow of Resources	<u>4,422,683</u>	<u>26,372</u>	<u>4,449,055</u>
Net Position			
Net Investment in Capital Assets	36,036,460	10,436,162	46,472,622
Restricted For			
Debt Service	450,278	852,366	1,302,643
Emergencies	641,878	-	641,878
Unrestricted	3,216,687	5,210,881	8,427,568
Total Net Position	<u>\$40,345,303</u>	<u>\$16,499,409</u>	<u>\$56,844,712</u>

Town of Mountain Village
Statement of Activities
For the Fiscal Year Ended December 31, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,780,632	\$ 26,376	\$ -	\$ -	\$ (2,754,256)	\$ -	\$ (2,754,256)
Administration	1,534,134	3,188	-	-	(1,530,946)	-	(1,530,946)
Public Safety	964,517	10,625	2,840	-	(951,052)	-	(951,052)
Roads & Bridges	1,793,680	480,102	-	61,970	(1,251,608)	-	(1,251,608)
Equipment & Property Maintenance	2,203,815	-	-	-	(2,203,815)	-	(2,203,815)
Culture & Recreation	607,253	13,666	-	-	(593,587)	-	(593,587)
Parking & Transportation	5,234,762	14,157	5,165,304	148,000	92,699	-	92,699
Economic Development	3,145,477	1,225,480	19,844	-	(1,900,153)	-	(1,900,153)
Interest on Long Term Debt	440,981	-	-	-	(440,981)	-	(440,981)
Total Governmental Activities	<u>18,705,250</u>	<u>1,773,594</u>	<u>5,187,988</u>	<u>209,970</u>	<u>(11,533,698)</u>	<u>-</u>	<u>(11,533,698)</u>
Business-type Activities:							
Housing Authority	2,358,389	2,257,221	-	-	-	(101,168)	(101,168)
Broadband	1,704,488	1,945,869	-	-	-	241,382	241,382
Child Development	772,782	454,663	38,650	-	-	(279,469)	(279,469)
Parking Services	405,192	480,887	12,230	-	-	87,924	87,924
Telluride Conference Center	500,926	-	-	-	-	(500,926)	(500,926)
Water and Sewer	2,201,536	2,790,778	-	276,548	-	865,790	865,790
Total Business-type Activities	<u>7,943,312</u>	<u>7,929,418</u>	<u>50,880</u>	<u>276,548</u>	<u>-</u>	<u>313,534</u>	<u>313,534</u>
Total	<u>\$ 26,648,562</u>	<u>\$ 9,703,012</u>	<u>\$ 5,238,868</u>	<u>\$ 486,518</u>			
General Revenues:							
Taxes:							
Property					7,334,897	-	7,334,897
Specific Ownership					325,149	-	325,149
Sales & Use					5,460,964	-	5,460,964
Lodging					1,721,579	-	1,721,579
Restaurant					422,623	-	422,623
Miscellaneous					100,150	105,096	205,246
Investment Earnings					36,824	1,264	38,088
Gain or (loss) on Sale of Assets					1,672	-	1,672
Transfers					(336,000)	336,000	-
Total General Revenues and Transfers					<u>15,067,857</u>	<u>442,361</u>	<u>15,510,218</u>
Change in Net Position					3,534,159	755,894	4,290,053
Net Position - Beginning					36,811,143	15,743,515	52,554,659
Net Position - Ending					<u>\$ 40,345,302</u>	<u>\$ 16,499,410</u>	<u>\$ 56,844,712</u>

Fund Financial Statements

This Page Left Blank Intentionally

Town of Mountain Village
Balance Sheet - Governmental Funds
December 31, 2017

	<u>General</u>	<u>Gondola</u>	<u>Debt Service</u>	<u>Tourism</u>	<u>Non-Major Governmental</u>	<u>Total</u>
Assets						
Cash	\$ 1,267,953	\$ 139,805	\$ 207,549	\$ 239,085	\$ 396,217	\$ 2,250,610
Investments	6,548,210	-	20	-	-	6,548,230
Receivables						
Taxes	4,465,269	-	536,312	345,463	92,059	5,439,103
Accounts	1,669,629	24,530	-	-	-	1,694,160
Interest	-	-	7,138	-	-	7,138
Due from Other Funds	1,155,990	-	-	-	-	1,155,990
Prepaid Items	264,540	-	-	-	-	264,540
Deposits	6,919	-	-	-	-	6,919
Restricted Bond Reserve	-	-	1,379,169	-	-	1,379,169
Total Assets	<u>\$ 15,378,510</u>	<u>\$ 164,336</u>	<u>\$ 2,130,187</u>	<u>\$ 584,549</u>	<u>\$ 488,276</u>	<u>\$ 18,745,858</u>
Liabilities:						
Accounts Payable	\$ 409,472	\$ 109,756	\$ -	\$ 413,950	\$ 27,032	\$ 960,211
Accrued Payables	95,822	54,580	-	-	-	150,402
Due to Other Funds	-	-	1,155,454	-	-	1,155,454
Deposits	217,876	-	-	-	-	217,876
Due to Pooled Cash	-	-	-	-	335	335
Unearned Revenue	54,865	-	-	170,599	-	225,464
Total Liabilities	<u>778,035</u>	<u>164,336</u>	<u>1,155,454</u>	<u>584,549</u>	<u>27,367</u>	<u>2,709,740</u>
Deferred Inflows, Property Tax	<u>3,686,550</u>	<u>-</u>	<u>524,456</u>	<u>-</u>	<u>91,724</u>	<u>4,302,731</u>
Fund Balances:						
Nonspendable	264,540	-	-	-	-	264,540
Restricted for:						
Debt Service	-	-	450,278	-	-	450,278
Emergencies	641,878	-	-	-	-	641,878
Assigned - Appropriations	1,574,347	-	-	-	369,185	1,943,532
Unassigned	8,433,159	-	-	-	-	8,433,159
Total Fund Balances	<u>10,913,925</u>	<u>-</u>	<u>450,278</u>	<u>-</u>	<u>369,185</u>	<u>11,733,387</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 15,378,510</u>	<u>\$ 164,336</u>	<u>\$ 2,130,187</u>	<u>\$ 584,549</u>	<u>\$ 488,276</u>	<u>\$ 18,745,858</u>

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**
December 31, 2017

Total Fund Balance - Governmental Funds		\$ 11,733,387
Amounts reported for governmental activities in the statement of Net Position are difference because:		
Capital assets used in governmental activities are not financial resources and; therefore, are not reported as assets in the governmental funds:		
Cost of Capital Assets	\$ 70,614,672	
Less Accumulated Depreciation	<u>(24,219,005)</u>	46,395,667
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
General Obligation Bonds	(9,365,000)	
Compensated Absences	<u>(551,169)</u>	(9,916,169)
Items related to pensions are considered to be long term items and are therefore not reported in the governmental funds.		
Net Pension liability	(10,659,996)	
Deferred Pension Outflows	2,832,808	
Deferred Pension Inflows	<u>(119,953)</u>	(7,947,141)
Long-term debt premiums and discounts are reported in the governmental funds when first incurred, but deferred and amortized in the statement of Net Position.		
		(458,953)
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		
		(28,573)
The difference between the net proceeds from the issuance of the refunding bonds and the carrying amount of refunded bonds is not reported in the governmental funds, but is deferred and amortized in the statement of Net Position.		
		<u>567,084</u>
Total Net Position - Governmental Activities		<u><u>\$ 40,345,303</u></u>

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2017

	<u>General</u>	<u>Gondola</u>	<u>Debt Service</u>	<u>Tourism</u>	<u>Non-Major Governmental</u>	<u>Total</u>
Revenues						
Taxes	\$ 9,460,884	\$ -	\$ 3,564,060	\$ 2,144,201	\$ 96,066	\$ 15,265,211
Licenses & Permits	566,818	-	-	320,857	-	887,675
Intergovernmental	374,212	-	-	-	-	374,212
Contributions from Other Entities	74,551	4,913,841	204,515	-	-	5,192,907
Charges for Services	489,267	14,157	-	-	-	503,424
Fines & Forfeitures	8,282	-	-	-	-	8,282
Miscellaneous	84,995	591	-	14,565	-	100,150
Interest Income	32,522	-	4,302	-	-	36,824
Grants & Contributions	10,991	237,982	-	-	61,970	310,943
Total Revenues	<u>11,102,521</u>	<u>5,166,571</u>	<u>3,772,877</u>	<u>2,479,623</u>	<u>158,036</u>	<u>22,679,628</u>
Expenditures						
Current:						
General Government	2,868,664	-	-	-	-	2,868,664
Public Safety	829,791	-	-	-	-	829,791
Roads & Bridges	1,067,792	-	-	-	-	1,067,792
Equipment & Property Maintenance	1,893,305	-	-	-	-	1,893,305
Culture & Recreation	513,115	-	-	-	94,138	607,253
Parking & Transportation	239,687	3,874,216	-	-	-	4,113,903
Economic Development	706,031	-	-	2,439,446	-	3,145,477
Debt Service:						
Administrative Charges	-	-	104,937	2,235	1,927	109,099
Principal	-	-	3,315,000	-	-	3,315,000
Interest	-	-	492,608	-	-	492,608
Capital Outlay:						
General Government	110,079	-	-	-	761,476	871,555
Culture & Recreation	4,250	-	-	-	-	4,250
Public Safety	19,917	-	-	-	-	19,917
Equipment & Property Maintenance	806,463	-	-	-	-	806,463
Parking & Transportation	-	1,250,866	-	-	-	1,250,866
Total Expenditures	<u>9,059,095</u>	<u>5,125,082</u>	<u>3,912,545</u>	<u>2,441,681</u>	<u>857,540</u>	<u>21,395,944</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,043,426</u>	<u>41,489</u>	<u>(139,668)</u>	<u>37,942</u>	<u>(699,504)</u>	<u>1,283,684</u>
Other Financing Sources (Uses)						
Proceeds from Sale of Assets	-	1,672	-	-	1,300	2,972
Insurance Proceeds	149,777	-	-	-	-	149,777
Transfers In	896,224	-	-	-	827,846	1,724,070
Transfers Out	(1,621,816)	(43,161)	(357,151)	(37,942)	-	(2,060,070)
Total Other Financing Sources (Uses)	<u>(575,815)</u>	<u>(41,489)</u>	<u>(357,151)</u>	<u>(37,942)</u>	<u>829,146</u>	<u>(183,251)</u>
Net Change in Fund Balances	1,467,610	-	(496,819)	-	129,642	1,100,432
Fund balance - Beginning of Year	<u>9,446,315</u>	<u>-</u>	<u>947,097</u>	<u>-</u>	<u>239,543</u>	<u>10,632,955</u>
Fund balance - End of Year	<u>\$ 10,913,925</u>	<u>\$ -</u>	<u>\$ 450,278</u>	<u>\$ -</u>	<u>\$ 369,185</u>	<u>\$ 11,733,387</u>

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village

**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Fiscal Year Ended December 31, 2017**

Net Change in Fund Balance - Governmental Funds \$ 1,100,432

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in the governmental funds; however, in the statement of activities, the cost is allocated over the estimated useful lives of the assets as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlay	\$ 2,933,065	
Depreciation	<u>(2,436,621)</u>	496,444

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Pension Expense	(1,342,139)	
Compensated Absences	(87,204)	
Accrued Interest Payable	<u>24,317</u>	(1,405,027)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction has any effect on Net Position in the government-wide statements. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Payment	3,315,000	
Amortization of Deferred Loss on Refunding	(58,317)	
Premium on Bonds Payable	<u>85,628</u>	<u>3,342,310</u>

Change in Net Position of Governmental Funds \$ 3,534,159

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village
Statement of Net Position - Enterprise Funds
December 31, 2017

	Housing Authority	Water and Sewer	Telluride Conference Center	Broadband	Non-Major Enterprise Funds	Total
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ 2,663,755	\$ 3,467,322	\$ 20,368	\$ 332,230	\$ 127,872	\$ 6,611,547
Investments	654,703	-	-	-	-	654,703
Accounts Receivable	5,785	397,907	-	18,747	51,438	473,877
Prepaid Expenses	1,260	-	20,751	2,016	-	24,027
Accrued Revenues	-	-	-	-	-	-
Deposits	-	1,136	-	1,136	-	2,272
Due From Other Funds	-	-	-	-	-	-
Total Current Assets	3,325,502	3,866,365	41,119	354,129	179,310	7,766,426
Noncurrent Assets:						
Restricted Investments	451,261	-	-	-	-	451,261
Notes Receivable	134,000	-	-	-	-	134,000
Development Property Held for Sale:						
Buildings	278,268	-	-	-	-	278,268
Capital Assets:						
Land and Land Improvements	418,271	-	-	-	-	418,271
Buildings and Improvements	17,598,235	16,344,826	6,211,007	-	199,368	40,353,437
Construction in Progress	2,670	12,375	31,212	-	-	46,256
Furniture and Fixtures	-	-	231,399	-	-	231,399
Communications System	-	-	-	2,230,806	-	2,230,806
Vehicles & Equipment	199,475	178,714	191,857	276,819	27,650	874,515
Less: Accumulated Depreciation	(9,088,884)	(6,820,753)	(3,410,310)	(1,941,288)	(179,090)	(21,440,325)
Total Noncurrent Assets	9,993,296	9,715,163	3,255,165	566,336	47,928	23,577,888
Total Assets	13,318,798	13,581,528	3,296,284	920,466	227,238	31,344,314
Deferred Outflow of Resources - Related to Pensions	121,179	180,457	-	135,028	192,998	629,662
Deferred Outflow of Resources - Deferred Loss on Refunding	-	-	-	-	-	-
Deferred Outflow of Resources	121,179	180,457	-	135,028	192,998	629,662
Liabilities						
Current Liabilities:						
Accounts Payable	79,386	213,023	25,000	90,525	19,962	427,895
Accrued Expenses	3,449	9,473	-	7,274	11,089	31,285
Deposits	260,863	-	-	11,523	-	272,386
Unearned Revenue	67,718	-	-	-	4,250	71,968
Due to Other Funds	537	-	-	-	-	537
Current Portion of Notes and Bonds Payable	393,738	-	-	-	-	393,738
Total Current Liabilities	805,690	222,496	25,000	109,322	35,300	1,197,808
Noncurrent Liabilities:						
Notes Payable	-	-	-	-	-	-
Revenue Bond Payable	11,881,789	-	-	-	-	11,881,789
Net Pension Liability	456,001	680,093	-	508,115	724,390	2,368,599
Total Noncurrent Liabilities	12,337,790	680,093	-	508,115	724,390	14,250,388
Total Liabilities	13,143,479	902,589	25,000	617,437	759,690	15,448,196
Deferred Inflow of Resources Related to Pensions	5,049	7,549	-	5,718	8,056	26,372
Net Position						
Net Investment in Capital Assets	(3,148,431)	9,715,163	3,255,165	566,336	47,928	10,436,162
Restricted for Debt Service	852,365	-	-	-	-	852,365
Unrestricted	2,587,514	3,136,684	16,119	(133,998)	(395,438)	5,210,881
Total Net Position	\$ 291,449	\$12,851,847	\$ 3,271,284	\$ 432,338	\$ (347,510)	\$ 16,499,408

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village
Statement of Revenues, Expenses, and Changes in Net Position
Enterprise Funds
For the Fiscal Year Ended December 31, 2017

	Housing Authority	Water and Sewer	Telluride Conference Center	Broadband	Non-major Enterprise Funds	Total
Operating Revenues:						
Charges for Sales & Services	\$ 2,257,221	\$ 2,790,778	\$ -	\$ 1,945,869	\$ 915,706	\$ 7,909,574
Operating Grants and Contributions	-	-	-	-	50,880	50,880
Other	105,096	-	-	-	19,843	124,939
Total Operating Revenues	<u>2,362,317</u>	<u>2,790,778</u>	<u>-</u>	<u>1,945,869</u>	<u>986,429</u>	<u>8,085,393</u>
Operating Expenses:						
Cost of Sales & Services	1,181,232	1,515,269	193,525	1,638,212	1,164,162	5,692,401
Depreciation and Amortization	612,832	686,267	301,836	66,276	18,611	1,685,822
Total Operating Expenses	<u>1,794,064</u>	<u>2,201,536</u>	<u>495,362</u>	<u>1,704,488</u>	<u>1,182,773</u>	<u>7,378,222</u>
Operating Income (Loss)	<u>568,253</u>	<u>589,242</u>	<u>(495,362)</u>	<u>241,382</u>	<u>(196,344)</u>	<u>707,171</u>
Nonoperating Revenues (Expenses):						
Interest Income	1,264	-	-	-	-	1,264
Loss on Disposal of Assets	(3,245)	-	-	-	-	(3,245)
Major Repairs and Replacements	(153,692)	-	-	-	-	(153,692)
Interest Expense	(406,401)	-	-	-	-	(406,401)
Loan Fees	(1,750)	-	-	-	-	(1,750)
Total Nonoperating Revenue (Expenses)	<u>(563,824)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(563,824)</u>
Income (Loss) Before Transfers	<u>4,429</u>	<u>589,242</u>	<u>(495,362)</u>	<u>241,382</u>	<u>(196,344)</u>	<u>143,347</u>
Transfers In	474,477	-	199,089	-	120,404	793,970
Transfers Out	(137,516)	(142,527)	-	(145,028)	(32,899)	(457,970)
Net Transfers From (To) Other Funds	<u>336,961</u>	<u>(142,527)</u>	<u>199,089</u>	<u>(145,028)</u>	<u>87,505</u>	<u>336,000</u>
Capital Grants & Contributions	-	276,548	-	-	-	276,548
Change in Net Position	341,390	723,263	(296,272)	96,354	(108,839)	755,896
Total Net Position - Beginning of Year	<u>(49,942)</u>	<u>12,128,584</u>	<u>3,567,557</u>	<u>335,984</u>	<u>(238,668)</u>	<u>15,743,514</u>
Total Net Position - End of Year	<u>\$ 291,448</u>	<u>\$12,851,847</u>	<u>\$ 3,271,284</u>	<u>\$ 432,338</u>	<u>\$ (347,507)</u>	<u>\$ 16,499,410</u>

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village

Statement of Cash Flows - Enterprise Funds
For the Fiscal Year Ended December 31, 2017

	Housing Authority	Water and Sewer	Telluride Conference Center	Broadband	Non-Major Enterprise Funds	Total
Cash Flows from Operating Activities						
Receipts from Customers	\$ 2,292,444	\$ 2,688,480	\$ -	\$ 1,927,518	\$ 959,914	\$ 7,868,356
Operating Contributions	-	-	-	-	50,880	50,880
Payments to Suppliers	(897,898)	(1,172,357)	(189,276)	(1,353,837)	(587,497)	(4,200,866)
Payments to Employees	(250,949)	(341,825)	-	(252,007)	(452,218)	(1,296,999)
Other Receipts	135,096	-	-	-	-	135,096
Net Cash Provided by (Used in) Operating Activities	1,278,693	1,174,298	(189,276)	321,674	(28,922)	2,556,466
Cash Flows from Non-capital Financing Activities						
Transfers to Other Funds	(232,578)	(142,527)	-	(145,028)	(32,899)	(553,032)
Transfers from Other Funds	474,477	-	199,089	-	120,404	793,970
Net Cash Provided by (Used in) Noncapital Financing Activities	241,899	(142,527)	199,089	(145,028)	87,505	240,938
Cash Flows from Capital and Related Financing Activities						
Principal Payments - Notes and Bonds	(357,073)	-	-	-	-	(357,073)
Interest Expense	(406,401)	-	-	-	-	(406,401)
Loan Fees	(1,750)	-	-	-	-	(1,750)
Purchase of Major Repairs and Replacements	(153,692)	-	-	-	-	(153,692)
Purchase of Capital Assets	(45,802)	(382,628)	(5,564)	(131,574)	-	(565,568)
Capital Grants and Contributions	-	276,548	-	-	-	276,548
Net Cash Used in Capital and Related Financing Activities	(964,718)	(106,080)	(5,564)	(131,574)	-	(1,207,937)
Cash Flows from Investing Activities						
Purchase of Investments	(150,724)	-	-	-	-	(150,724)
Interest Received	212	-	-	-	-	212
Net Cash Used in Investing Activities	(150,512)	-	-	-	-	(150,512)
Net Increase in Cash and Cash Equivalents	405,361	925,690	4,249	45,072	58,583	1,438,956
Cash and Cash Equivalents, Beginning of Year	2,258,393	2,541,632	16,119	287,158	69,288	5,172,591
Cash and Cash Equivalents, End of Year	\$ 2,663,755	\$ 3,467,322	\$ 20,368	\$ 332,230	\$ 127,871	\$ 6,611,547

Note: Totals may not foot due to rounding.

(Continued)

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village

**Statement of Cash Flows - Enterprise Funds
For the Fiscal Year Ended December 31, 2017**

	<u>Housing Authority</u>	<u>Water and Sewer</u>	<u>Telluride Conference Center</u>	<u>Broadband</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	\$ 568,253	\$ 589,242	\$ (495,362)	\$ 241,382	\$ (196,344)	\$ 707,171
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Depreciation and Amortization	612,832	686,267	301,836	66,276	18,611	1,685,822
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	11,926	(102,298)	-	(18,901)	30,719	(78,554)
(Increase) Decrease in Deferred Revenue	53,740	-	-	-	-	53,740
Increase (Decrease) in Net Pension Liability	13,024	56,342	-	55,198	140,454	265,018
(Increase) Decrease in Prepaid Items	-	-	(20,751)	(2,016)	-	(22,767)
Increase (Decrease) in Accounts Payable	20,902	75,877	25,000	(22,080)	(16,006)	83,693
Increase (Decrease) in Accrued Expenses	(1,541)	(131,632)	-	1,265	-	(131,908)
Increase (Decrease) in Accrued Revenues	-	-	-	(798)	(6,355)	(7,153)
Increase (Decrease) in Deposits	(443)	500	-	1,348	-	1,405
	<u>\$ 710,440</u>	<u>\$ 585,056</u>	<u>\$ 306,085</u>	<u>\$ 80,292</u>	<u>\$ 167,423</u>	<u>\$ 1,849,296</u>
Total						
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,278,693</u>	<u>\$ 1,174,298</u>	<u>\$ (189,276)</u>	<u>\$ 321,674</u>	<u>\$ (28,922)</u>	<u>\$ 2,556,466</u>

The accompanying notes are an integral part of the financial statements.

Notes to Basic Financial Statements

This Page Left Blank Intentionally

TOWN OF MOUNTAIN VILLAGE, COLORADO

Notes to Basic Financial Statements

December 31, 2017

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Mountain Village, Colorado (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Town's accounting policies are described below:

A. Financial Reporting Entity

The Town of Mountain Village, Colorado (the Town) was incorporated March 10, 1995 and operates under a Home Rule Charter and a council/mayor form of government with seven elected council members. As required by accounting principles generally accepted in the United States of America, after consideration of any potential component units for which the Town is financially accountable, there are no component units required to be presented in these financial statements.

On December 13, 2006, the District Court, San Miguel County, Colorado, approved the dissolution of the Mountain Village Metropolitan District (the District) effective January 1, 2007, which was approved by the District's electors on November 7, 2006. **The District will stay in existence to the extent necessary to provide for the payment of the debt service requirements of its outstanding general obligation bonds.** The Town Council, acting as the Board of Directors of the District, will be responsible for setting an annual mill levy on behalf of the District for the payment of the debt service requirements.

All other assets and obligations of the District have been transferred to the Town for providing the following services:

- Domestic water system
- Wastewater treatment system
- Road and bridge system
- Transportation (Gondola, Chondola, Employee Shuttle Program and Municipal Bus)
- Public parks and recreational facilities
- Telluride Conference Center
- Television relay and translator facilities
- Water rights

At a special Town election on November 7, 2006, the electorate approved an increase in taxes by \$2.75 million in 2007, and by such amounts annually thereafter that may be generated by the imposition of an additional mill levy not to exceed 10 mills for the purpose of funding the continued administration, operation, maintenance and capital replacement of the facilities and operations being assumed by the Town upon the dissolution of the District, without limitations contained in Article X, Section 20, of the Colorado Constitution.

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

C. Fund Financial Statements

The accounts of the Town are organized on the basis of funds, which are considered separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The *Gondola Fund* is used to account for revenues restricted for the purpose of financing, improving and operating a gondola and "Chondola" transit system for the benefit of the Telluride Mountain Village Resort Company dba Telluride Mountain Village Owners Association (TMVOA), TSG Ski & Golf Company (TSGC), the Town of Telluride, the Town of Mountain Village and San Miguel County, Colorado. The cost of operations and maintenance of the transit system is funded mainly through contributions from TMVOA and TSGC.

Note 1 - Summary of Significant Accounting Policies (Continued)

- The *Debt Service Fund* is used to account for the accumulation of resources and payment of general obligation bond principal and interest.
- The *Tourism Fund*, which accounts for lodging taxes, restaurant taxes, and business license revenues remitted to Marketing Telluride, Inc. (MTI) to promote tourism in the Telluride and Mountain Village Communities, and the Telluride/Montrose Regional Air Organization to fund the Airline Guaranty Program.

The remaining governmental funds are aggregated and presented as non-major funds. Those funds include:

- The *Capital Projects Fund*, which accounts for the acquisition and construction of major capital facilities other than those financed by enterprise funds.
- The *Historical Museum Fund*, which accounts for the proceeds of a .333 property tax mill levy as authorized by the Town's electorate for remittance to the Telluride Historical Museum, a nonprofit entity.
- The *Vehicle and Equipment Acquisition Fund*, which accounts for the acquisition of vehicles and other capital equipment for the general government.

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to external users on a continuing basis be financed or recovered primarily through user charges.

Enterprise funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Town are charges for apartment rental, charges to users for water and sewer, Broadband Services, conference center sales and services, and preschool and daycare fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town's major enterprise funds consist of:

- The Town of Mountain Village *Housing Authority*, which accounts for the Village Court apartments, as well as the Affordable Housing Development Fund and the Mortgage Assistance Pool Fund.
- The *Water and Sewer Fund* which accounts for water service to Mountain Village, the "Ski Ranches", and West Meadows or "Skyfield" housing communities and maintaining sewer service for Mountain Village.
- The *Broadband Fund* which accounts for cable television, digital phone service, and high speed internet services to Mountain Village residents.
- The *Telluride Conference Center (TCC) Fund* which accounts for the operations of the Telluride Conference Center, primarily funded by charges for sales and services, providing

Note 1 - Summary of Significant Accounting Policies (Continued)

the area with 11,000 square feet of meeting space, video conferencing services, and food and beverage services. In October 2009, the conference center operations were turned over to an outside local party under an agreement that was terminated in October 2012. A new 5-year agreement was executed with another party at that time.

The remaining enterprise funds are aggregated and presented as non-major funds. Those funds include:

- The *Child Development Fund*, which accounts for a daycare and preschool program in the Town.
- The *Parking Services Fund*, which accounts for all parking related expenses and revenues.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and attach as a lien on property. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year. Those revenues susceptible to accrual are taxes, interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating cash and highly liquid securities with an initial maturity of three months or less.

F. Investments

Money market funds and external investment pools are stated at cost, which is equal to fair value. All other investments are stated at fair value based on quoted market values.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Property Taxes

The Town of Mountain Village property taxes for the current year are levied and attach as a lien on property the following January 1. Property taxes in Mountain Village are payable in full by April 30 or in two equal installments due February 28 and June 15. Town property taxes are reported as receivable and deferred inflows of resources at December 31. The deferred property taxes are reported as revenue in the year they are available and collected.

I. Restricted Assets

Certain proceeds of the enterprise fund's revenue bonds, as well as other resources, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The debt service fund is used to segregate resources accumulated for debt service payments. The debt service reserve fund is set aside to provide funds for potential deficiencies that could adversely affect debt service payments. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

J. Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of more than one year and a value of \$5,000 or greater.

All assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Interest costs are capitalized when incurred by enterprise funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax exempt borrowing arrangements restricted for the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized.

Note 1 - Summary of Significant Accounting Policies (Continued)

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings and Improvements	30 - 31.5 years
Vehicles and Equipment	5 years
Gondola	50 years
Water System	40 years
Sewer System	50 years
Broadband Services System	20 years
Regional Communications System	10 years
Other Infrastructure	50 years

K. Deferred Outflows/Inflows of Resources

Deferred outflow of resources - a consumption of net assets by the government that is applicable to a future reporting period.

Deferred inflow of resources - an acquisition of net assets by the government that is applicable to a future reporting period.

L. Accrued Liabilities for Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused paid time off (PTO). In the government-wide statements, PTO is accrued when incurred and reported as a liability of the governmental and business-type activities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

M. Net Position

Net Position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

The Town's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

N. Inter-fund Transactions

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements

The governmental funds balance sheet includes a reconciliation between *total fund balances - governmental funds* and *total net position - governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances - governmental funds* and *changes in net position - governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20. The amendment has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

On June 25, 1996 the Town electorate authorized the Town to collect, receive, retain and spend all Town revenues beginning in 1996, without limitations imposed by the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the Amendment.

Note 4 - Budgets

Approximately five months prior to the beginning of each year, the Mayor prepares a proposed budget and an accompanying message for the ensuing year and submits it to the Town Council.

The budget represents a complete financial plan of all Town funds and activities for the ensuing year indicating anticipated revenues, proposed operating, debt and capital expenditures, including a provision for contingencies. In addition, a long-range capital expenditure program is submitted and incorporated into the current year budget as applicable. The total proposed expenditures and provisions for contingencies shall not exceed the total of estimated revenues plus fund balance.

A public hearing on the proposed budget and proposed capital program is held by the Town Council prior to its final adoption. After the public hearing, the Council may adopt the budget with or without amendment.

The Council shall adopt the budget by ordinance on or before the final day established by law for the certification of the ensuing year’s tax levy to the County. Adoption of the budget by the Town Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

Note 4 – Budgets (Continued)

If during the year the Mayor determines that there are revenues in excess of those estimated in the budget, the Council by ordinance may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the year it appears probable to the Mayor that the revenues available will be insufficient to meet the amount appropriated, he or she shall report to the Council without delay, indicating the estimated amount of deficit, any remedial action already taken, and his or her recommendation as to any further steps to be taken. Any time during the year the Mayor may transfer part or all of any unencumbered appropriation balance among programs within a department, within an office or within a fund. The Council may also, by ordinance, transfer part or all of any unencumbered appropriated balance from one department, office, or fund to another. The Town amended its original 2017 budget by increasing budgeted expenditures for the various funds by \$288,400. Budget appropriations lapse at the end of each year.

Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditure of funds in future periods) is not used by the Town for budget or financial reporting purposes.

Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgets for the enterprise funds are adopted on a basis consistent with the governmental funds. Following are the adjustments to convert GAAP basis expenditures to budgetary basis expenditures:

	VCA	Child Development	Telluride Conference Center	Broadband	Water and Sewer	Parking Services
GAAP Basis	\$ 2,243,398	\$ 772,782	\$ 500,926	\$ 1,704,488	\$ 2,201,536	\$ 409,992
Add (Deduct)						
Depreciation	(612,832)	(18,611)	(301,836)	(66,276)	(686,267)	-
Pension Expense	(18,543)	(140,454)	-	(55,198)	(56,342)	-
Capital Outlay	48,053	-	5,564	131,574	382,628	-
Debt Principal Payments	357,073	-	-	-	-	-
Budgetary Basis	2,017,150	613,717	204,653	1,714,588	1,841,555	409,992
Final Budget	2,122,091	632,530	223,467	1,788,999	2,104,058	482,032
Variance	\$ 104,941	\$ 18,813	\$ 18,814	\$ 74,411	\$ 262,503	\$ 72,040

Budgeted Expenditures in Excess of Appropriations

Expenditures for the Tourism Fund exceeded budget by \$62,906, which may be a violation of the Town's Charter. The budget overage resulted from increases in lodging and restaurant tax collections, as well as business licenses revenues, which is remitted to MTI and the Airline Guaranty by contractual agreement.

Note 5 - Deposits and Investments

A. Deposits

The Colorado Public Deposit Protection Act (PDPA) governs the Town's cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2017, the carrying amount of the Town's deposits was \$7,988,898 and the bank balances were \$8,260,865. Of this amount, \$457,549 is covered by federal depository insurance and \$7,803,316 is collateralized with securities held in single financial institution collateral pools as provided by statute. Collateral for uninsured deposits is held by banks in the name of a number of government accounts of which the Town is a part.

B. Investments**Credit Risk**

The Town's Charter specifies that the Town's investments conform to State statutes. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including: obligations of the United States and certain United States government agency securities; certain international agency securities; general obligation and revenue bonds of local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; guaranteed investment contracts; and corporate or bank debt subject to certain limitations. The Town has no investment policy that would further limit its investment choices.

Interest Rate Risk

The maximum maturity date for all securities shall be no more than five years from the date of purchase unless otherwise authorized by the governing body.

C. A reconciliation of cash and investments to the amount shown on the statement of net position follows:

Cash and Investments:	
Cash on hand	\$ 2,000
Carrying amount of deposits	7,988,898
Carrying amount of investments	9,911,478
	<u>\$ 17,902,376</u>
Statement of Net Position:	
Cash	\$ 8,862,157
Due to pooled cash	(335)
Deposits	7,190
Investments	7,202,933
Debt service reserve fund	451,261
Bond reserve fund	1,379,169
	<u>\$ 17,902,376</u>

Note 5 - Deposits and Investments (continued)

Fair Value of Investments

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability.

The following table presents the fair value of measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2017.

Investments by Fair Value Levels	Balance 12/31/2017	Fair Value Measurement		
		Level 1	Level 2	Level 3
Governmental Activities				
US Agency Securities	\$ -	\$ -	\$ -	\$ -
US Government Securities	5,163,644	-	5,163,644	-
Money Market Mutual Funds	4,737,877	-	4,737,877	-
Total	<u>\$ 9,901,520</u>	<u>\$ -</u>	<u>\$ 9,901,520</u>	<u>\$ -</u>

Note 5 - Deposits and Investments (continued)

The following summarizes the Town's investments and maturities as of December 31, 2017:

Investment Type	Fair Value	Maturity Date
FED Home Loan Banks Bnd (Rated AAA)	249,950	2018
Fannie Mae Note (Rated AAA)	249,792	2018
FED Home Loan Banks Bnd (Rated AAA)	249,466	2018
Federal Farm Credit Bank (Rated AAA)	248,953	2018
FED Home Loan Bank (Rated AAA)	249,880	2018
Freddie Mac (Rated AAA)	248,226	2018
Fannie Mae (Rated AAA)	247,948	2019
FED Home Loan Bank (Rated AAA)	248,000	2019
Freddie Mac (Rated AAA)	248,019	2019
FED Home Loan Bank (Rated AAA)	248,426	2019
FED Home Loan Bank (Rated AAA)	248,011	2019
FED Home Loan Bank (Rated AAA)	247,925	2019
Freddie Mac (Rated AAA)	248,024	2019
Freddie Mac (Rated AAA)	248,239	2019
FED Home Loan Bank (Rated AAA)	248,666	2019
FED Home Loan Bank (Rated AAA)	248,173	2019
Freddie Mac (Rated AAA)	246,315	2020
FED Home Loan Bank (Rated AAA)	248,297	2020
FED Home Loan Bank (Rated AAA)	248,025	2020
Federal Farm Credit Bank (Rated AAA)	245,390	2021
Fannie Mae (Rated AAA)	49,590	2019
Freddie Mac (Rated AAA)	49,605	2019
Freddie Mac (Rated AAA)	49,648	2019
Federal Farm Credit Bank (Rated AAA)	49,078	2021
Total	<u>5,163,644</u>	
First American Prime Obligations Rated AAA/A+1	401,104	2025
First American Prime Obligations Rated AAA/A+1	20	2025
First American Prime Obligations Rated AAA/A+1	451,242	2025
COLOTRUST	9,958	n/a
Money Market Funds (Unrated)	<u>3,885,512</u>	n/a
	-	
Total	<u>\$ 9,911,478</u>	

COLOTRUST and CSAFE are investment vehicles established for local government entities in Colorado to pool surplus funds for investment purposes. They are routinely monitored by the Colorado Division of Securities with regard to their operations and investments, which is also subject to provisions of C.R.S. Title 24, Article 75, Section 6. The fair value of the investments in COLOTRUST and CSAFE are the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book entry form. COLOTRUST is rated AAAM by Standard and Poor's. Financial statements for COLOTRUST may be obtained from www.colotruster.com.

Note 6 - Note Receivable

The notes receivable in the amount of \$134,000 consists of notes from employees participating in the *Town of Mountain Village Housing Authority Employer Assisted Housing Program with Shared Appreciation*. The program is to assist employees who are unable to qualify for a conventional mortgage on various affordable for sale housing projects located in the Town or the community.

Note 6 - Note Receivable (continued)

The notes are payable upon the sale of the real property or 30 days following resignation or termination.

The Town has promissory notes receivable from a developer in the total amount of \$234,000. Principal and any accrued interest at The Wall Street Journal prime plus one percent are payable June 23, 2019 or earlier on the occurrence of certain events specified in the notes including default. The note receivables were originally booked as unearned revenue to be recognized in the years funds are collected. Interest due on the notes remains unpaid and the notes are in default since June 1, 2015. The Town has notified the issuer of its default and has taken an accounting charge to remove the asset from the Town's books. The Town continues to look for a remedy through other legal means that it is engaged in.

Note 7 – Inter-fund Receivables, Payables and Transfers

Inter-fund receivables and payables consist of the following as of December 31, 2017:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service	\$ 1,155,454
General Fund	Housing Authority	\$ 537

The outstanding balances between funds result mainly from the time lag between the dates the receivable is incurred and the dates payments between funds are made.

Transfers between funds for the year ended December 31, 2017, were as follows:

Transfer From	Transfer To					
	General	Non-Major Governmental Funds	Telluride Conference Center	Housing Authority	Non-Major Enterprise Funds	Total
General Fund	\$ -	\$ 827,846	\$ 199,089	\$ 474,477	\$ 120,404	\$ 1,621,816
Gondola	43,161	-	-	-	-	43,161
Debt Service	357,151	-	-	-	-	357,151
Non-Major Enterprise Funds	32,899	-	-	-	-	32,899
Tourism Fund	37,942	-	-	-	-	37,942
Housing Authority	137,516	-	-	-	-	137,516
Broadband	145,028	-	-	-	-	145,028
Water and Sewer	142,527	-	-	-	-	142,527
Total	\$ 896,224	\$ 827,846	\$ 199,089	\$ 474,477	\$ 120,404	\$ 2,518,040

Transfers are used to move unrestricted revenues of various funds to the General Fund and to move General Fund revenues to other funds to provide subsidies or matching funds for various projects.

Note 8 - Development Property Held for Sale

The Town owns 1 deed restricted condominium. Following is a summary of cumulative costs incurred as of December 31, 2017:

Buildings	Deed Restricted Town Properties	
	Properties	Total
	\$ 278,268	\$ 278,268
Total	\$ 278,268	\$ 278,268

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance 12/31/16	Additions	Transfers	Deletions	Balance 12/31/17
Governmental Activities					
Capital Assets Not Being Depreciated					
Land	\$ 2,253,578	\$ -	\$ -	\$ -	\$ 2,253,578
Construction in Progress	355,137	-	(355,137)	-	-
Total Capital Assets Not Being Depreciated	2,608,715	-	(355,137)	-	2,253,578
Capital Assets Being Depreciated					
Buildings and Improvements	10,940,213	1,182,539	22,260	-	12,145,012
Gondola Transit System	20,750,113	1,225,072	332,877	-	22,308,063
Vehicles and Equipment	4,993,179	525,454	-	(9,613)	5,509,019
Infrastructure	28,399,000	-	-	-	28,399,000
Total	65,082,505	2,933,065	355,137	(9,613)	68,361,094
Less Accumulated Depreciation:					
Buildings and Improvements	(3,756,409)	(1,055,287)	-	-	(4,811,695)
Gondola Transit System	(5,155,838)	(538,215)	-	-	(5,694,053)
Infrastructure	(9,580,957)	(370,514)	-	-	(9,951,471)
Vehicles and Equipment	(3,298,793)	(472,606)	-	9,613	(3,761,786)
Total	(21,791,997)	(2,436,621)	-	9,613	(24,219,005)
Capital Assets Being Depreciated, Net	43,290,508	496,444	355,137	-	44,142,089
Total Governmental Activities Capital Assets	\$ 45,899,223	\$ 496,444	\$ -	\$ -	\$ 46,395,667

Depreciation was charged to governmental activity functions/programs as follows:

General Government	\$ 61,745
Administration	82,895
Public Safety	134,726
Roads & Bridges	725,887
Equipment & Property Maintenance	310,509
Parking & Transportation	1,120,859
Total	<u>\$ 2,436,621</u>

Note 9 - Capital Assets (Continued)

	Balance 12/31/16	Additions	Transfers	Deletions	Balance 12/31/17
Business-type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 160,499	\$ -	\$ -	\$ -	\$ 160,499
Construction in Progress	31,212	15,045	-	-	46,257
Total	<u>191,711</u>	<u>15,045</u>	<u>-</u>	<u>-</u>	<u>206,756</u>
Capital Assets Being Depreciated:					
Buildings and Improvements	24,220,999	45,383	-	-	24,266,382
Water Systems	8,215,175	272,554	-	-	8,487,729
Sewer Systems	7,799,122	57,976	-	-	7,857,098
Broadband Systems	2,099,866	130,940	-	-	2,230,806
Vehicles and Equipment	1,073,053	45,288	-	(12,427)	1,105,914
Total	<u>43,408,215</u>	<u>552,141</u>	<u>-</u>	<u>(12,427)</u>	<u>43,947,929</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(11,242,133)	(880,750)	-	-	(12,122,883)
Water Systems	(3,455,048)	(354,845)	(8,311)	-	(3,818,204)
Sewer Systems	(2,564,179)	(313,159)	(225)	-	(2,877,563)
Cable TV Systems	(1,679,113)	(43,044)	(1,161)	-	(1,723,318)
Vehicles and Equipment	(821,146)	(94,024)	9,697	7,115	(898,359)
Total	<u>(19,761,619)</u>	<u>(1,685,822)</u>	<u>-</u>	<u>7,115</u>	<u>(21,440,326)</u>
Capital Assets Being Depreciated, Net	<u>23,646,596</u>	<u>(1,133,681)</u>	<u>-</u>	<u>(5,312)</u>	<u>22,507,603</u>
Total Business-type Activities Capital Assets	<u>\$ 23,838,307</u>	<u>\$ (1,118,636)</u>	<u>\$ -</u>	<u>\$ (5,312)</u>	<u>\$ 22,714,358</u>

Note 10 - Long-term Liabilities

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2017 was as follows:

	Balance 12/31/16	Additions	Deletions	Balance 12/31/17	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Tax Supported:					
Series 2005	680,000	-	(680,000)	-	-
Series 2007	1,705,000	-	(1,705,000)	-	-
Series 2009	310,000	-	(310,000)	-	-
Series 2006A	490,000	-	(490,000)	-	-
Series 2014	7,125,000	-	(15,000)	7,110,000	275,000
Self Supported:					
Series 2011	2,370,000	-	(115,000)	2,255,000	115,000
Total General Obligation Bonds	12,680,000	-	(3,315,000)	9,365,000	390,000
Discount/Premiums, Net	544,581	-	(85,628)	458,953	85,628
Compensated Absences	463,965	674,551	(587,347)	551,169	55,117
Total Governmental	13,688,546	674,551	(3,987,975)	10,375,122	530,745
Business-type Activities					
Note Payable	292,600	-	(292,600)	-	-
Revenue Bonds	12,340,000	-	(64,473)	12,275,527	393,738
Total Business-type	12,632,600	-	(357,073)	12,275,527	393,738
Total Long-term Liabilities	\$ 26,321,147	\$ 674,551	\$ (4,345,048)	\$ 22,650,649	\$ 924,483

The compensated absences liabilities are liquidated by the General Fund.

Note 10 - Long-term Liabilities (Continued)

General Obligation Bonds***Series 2005***

On September 20, 2005, the District issued \$5,740,000 of General Obligation Refunding Bonds; Series 2005, to advance refund \$5,780,000 of outstanding General Obligation Bonds, Series 1998, with maturity dates of December 1, 2009 through December 1, 2017. On January 1, 2007, the Town assumed this debt. Principal on the bonds is payable December 1 with interest at 4.00% to 5.00%, payable semi-annually on June 1 and December 1. The Series 2005 bonds are not subject to redemption prior to maturity. The final maturity was paid on December 1, 2017 and there is no further obligation running with this now fully retired bond issue.

Series 2006A

On September 28, 2006, the District issued \$8,900,000 in General Obligation Bonds to finance construction of a public parking facility. Bonds maturing on or after December 1, 2017 are subject to optional redemption on December 1, 2016, and any date thereafter prior to maturity without a redemption premium. Principal on the bonds is payable annually on December 1 with interest at 4.00% to 5.00%, payable semi-annually on June 1 and December 1 through 2036. On January 1, 2007, the Town assumed this debt. A portion of the bonds outstanding were refunded on an advance refunding basis on December 1, 2014 from the proceeds of the General Obligation Refunding Bonds Series 2014. The final maturity was paid on December 1, 2017 and there is no further obligation running with this now fully retired bond issue.

Series 2007

On October 23, 2007, the District issued \$9,375,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds were used to fund an escrow account with respect to the District's General Obligation Refunding Bonds, Series 1997.

The Bonds mature between 2009 and 2017 and are not subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 3.75% to 5.25%, payable semi-annually on June 1 and December 1. The final maturity was paid on December 1, 2017 and there is no further obligation running with this now fully retired bond issue.

Series 2009

On December 1, 2009 the District issued \$2,270,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds were used to fund an optional redemption at par of all outstanding 1998 Series bonds.

The Bonds mature between 2010 and 2017 and are not subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 2.0% to 4.0%, payable semi-annually on June 1 and December 1. The final maturity was paid on December 1, 2017 and there is no further obligation running with this now fully retired bond issue.

Series 2011

On September 1, 2011 the District issued \$3,025,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds, together with other funds of the District, were used

Note 10 - Long-term Liabilities (Continued)

to fund an optional redemption at par of all outstanding 2001 Series bonds. TMVOA and TSGC agreed to fund all debt service costs related to the Series 2011 bonds.

The Bonds mature between 2011 and 2032 and are subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 2.5% to 4.0%, payable semi-annually on June 1 and December 1.

The bonds maturing December 1, 2023, December 1, 2026, and December 1, 2032 (the "Term Bonds") are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest to the redemption date. The bonds subject to mandatory sinking fund redemption shall be selected by lot in such manner as the Registrar shall determine (giving proportionate weight to Bonds in denominations larger than \$5,000).

Series 2014

On December 1, 2014 the District issued \$7,155,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds, together with other funds of the District, were used to fund an advance refunding of a portion of the 2006A Series bonds. The bonds maturing on or after December 1, 2018 in the aggregate principal amount of \$7,350,000 are the bonds defeased and paid from the refunding bond escrow.

The Bonds mature between 2015 and 2036 and are subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 2.0% to 4.0%, payable semi-annually on June 1 and December 1.

The bonds maturing on or after December 1, 2023 are subject to redemption prior to maturity at the option of the district, on December 1, 2022 or on any date thereafter in whole or in part from such maturities as are selected by the district at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

The bonds were issued at a total cost of \$125,085. Total debt service remaining on the old bonds was \$12,298,025, the total debt service on the new bonds is \$10,914,086. The savings resulting from the cash flow differential between the old issue and the new issue was \$1,383,939. The present value of the savings was \$1,028,432.

The Town of Mountain Village pursuant to the terms of the Transfer of Assets and Assumption of Services Agreement and The District Dissolution Order, is now responsible for the public parking facility project. Commencing in December of 2007, the Town shall consider annually an appropriation in an amount sufficient to pay the principal and interest coming due on the Bonds from its available funds. If on or before December 15th of each year, commencing December 15, 2007, an amount sufficient to pay the principal of and interest due on the 2006A bond on the next succeeding June 1 and December 1 is not on deposit, The District is required to levy an ad valorem property tax sufficient to make such payments.

Note 10 - Long-term Liabilities (Continued)

Debt Service Requirements

Annual debt service requirements to maturity for general obligation bonds, are as follows:

Debt Service Requirements			
<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	732,875	390,000	342,875
2019	738,925	405,000	333,925
2020	729,625	405,000	324,625
2021	737,475	425,000	312,475
2022	733,425	435,000	298,425
2023	731,025	450,000	281,025
2024	738,025	475,000	263,025
2025	734,025	490,000	244,025
2026	726,150	500,000	226,150
2027	732,900	525,000	207,900
2028	733,725	545,000	188,725
2029	733,825	565,000	168,825
2030	733,175	585,000	148,175
2031	736,800	610,000	126,800
2032	727,400	625,000	102,400
2033	532,400	455,000	77,400
2034	534,200	475,000	59,200
2035	535,200	495,000	40,200
2036	530,400	510,000	20,400
	<u>\$ 13,131,575</u>	<u>\$ 9,365,000</u>	<u>\$ 3,766,575</u>

The 2011 and 2014 bond resolutions require the maintenance of a liquidity reserve of \$300,000. The liquidity reserve is available to pay debt service on all of the District's outstanding General Obligation bonds.

Note 10 - Long-term Liabilities (Continued)

Authorized Unissued Debt

The Town has no authorized or unissued debt.

Taxable Loan

On September 30, 2014 the Town of Mountain Village Housing Authority issued \$1,076,000 in taxable debt in the form of a loan secured by pledged revenues, a deed of trust, a sales tax revenue fund and a debt service reserve. The loan proceeds were used to refinance the construction loan agreement, dated June 12, 2006. The loan has a fixed rate of 3.3% with a maturity date December 1, 2017. The final maturity was paid on December 1, 2017 and there is no further obligation running with this now fully paid loan.

Tax Exempt Loan

On September 30, 2014 the Town of Mountain Village Housing Authority issued \$12,340,000 in tax exempt debt in the form of a loan secured by pledged revenues, a deed of trust, a sales tax revenue fund and a debt service reserve. The loan proceeds were used to refinance the Series 2000 revenue bonds. The loan has a fixed rate of 3.17% with a maturity date December 1, 2024.

Following is the debt service requirements of the 2014 Series A Loan to maturity:

Revenue Bonds Debt Service Requirements Loan Series 2014A

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 788,277	\$ 393,738	\$ 394,539
2019	\$ 788,277	\$ 406,393	\$ 381,884
2020	\$ 788,274	\$ 418,441	\$ 369,833
2021	\$ 788,278	\$ 432,904	\$ 355,374
2022	\$ 788,277	\$ 446,817	\$ 341,460
2023	\$ 788,277	\$ 461,178	\$ 327,099
2024	\$ 10,029,188	\$ 9,716,056	\$ 313,132
	<u>\$ 14,758,848</u>	<u>\$ 12,275,527</u>	<u>\$ 2,483,321</u>

Pledged Revenues

The Town has issued General Obligation and Housing Facility Revenue Bonds which are outstanding through year end. These bonds were issued to finance various projects within each of the issuing funds, with pledged revenues coming from property taxes levied (for GO Bonds) and rent revenues (for Housing Authority Debt).

	<u>Amount Pledged</u>	<u>Term of Commitment</u>
Governmental Activities:		
Series 11	\$ 2,255,000	2032
Series 14	\$ 7,110,000	2036
Business-type Activities:		
Series 14A Loan	\$ 12,275,527	2024

Note 10 - Long-term Liabilities (Continued)

The total pledged revenue is not estimable in comparison to pledged debt in that revenues are uncertain to future amounts. However, the debt coverage requirement for each issue must be met or the bonds will be in default. This provides sufficient coverage each year for the pledged debt. The debt service coverage or comparison of pledged revenues net of specific operating expenses, for each pledged debt is outlined in the Pledged-Revenue Coverage Table in the Statistical Section of this Comprehensive Annual Financial Report.

Note 11 - Relationship with Other Entities

TMVOA and the Town are members of the Mountain Village Condominium Owner's Association (MVCOA), which was created to manage the complex that includes a grocery store, postal and municipal office facilities.

The Telluride Fire Protection District (Fire District) and the Town have an intergovernmental agreement for the ownership of a joint service facility. The Fire District is responsible for administration of the joint service facility. The Town reports its percentage interest in the joint facility as a capital asset and its percentage of the joint service facility's operating costs as an operating expense. The Town's carrying value of its interest in the joint facility was \$459,354 as of December 31, 2017.

Marketing Telluride, Inc. (MTI) provides services to promote the communities of Telluride and Mountain Village. During 2017, the Town contributed 100% of the Town's business license revenues, net of a 6% administrative fee and ½ of a 4% lodging tax, net of a 2% administrative fee, imposed on the rental of accommodations within the Town to assist in funding these services. The total amount expended related to the funding to MTI during 2017 was \$1.2 million, which includes an additional funding request of \$28,000 for a guest services agent.

Beginning in 2004, the Town imposed a 2% sales tax on bar and restaurant sales to fund the Airline Guaranty Program administered by the TMRAO. The objective of the Airline Guaranty Program is to increase air service into the Telluride and Montrose regional airports. In addition, in 2003, the lodging tax was increased to 4%, with 2% of the tax to fund services provided by MTI above. The additional 2% is to fund the Airline Guaranty Program. The amount remitted to TMRAO during 2017 was \$1.26 million.

Note 12 - Transfer of Assets and Assumption of Services

On September 28, 2006, the District issued \$8,900,000 in General Obligation Bonds, Series 2006A, to finance construction of a public parking facility. The Town, pursuant to the terms of the Transfer of Assets and Assumption of Services Agreement and The District Dissolution Order (Order), became responsible for the project. Commencing in December of 2007, if the amount in the debt service fund is insufficient as provided in the approving resolution, the Town shall consider annually an appropriation in an amount sufficient to pay the principal and interest coming due on the Series 2006A Bonds from its available funds. If on or before December 15th of each year, commencing December 15, 2007, an amount sufficient to pay the principal of and interest due on the 2006A

Note 12 - Transfer of Assets and Assumption of Services (Continued)

Bonds on the next succeeding June 1 and December 1, is not on deposit, the District is required to levy an ad valorem property tax sufficient to make such payments.

In 1997, TMVOA entered into an agreement with TSGC to pay a certain portion of operational costs of the Chondola, which provides supplemental public transportation within the Town. The agreement is for a term of one year and automatically renews for one-year terms unless terminated by either party. The final capital lease payment was made June 1, 2007. TMVOA assigned its responsibilities under the agreement to the District effective January 1, 2004. Effective January 1, 2007, the responsibilities under the agreement were transferred to the Town pursuant to the Order.

TMVOA and TSGC have agreed to fund operations and maintenance costs of the gondola transit system operated by the District through December 31, 2027. The operation and maintenance costs of the gondola are paid by TMVOA except for a 1% surcharge on certain ski lift tickets, which is contributed by TSGC. Effective January 1, 2007, the responsibilities under the agreement were transferred to the Town pursuant to the Order.

TSGC leases a portion of a maintenance facility formerly from the District, now the Town. The original lease is now paid and the monthly rental for the balance of the ninety-nine year lease is \$1 with an option to purchase by each party for \$10. Effective January 1, 2007 the lease was transferred to the Town pursuant to the Order.

In exchange for contributing certain water and sewer systems to the District in 1984, TSGC was to be given free water and sewer services and taps so long as such credit does not exceed \$36,000 annually, increasing by 4% each year. The Town assumed the obligation effective January 1, 2007. The Town has determined that the water credit exceeded the \$36,000, annually increased by 4% each year, therefore the agreement was terminated and the Town will no longer be refunding water and sewer fees to TSG.

Effective January 1, 2004 TMVOA transferred the following functions and assets to the District.

- Common area property maintenance - open space parcels and related management functions.
- Trash services - trash facilities and removal.
- Postal operations - postal operations within Mountain Village.

Effective January 1, 2007, the village activities functions were transferred to the Town in accordance with the Order with continued funding by TMVOA. The Town continued the village activities function through August of 2007, at which time, it was transferred to TMVOA. Property Maintenance, Trash Services, and Postal Operations were transferred to the Town in accordance with the Order. The agreement with TMVOA for funding common area maintenance, trash services and postal functions was terminated and these functions and services were transferred to the Town effective January 1, 2007.

Note 12 - Transfer of Assets and Assumption of Services (Continued)

Under the agreement to sell Lots 50 and 51, TMVOA and MVMD agreed to purchase certain improvements to be constructed by the purchaser of the properties. These improvements include subsurface facilities (122 parking spaces, a loading dock and a pro-rata share of the cost to construct a ramp and tunnel to the garage), an ice skating rink, a skate rental facility, a building to house the Zamboni used for ice maintenance, public restrooms and certain plaza improvements. The purchase price for the subsurface facilities is \$5,867,000, plus an allowance of 8% (\$470,000) for soft costs. MVMD agreed to fund the subsurface facility costs through a bond issue in the amount of \$8,900,000. TMVOA subsequently assigned all of their rights to purchase the other improvements to MVMD (now the Town) and agreed to fund the purchase of all of the improvements, with the exception of the subsurface facilities.

Note 13 - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town belongs to the Colorado Intergovernmental Risk Sharing Agency (CIRSA) property and casualty pool, a public entity risk pool currently operating as a common risk management and insurance program for members. CIRSA is to be self-sustaining through member premiums and reinsures through commercial companies for claims in excess of certain limits for each insured event. CIRSA members are subject to a supplemental assessment in the event of a deficiency. Claims settlements have not exceeded coverage in the last three years.

Effective January 1, 2007, the Town changed its health insurance program from a self-insured program to a government pooled plan with the non-profit Colorado Employer Benefit Trust (CEBT). The Colorado Employer Benefit Trust (CEBT) is a multiple employer trust for public institutions providing employee benefits. Since 1980 CEBT has grown to approximately 30,000 members and about 320 participating groups. The Trust is governed by a Board of Trustees made up of representatives from participating groups. The Trust fund is approaching \$175 million in annual premium deposits with approximately \$45 million in reserves. The purpose of the CEBT is to spread risk of adverse claims over a larger base of members and to recognize reduced administrative costs through economies of scale. Under this program the Town takes on no additional risk beyond monthly premiums. If claim costs should exceed the Town's monthly plan premiums, CEBT will take on the additional cost associated with those claims. In 2017, claims from the Town employees and family members were 44.4% of premiums submitted.

Note 14 - Retirement Plans

Defined Benefit Pension Plan**Summary of Significant Accounting Policies**

Pensions The Town of Mountain Village participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense,

Note 14 - Retirement Plans (Continued)

information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description Eligible employees of The Town of Mountain Village are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next

Note 14 - Retirement Plans (Continued)

three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions Eligible employees and The Town of Mountain Village are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended 12/31/2017	For the Year Ended 12/31/2016
Employer Contribution Rate ¹	10.00%	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	-1.02%	-1.02%
Amount Apportioned to the LGDTF ¹	8.98%	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF¹	12.68%	12.68%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and The Town of Mountain Village is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from The Town of Mountain Village and enterprise funds were \$741,542 for the year ended December 31, 2017. The fund breakout is shown below:

Employer Contributions	
Governmental Funds	\$ 606,730
Broadband Fund	28,920
Water/Sewer Fund	38,708
Child Development Fund	41,230
VCA (Affordable Housing) Fund	25,954
Total	\$ 741,542

Note 14 - Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, The Town of Mountain Village reported a liability of \$13,028,594 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The Town of Mountain Village proportion of the net pension liability was based on The Town of Mountain Village contributions to the LGDTF for the calendar year 2015 relative to the total contributions of participating employers to the LGDTF. The fund breakout is shown below:

Allocation of Net Pension Liability (NPL)		
Governmental Funds	\$ 10,659,996	81.82%
Broadband Fund	508,115	3.90%
Water/Sewer Fund	680,093	5.22%
Child Development Fund	724,390	5.56%
VCA (Affordable Housing) Fund	456,001	3.50%
Total	\$ 13,028,594	100.00%

At December 31, 2016, The Town of Mountain Village proportion was 0.9648373425%, which was a decrease of 0.0186644237% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the recognized pension expenses for the Town and the enterprise funds were as follows:

Pension Expense	
Governmental Funds	\$ 1,948,897
Broadband Fund	84,119
Water/Sewer Fund	95,052
Child Development Fund	181,686
VCA (Affordable Housing) Fund	44,498
Total	\$ 2,354,252

For the year ended December 31, 2017, The Town of Mountain Village recognized pension expense of \$2,354,252. At December 31, 2017, The Town of Mountain Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 231,850	\$ -
Changes of assumptions or other inputs	924,141	(37,677)
Net difference between projected and actual earnings on pension plan investments	1,564,677	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(108,929)
Contributions subsequent to the measurement date	682,161	-
Total	\$ 3,402,828	\$ (146,606)

Note 14 - Retirement Plans (Continued)

\$682,161 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Amortization for the Year Ended
12/31:**

2018	1,447,073
2019	673,676
2020	438,432
2021	14,880
2022	-
Thereafter	-

Actuarial assumptions the total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and

Note 14 - Retirement Plans (Continued)

post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by

Note 14 - Retirement Plans (Continued)

weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non US Fixed Income - Developed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA’s Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

Note 14 - Retirement Plans (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

Note 14 - Retirement Plans (Continued)

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate was 7.50 percent, 0.25 percent higher compared to the current measurement date.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Collective Net Pension Liability	\$ 1,991,016,000	\$ 1,350,341,000	\$ 819,792,000
Governmental Funds	15,717,676	10,659,996	6,471,683
Broadband Fund	749,193	508,115	308,477
Water/Sewer Fund	1,002,765	680,093	412,884
Child Development Fund	1,068,080	724,390	439,777
VCA (Affordable Housing) Fund	681,665	456,001	280,672
Town of Mountain Village Total	\$ 19,219,378	\$ 13,028,594	\$ 7,913,494

Pension plan fiduciary net position Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Note 14 - Retirement Plans (Continued)

Defined Contribution Pension Plans**Voluntary Investment Program**

Plan Description - Employees of The Town of Mountain Village that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, The Town of Mountain Village has agreed to match employee contributions up to 9 percent of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. The 401(k) Plan member contributions from the Town for the year ended December 31, 2017, were \$309,703. The employer contributions to the 401(k) Plan from the Town for the year ended December 31, 2017 were \$242,882.

Other Post-Employment Benefits**Health Care Trust Fund**

Plan Description - The Town of Mountain Village contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Town is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Town are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The Town's contributions to HCTF for the years ending December 31, 2015, 2016 and 2017 were \$56,792, \$59,651, and \$62,061 respectively, equal to their required contributions for each year.

Note 14 - Retirement Plans (Continued)

Law Enforcement Pension Plans

Law enforcement employees participate in the statewide Fire and Police Pension Association (FPPA) money purchase plan, a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the money purchase plan plus investment earnings. The employees contribute at the rate of 8% and the Town contributes at the rate of 14% of employee salaries. Member contributions are 100% vested. Employer contributions vest over a period of five years. Contribution obligations and benefit provisions of the plan are established under the authority of state statute.

Following is a summary of 2017 FPPA money purchase plan contributio

Total payroll	\$ 6,540,185
Covered payroll	326,189
Contributions:	
Town	45,667
Employees	<u>26,095</u>
Total	<u>\$ 71,762</u>

The Town offers its law enforcement employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in the Deferred Compensation Plan Trusts for the exclusive benefit of participants and their beneficiaries. FPPA is trustee of the trusts. The Town has no ownership interest in the plan nor is the Town liable for losses under the deferred compensation plan. The Town matches the employee's contributions anywhere from 1% to 9%, depending on the employee's years of service. This is a discretionary match. For the year ended December 31, 2017, the Town contributed \$15,654 on \$26,348 of employee contributions.

Note 15 – Fund Balance Classifications

General Fund

The Town's policy is to apply committed resources first when an expense is incurred for purposes for which committed, restricted, assigned, and unassigned net position are available.

The non-spendable fund balance in the General Fund consists of deposits held for construction projects and prepaid expenses.

Note 15 – Fund Balance Classifications (Continued)

Colorado voters passed an amendment to the State Constitution, Article X, Section 20. The amendment has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment. On June 25, 1996 the Town electorate authorized the Town to collect, receive, retain and spend all Town revenues beginning in 1996, without limitations imposed by the amendment. The amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the amendment.

The remaining fund balance in the General Fund is unassigned.

Debt Service Fund

The restricted fund balance in the Debt Service Fund is wholly restricted for debt service obligations.

Vehicle & Equipment Acquisition Fund

Town Council is authorized, by article VIII of The Town of Mountain Village Home Rule Charter to assign amounts to a specific purpose. The assigned fund balance in the Vehicle & Equipment Acquisition Fund is to be used for future vehicle or equipment acquisitions via a resolution as adopted by Town Council.

Special Revenue Funds

Gondola Fund – Used to account for revenues restricted for the purpose of financing, improving and operating a gondola and “Chondola” transit system for the benefit of the Telluride Mountain Village Resort Company dba Telluride Mountain Village Owners Association (TMVOA), TSG Ski & Golf Company (TSGC), the Town of Telluride, the Town of Mountain Village and San Miguel County, Colorado. The cost of operations and maintenance of the transit system is funded through contributions from TMVOA and TSGC.

Historical Museum Fund - Accounts for the proceeds of a .333 property tax mill levy as authorized by the Town’s electorate for remittance to the Telluride Historical Museum, a nonprofit entity.

Tourism Fund - Accounts for lodging taxes, restaurant taxes, and business license revenues remitted to Marketing Telluride, Inc. (MTI) to promote tourism in the Telluride and Mountain Village Communities, and the Telluride/Montrose Regional Air Organization to fund the Airline Guaranty Program.

This Page Left Blank Intentionally

Required Supplementary Information

This Page Left Blank Intentionally

Town of Mountain Village
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 8,658,505	\$9,407,934	\$ 9,460,884	\$ 52,950
Licenses & Permits	261,655	505,467	566,818	61,351
Intergovernmental	379,334	379,334	374,212	(5,122)
Contributions from Other Entities	103,095	30,922	74,551	43,629
Charges for Services	301,829	388,784	489,267	100,483
Fines & Forfeitures	6,077	6,077	8,282	2,205
Earnings on Deposits & Investments	45,000	45,000	32,522	(12,478)
Miscellaneous	78,568	228,846	84,995	(143,851)
Grants & Contributions	50,000	54,907	10,991	(43,916)
Total Revenues	<u>9,884,063</u>	<u>11,047,271</u>	<u>11,102,521</u>	<u>55,250</u>
Expenditures				
General Government	3,317,206	3,320,198	2,868,664	(451,534)
Public Safety	899,952	897,583	829,791	(67,792)
Roads & Bridges	1,139,163	1,139,255	1,067,792	(71,463)
Equipment & Property Maintenance	2,102,753	2,270,365	1,893,305	(377,060)
Culture & Recreation	625,186	584,889	513,115	(71,774)
Parking & Transportation	257,238	292,098	239,687	(52,411)
Economic Development	962,503	932,653	706,031	(226,622)
Capital Outlay	1,081,138	977,577	940,709	(36,868)
Total Expenditures	<u>10,385,139</u>	<u>10,414,618</u>	<u>9,059,095</u>	<u>(1,355,523)</u>
Excess of Revenues Over Expenditures	<u>(501,076)</u>	<u>632,653</u>	<u>2,043,426</u>	<u>1,410,773</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	-	-	-	-
Insurance Proceeds	-	-	149,777	149,777
Transfers In	574,793	799,854	896,224	96,370
Transfers Out	<u>(1,924,033)</u>	<u>(1,877,527)</u>	<u>(1,621,816)</u>	<u>255,711</u>
Total Other Financing Sources (Uses)	<u>(1,349,241)</u>	<u>(1,077,674)</u>	<u>(575,815)</u>	<u>501,858</u>
Net Change in Fund Balance	(1,850,317)	(445,021)	1,467,610	1,912,631
Fund Balance - Beginning of Year	<u>8,152,858</u>	<u>9,446,315</u>	<u>9,446,315</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 6,302,542</u>	<u>\$9,001,294</u>	<u>\$10,913,925</u>	<u>\$1,912,631</u>

The basis of budgeting is the same as GAAP and this schedule is presented on that basis.

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Special Revenue Fund -
Gondola Fund**

For the Fiscal Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions:				
Mountain Village Owner's Association	\$ 5,694,961	\$ 5,765,667	\$ 4,691,766	\$ (1,073,901)
Telluride Ski and Golf Company	200,000	200,000	186,075	(13,925)
Other Revenues:				
Event Operating Hours Subsidies	-	-	14,157	14,157
Grant Funding	238,100	238,100	237,982	(118)
Miscellaneous	-	-	591	591
Operating Contributions	36,000	36,000	36,000	-
Total Revenues	<u>6,169,061</u>	<u>6,239,767</u>	<u>5,166,571</u>	<u>(1,073,196)</u>
Expenditures				
Gondola:				
Grant Success Fees	14,286	14,286	8,736	(5,550)
Operations	1,817,822	1,816,807	1,646,363	(170,444)
MARRS	81,158	81,158	73,595	(7,563)
Maintenance	1,268,239	1,270,214	1,140,923	(129,291)
Fixed Costs	456,582	456,009	386,335	(69,674)
Contingency	110,214	110,076	-	(110,076)
Major Repairs and Maintenance	620,000	576,265	299,156	(277,109)
Capital Outlay	1,470,000	1,484,424	1,250,866	(233,558)
Chondola:				
Operations	280,760	385,528	319,109	(66,419)
Capital Outlay	-	-	-	-
Total Expenditures	<u>6,119,061</u>	<u>6,194,767</u>	<u>5,125,082</u>	<u>(1,069,685)</u>
Excess of Revenues Over Expenditures	<u>50,000</u>	<u>45,000</u>	<u>41,489</u>	<u>3,511</u>
Other Financing Uses				
Proceeds from Sale of Assets	-	-	1,672	1,672
Transfers To Other Funds	(50,000)	(45,000)	(43,161)	1,839
Other Financing Uses	<u>(50,000)</u>	<u>(45,000)</u>	<u>(41,489)</u>	<u>3,511</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The basis of budgeting is the same as GAAP and this schedule is presented on that basis.

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Special Revenue Fund -
Tourism Fund**

For the Fiscal Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales and Marketing:				
Lodging Taxes	\$ 1,457,964	\$ 1,669,000	\$ 1,721,579	\$ 52,579
Restaurant Taxes	354,013	404,000	422,623	18,623
Business License Fees	277,546	315,307	320,857	5,550
Penalties and Interest	10,000	15,000	14,565	(435)
Total Revenues	2,099,523	2,403,307	2,479,623	76,316
Expenditures				
Other Economic Development Contributions	40,000	40,000	27,915	(12,085)
Administrative Expense	2,500	2,500	2,235	(265)
Contract Sales and Marketing Services	982,586	1,122,545	1,153,787	31,242
Airline Guaranty	1,061,336	1,213,730	1,257,744	44,014
Total Expenditures	2,086,422	2,378,775	2,441,681	62,906
Revenues Over				
Expenditures Before Transfers	13,101	24,532	37,942	13,410
Transfers				
Transfer In (Out)	(13,101)	(24,532)	(37,942)	(13,410)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors report.

Town of Mountain Village
Schedule of the Town's Proportionate Share of the Net Pension Liability

Last Four Years - Pension Schedules will ultimately be shown for the last ten years, information will be added as it becomes available

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Town of Mountain Village proportion (share) of the collective net pension liability	0.9648373425%	0.9835017662%	0.9782010094%	0.9833245881%
Town of Mountain Village share of the collective pension liability	\$ 13,028,594	\$ 10,834,069	\$ 8,767,731	\$ 8,091,985
Covered employee payroll	\$ 5,848,122	\$ 5,586,318	\$ 5,362,058	\$ 5,241,993
Town of Mountain Village proportionate share of the net pension liability as a percentage of it's covered employee payroll	222.78%	193.94%	163.51%	154.37%
Plan fiduciary net pension as a percentage of the total pension liability	73.65%	76.87%	80.72%	81.00%

The amounts presented for each fiscal year were determined as of December 31

Town of Mountain Village
Schedule of Activity - Employer Pension Contributions
Last Four Years - Pension Schedules will ultimately be shown for the last ten years, information will be added as it becomes available

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Statutorily Required Contributions	\$ 689,634	\$ 658,668	\$ 632,087	\$ 618,644
Contributions in Relation to the Statutorily Required Contribution	<u>689,634</u>	<u>658,668</u>	<u>632,087</u>	<u>618,644</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	5,848,122	5,586,318	5,362,058	5,241,993
Contributions as a percentage of Employer Covered Payroll	11.8%	11.8%	11.8%	11.8%

This Page Left Blank Intentionally

Other Supplementary Information

This Page Left Blank Intentionally

Town of Mountain Village

Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2017

	<u>Special Revenue Fund</u>		Vehicle and Equipment Acquisition Fund	Total
	Historical Museum	Capital Projects Fund		
Assets				
Cash	\$ -	\$ 56,092	\$ 340,125	\$ 396,217
Receivables:				
Taxes	92,059	-	-	92,059
Grants	-	-	-	-
Interest	-	-	-	-
Total Assets	<u>92,059</u>	<u>56,092</u>	<u>340,125</u>	<u>488,276</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	-	24,062	2,970	27,032
Due to Pooled Cash	335	-	-	335
Total Liabilities	<u>335</u>	<u>24,062</u>	<u>2,970</u>	<u>27,367</u>
Deferred Inflows of Resources, Property Tax	<u>91,724</u>	<u>-</u>	<u>-</u>	<u>91,724</u>
Fund Balances:				
Assigned	<u>-</u>	<u>32,030</u>	<u>337,155</u>	<u>369,185</u>
Total Fund Balance	<u>\$ -</u>	<u>\$ 32,030</u>	<u>\$ 337,155</u>	<u>\$ 369,185</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds**
For the Fiscal Year Ended December 31, 2017

	<u>Special Revenue Fund</u>		Vehicle and Equipment Acquisition Fund	Total
	Historical Museum	Capital Projects Fund		
Revenues				
Taxes	\$ 96,066	\$ -	\$ -	\$ 96,066
Grant Revenues	-	-	61,970	61,970
Total Revenues	<u>96,066</u>	<u>-</u>	<u>61,970</u>	<u>158,035</u>
Expenditures				
Culture and Recreation	94,138	-	-	94,138
Vehicles and Equipment	-	-	495,405	495,405
Capital Outlay	-	266,071	-	266,071
Administrative Costs	1,928	-	-	1,928
Total Expenditures	<u>96,066</u>	<u>266,071</u>	<u>495,405</u>	<u>857,541</u>
Revenues Over (Under)				
Expenditures	<u>-</u>	<u>(266,071)</u>	<u>(433,435)</u>	<u>(699,506)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	-	-	1,300	1,300
Transfers In (Out)	-	266,071	561,775	827,846
Total Other Financing Sources (Uses)	<u>-</u>	<u>266,071</u>	<u>563,075</u>	<u>829,146</u>
Net Change in Fund Balance	-	-	129,640	129,640
Fund Balance, Beginning of Year	<u>-</u>	<u>32,030</u>	<u>207,515</u>	<u>239,545</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 32,030</u>	<u>\$ 337,155</u>	<u>\$ 369,185</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Special Revenue Fund -
Historical Museum Fund**
For the Fiscal Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 97,906	\$ 97,906	\$ 96,066	\$ (1,840)
Expenditures				
Administrative Costs	1,958	1,958	1,928	(30)
Culture and Recreation	95,948	95,948	94,138	(1,810)
Total Expenditures	97,906	97,906	96,066	(1,840)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Vehicle and Equipment Acquisition Fund
For the Fiscal Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grant Revenues	\$ 56,000	\$ 56,000	\$ 61,970	\$ 5,970
Total Revenues	<u>56,000</u>	<u>56,000</u>	<u>61,970</u>	<u>5,970</u>
Expenditures				
Vehicles and Equipment	591,560	594,160	495,405	(98,755)
Total Expenditures	<u>591,560</u>	<u>594,160</u>	<u>495,405</u>	<u>(98,755)</u>
Revenue Under Expenditures Before Transfers and Other Financing Sources	(535,560)	(538,160)	(433,435)	104,725
Other Financing Sources				
Proceeds from Sale of Assets	-	-	1,300	1,300
Transfers In	692,868	696,248	561,775	(134,473)
Total Other Financing Sources (Uses)	<u>692,868</u>	<u>696,248</u>	<u>563,075</u>	<u>(133,173)</u>
Net Change in Fund Balance	157,308	158,088	129,640	(28,448)
Fund Balance, Beginning of Year	<u>205,488</u>	<u>207,515</u>	<u>207,515</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 362,796</u>	<u>\$ 365,603</u>	<u>\$ 337,155</u>	<u>\$ (28,448)</u>

See the accompanying independent auditors report.

Town of Mountain Village
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Fiscal Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$3,565,001	\$3,565,001	\$3,564,060	\$ (941)
Contributions from Other Entities	204,490	204,335	204,515	180
Interest Income	1,531	2,051	4,302	2,251
Miscellaneous Income	-	-	-	-
Total Revenues	<u>3,771,022</u>	<u>3,771,387</u>	<u>3,772,877</u>	<u>1,490</u>
Expenditures				
Debt Service:				
Administrative Charges	119,344	116,094	104,937	(11,157)
Principal	3,315,000	3,315,000	3,315,000	-
Interest	492,674	493,233	492,608	(625)
Total Expenditures	<u>3,927,018</u>	<u>3,924,327</u>	<u>3,912,545</u>	<u>(11,782)</u>
Income (Loss) Before Transfers	<u>(155,997)</u>	<u>(152,940)</u>	<u>(139,668)</u>	<u>13,272</u>
Other Financing Uses				
Transfers In	-	-	-	-
Transfers Out	<u>(83,909)</u>	<u>(291,348)</u>	<u>(357,151)</u>	<u>(65,803)</u>
Total Other Financing Uses	<u>(83,909)</u>	<u>(291,348)</u>	<u>(357,151)</u>	<u>(65,803)</u>
Net Change in Fund Balances	(239,906)	(444,288)	(496,819)	(52,531)
Fund Balance - Beginning of Year	<u>985,281</u>	<u>947,097</u>	<u>947,097</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 745,376</u>	<u>\$ 502,809</u>	<u>\$ 450,278</u>	<u>\$ (52,531)</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Capital Projects Fund**
For the Fiscal Year ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grant Revenues	\$ 53,871	\$ 53,871	\$ -	\$ (53,871)
Interest Income	9,950	-	-	-
Total Revenues	<u>63,821</u>	<u>53,871</u>		<u>(53,871)</u>
Expenditures				
Capital Outlay	<u>353,871</u>	<u>353,871</u>	<u>266,071</u>	<u>(87,800)</u>
Income (Loss) Before Other Financing Sources and Uses	(290,050)	(300,000)	(266,071)	33,929
Other Financing Sources and Uses				
Transfer In (Out)	<u>300,000</u>	<u>300,000</u>	<u>266,071</u>	<u>(33,929)</u>
Net Change in Fund Balance	9,950	-	-	-
Fund Balance, Beginning of Year	<u>32,030</u>	<u>32,030</u>	<u>32,030</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 41,980</u>	<u>\$ 32,030</u>	<u>\$ 32,030</u>	<u>\$ -</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Combining Schedule of Net Position -
Housing Authority Enterprise Fund
December 31, 2017**

	Village Court Apartments	Affordable Housing Development	Mortgage Assistance Pool	Total
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 1,749,660	\$ 825,653	\$ 88,441	\$ 2,663,755
Investments	253,599	401,104	-	654,703
Accounts Receivable	5,785	-	-	5,785
Prepaid Expenses	1,260	-	-	1,260
Total Current Assets	<u>2,010,304</u>	<u>1,226,757</u>	<u>88,441</u>	<u>3,325,502</u>
Non Current Assets				
Restricted Investments	451,261	-	-	451,261
Notes Receivable	-	-	134,000	134,000
Development Property Held for Sale				
Construction in Progress	2,670	-	-	2,670
Buildings and Improvements	-	278,268	-	278,268
Capital Assets				
Land and Land Improvements	418,271	-	-	418,271
Buildings and Improvements	17,598,235	-	-	17,598,235
Vehicles and Equipment	199,475	-	-	199,475
Less Accumulated Depreciation	(9,088,884)	-	-	(9,088,884)
Total Noncurrent Assets	<u>9,581,028</u>	<u>278,268</u>	<u>134,000</u>	<u>9,993,296</u>
Total Assets	<u>11,591,332</u>	<u>1,505,025</u>	<u>222,441</u>	<u>13,318,798</u>
Deferred Outflow of Resources - Related to Pensions	121,179	-	-	121,179
Deferred Outflow of Resources - Deferred Loss on Refunding	-	-	-	-
Deferred Outflow of Resources	<u>121,179</u>	<u>-</u>	<u>-</u>	<u>121,179</u>
Liabilities				
Current Liabilities				
Accounts Payable	79,313	73	-	79,386
Accrued Expenses	3,449	-	-	3,449
Due to Other Funds	537	-	-	537
Deposits	260,863	-	-	260,863
Unearned Revenue	67,718	-	-	67,718
Current Portion of Notes and Bond Payable	393,738	-	-	393,738
Total Current Liabilities	<u>805,617</u>	<u>73</u>	<u>-</u>	<u>805,690</u>
Noncurrent Liabilities				
Net Pension Liability	456,001	-	-	456,001
Revenue Bonds Payable	11,881,789	-	-	11,881,789
Total Liabilities	<u>13,143,406</u>	<u>73</u>	<u>-</u>	<u>13,143,479</u>
Deferred Inflow of Resources - Related to Pensions	<u>5,049</u>	<u>-</u>	<u>-</u>	<u>5,049</u>
Net Position				
Net Investment in Capital Assets	(3,148,431)	-	-	(3,148,431)
Restricted for Debt Service	451,261	401,104	-	852,365
Unrestricted	1,261,225	1,103,848	222,441	2,587,514
Total Net Position	<u>\$ (1,435,944)</u>	<u>\$ 1,504,952</u>	<u>\$ 222,441</u>	<u>\$ 291,449</u>

See the accompanying independent auditors' report.

Town of Mountain Village

**Combining Schedule of Revenues, Expenses, and Changes in Net Position -
Housing Authority Enterprise Fund**
For the Fiscal Year ended December 31, 2017

	<u>Village Court Apartments</u>	<u>Affordable Housing Development</u>	<u>Mortgage Assistance Pool</u>	<u>Total</u>
Operating Revenues				
Rental Income	\$ 2,244,056	\$ 13,165	\$ -	\$ 2,257,221
Other	99,585	-	5,511	105,096
Total Operating Revenues	<u>2,343,641</u>	<u>13,165</u>	<u>5,511</u>	<u>2,362,317</u>
Operating Expenses				
Office Operations	189,623	-	-	189,623
General and Administrative	122,147	-	-	122,147
Utilities	370,625	-	-	370,625
Repair and Maintenance	385,612	113,226	-	498,837
Depreciation and Amortization	612,832	-	-	612,832
Total Operating Expenses	<u>1,680,838</u>	<u>113,226</u>	<u>-</u>	<u>1,794,064</u>
Operating Income (Loss)	<u>662,803</u>	<u>(100,061)</u>	<u>5,511</u>	<u>568,253</u>
Nonoperating Revenue (Expense)				
Interest Income	1,264	-	-	1,264
Major Repairs and Replacements	(153,692)	-	-	(153,692)
Loss on Disposal of Assets	(3,245)	-	-	(3,245)
Interest Expense	(406,401)	-	-	(406,401)
Loan Fees	(1,750)	-	-	(1,750)
Total Nonoperating Revenues (Expenses)	<u>(563,824)</u>	<u>-</u>	<u>-</u>	<u>(563,824)</u>
Income (Loss) Before Transfers	<u>98,979</u>	<u>(100,061)</u>	<u>5,511</u>	<u>4,429</u>
Transfers In	-	474,477	-	474,477
Transfers Out	(118,518)	(18,998)	-	(137,516)
Total Transfers In (Out)	<u>(118,518)</u>	<u>455,479</u>	<u>-</u>	<u>336,961</u>
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>(19,539)</u>	<u>355,419</u>	<u>5,511</u>	<u>341,390</u>
Net Position, Beginning of Year	<u>(1,416,405)</u>	<u>1,149,534</u>	<u>216,930</u>	<u>(49,941)</u>
Net Position, End of Year	<u>\$ (1,435,944)</u>	<u>\$ 1,504,952</u>	<u>\$ 222,441</u>	<u>\$ 291,449</u>

See the accompanying independent auditors' report.

Town of Mountain Village

**Combining Schedule of Cash Flows -
Housing Authority Enterprise Fund**
For the Fiscal Year ended December 31, 2017

	Village Court Apartments	Affordable Housing Development	Mortgage Assistance Pool	Total
Cash Flows from Operating Activities				
Receipts from Renters	\$ 2,279,279	\$ 13,165	\$ -	\$ 2,292,444
Payments to Suppliers	(784,669)	(113,229)	-	(897,898)
Payments to Employees	(250,949)	-	-	(250,949)
Other Receipts	99,585	-	35,511	135,096
Net Cash Provided by (Used in) Operating Activities	<u>1,343,245</u>	<u>(100,064)</u>	<u>35,511</u>	<u>1,278,693</u>
Cash Flows from Non-capital Financing Activities				
Transfers to Other Funds	(213,580)	(18,998)	-	(232,578)
Transfers from Other Funds	-	474,477	-	474,477
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(213,580)</u>	<u>455,479</u>	<u>-</u>	<u>241,899</u>
Cash Flows from Capital and Related Financing Activities				
Principal Payments	(357,073)	-	-	(357,073)
Interest Expense	(406,401)	-	-	(406,401)
Major Repairs and Replacements	(153,692)	-	-	(153,692)
Purchase of Capital Assets	(45,802)	-	-	(45,802)
Loan Fees	(1,750)	-	-	(1,750)
Net Cash Used in Capital and Related Financing Activities	<u>(964,718)</u>	<u>-</u>	<u>-</u>	<u>(964,718)</u>
Cash Flows from Investing Activities				
Purchase of Investments	(150,724)	-	-	(150,724)
Interest Received	1,264	(1,052)	-	212
Net Cash Used in Investing Activities	<u>(149,460)</u>	<u>(1,052)</u>	<u>-</u>	<u>(150,512)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	15,488	354,363	35,511	405,361
Cash, Beginning of Year	<u>1,734,173</u>	<u>471,290</u>	<u>52,930</u>	<u>2,258,393</u>
Cash, End of Year	<u><u>\$ 1,749,661</u></u>	<u><u>\$ 825,653</u></u>	<u><u>\$ 88,441</u></u>	<u><u>\$ 2,663,755</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 662,803	\$ (100,061)	\$ 5,511	\$ 568,253
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization	612,832	-	-	612,832
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(18,074)	-	30,000	11,926
Increase (Decrease) in Net Pension Liability	13,024	-	-	13,024
Increase (Decrease) in Accounts Payable	20,905	(3)	-	20,902
Increase (Decrease) in Accrued Expenses	(1,541)	-	-	(1,541)
Increase (Decrease) in Unearned Revenues	53,740	-	-	53,740
Increase (Decrease) in Deposits	(443)	-	-	(443)
Total Adjustments	<u>680,443</u>	<u>(3)</u>	<u>30,000</u>	<u>710,440</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 1,343,245</u></u>	<u><u>\$ (100,064)</u></u>	<u><u>\$ 35,511</u></u>	<u><u>\$ 1,278,693</u></u>

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Village Court Apartments**
For the Fiscal Year ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Rental Income	\$ 2,225,944	\$ 2,225,944	\$ 2,244,056	\$ 18,112
Other	87,225	82,225	99,585	17,360
Total Operating Income	<u>2,313,169</u>	<u>2,308,169</u>	<u>2,343,641</u>	<u>35,472</u>
Operating Expenditures				
Office Operations	202,709	218,794	171,080	(47,714)
General and Administrative	141,667	161,103	122,147	(38,956)
Utilities	394,463	381,950	370,625	(11,325)
Repairs and Maintenance	389,516	412,516	385,612	(26,904)
Contingency	12,554	13,452	-	(13,452)
Total Operating Expenditures	<u>1,140,909</u>	<u>1,187,815</u>	<u>1,049,464</u>	<u>(138,351)</u>
Excess of Operating Revenues Over Operating Expenditures	<u>1,172,260</u>	<u>1,120,354</u>	<u>1,294,177</u>	<u>173,823</u>
Nonoperating Revenues (Expenditures)				
Interest Revenue	1,500	60	1,264	1,204
Interest Expense	(406,401)	(406,401)	(406,401)	-
Loan Fees	-	-	(1,750)	(1,750)
Major Repairs and Replacements	(126,996)	(170,802)	(153,692)	17,110
Capital Outlay	-	-	(48,053)	(48,053)
Loss on Disposal of Assets	-	-	(3,245)	(3,245)
Debt Principal Payments	(357,073)	(357,073)	(357,073)	-
Total Nonoperating Revenues (Expenditures)	<u>(888,970)</u>	<u>(934,216)</u>	<u>(968,950)</u>	<u>(34,734)</u>
Transfers Out	(112,163)	(118,518)	(118,518)	-
Transfers In	-	-	-	-
Total Operating Transfers	<u>(112,163)</u>	<u>(118,518)</u>	<u>(118,518)</u>	<u>-</u>
Net Change in Working Capital	171,127	67,620	206,710	139,090
Working Capital, Beginning of Year	<u>488,982</u>	<u>563,681</u>	<u>563,681</u>	<u>-</u>
Working Capital, End of Year	<u>\$ 660,109</u>	<u>\$ 631,301</u>	770,391	<u>\$ 139,090</u>
Add (Deduct):				
Depreciation and Amortization			(612,832)	
Debt Principal			357,073	
Pension Expense			(18,543)	
Capital Outlay			48,053	
Carryover from Prior Years			<u>(1,980,086)</u>	
Net Position, End of Year, GAAP Basis			<u>\$ (1,435,944)</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Affordable Housing Development Fund
For the Fiscal Year ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Sale/Rental Proceeds	\$ 12,778	\$ 12,778	\$ 13,165	\$ 387
Expenditures				
Operating Expenditures	159,526	120,776	113,226	(7,550)
Total Expenditures	159,526	120,776	113,226	(7,550)
Excess (Deficiency) of Revenues Over (Under)				
Expenditures Before Transfers	(146,748)	(107,998)	(100,061)	7,937
Transfers				
Transfers In	439,888	462,333	474,477	12,144
Transfer Out	(81,761)	(81,761)	(18,998)	62,763
Total Transfers In (Out)	358,127	380,572	455,479	74,907
Net Change in Working Capital	211,379	272,574	355,419	82,845
Working Capital, Beginning of Year	-	-	(1,197,199)	(1,197,199)
Working Capital, End of Year	\$ 211,379	\$ 272,574	(841,780)	\$ (1,114,354)
Add (Deduct):				
Carryover from Prior Years			2,346,733	
Net Position, End of Year, GAAP Basis			\$ 1,504,952	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Mortgage Assistance Pool**
For the Fiscal Year ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$ -	\$ -	\$ 5,511	\$ 5,511
Expenditures				
Mortgage Assistance	60,000	60,000	-	60,000
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Transfers	(60,000)	(60,000)	5,511	65,511
Transfers				
Transfers In	60,000	60,000	-	(60,000)
Net Change in Working Capital	-	-	5,511	5,511
Working Capital, Beginning of Year	-	-	35,572	35,572
Working Capital, End of Year	<u>\$ -</u>	<u>\$ -</u>	41,083	<u>\$ 41,083</u>
Add (Deduct):				
Carryover from Prior Years			181,358	
Net Position, End of Year, GAAP Basis			<u>\$ 222,441</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Water and Sewer Fund**
For the Fiscal Year ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating Revenues				
Charges for Services	\$ 2,573,564	\$ 2,712,393	\$ 2,790,778	\$ 78,385
Operating Expenditures				
Operating Costs	1,634,625	1,633,838	1,458,927	(174,911)
Excess of Operating Revenues Over Operating Expenditures	938,939	1,078,555	1,331,851	253,296
Nonoperating Revenues (Expenditures)				
Capital Outlay	(787,513)	(470,220)	(382,628)	87,592
Pension Expense	-	-	-	-
Grants and Contributions	42,000	271,232	276,548	5,316
Total Nonoperating Revenues (Expenditures)	(745,513)	(198,988)	(106,080)	92,908
Transfers Out	(144,604)	(142,527)	(142,527)	-
Net Change in Working Capital	48,822	737,040	1,083,243	346,203
Working Capital, Beginning of Year	1,101,781	2,266,474	2,610,195	343,721
Working Capital, End of Year	<u>\$ 1,150,603</u>	<u>\$ 3,003,514</u>	3,693,438	<u>\$ 689,924</u>
Add (Deduct):				
Depreciation			(686,267)	
Pension Expense			(56,342)	
Capital Outlay			382,628	
Carryover from Prior Years			<u>9,518,389</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 12,851,847</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Telluride Conference Center**
For the Fiscal Year ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating Revenues				
Operating Contributions	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Operating Expenditures				
Operating Costs	200,010	203,467	199,089	(4,378)
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	(200,010)	(203,467)	(199,089)	4,378
Nonoperating Expenditures				
Capital Outlay	(20,000)	(20,000)	(5,564)	14,436
Non-Operating Revenues (Expenses)	(20,000)	(20,000)	(5,564)	14,436
Transfers				
Transfers In	220,010	223,467	199,089	(24,378)
Total Operating Transfers	220,010	223,467	199,089	(24,378)
Working Capital, Beginning of Year	1,318	1,318	1,318	-
Working Capital, End of Year End of Year	<u>\$ 1,318</u>	<u>\$ 1,318</u>	1,318	<u>\$ -</u>
Add (Deduct):				
Depreciation			(301,836)	
Capital Outlay			5,564	
Carryover from Prior Years			<u>3,566,239</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 3,271,284</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Broadband Enterprise Fund**
For the Fiscal Year ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Charges for Sales and Services	\$ 1,842,427	\$ 1,883,094	\$ 1,945,869	\$ 62,775
Total Revenues	<u>1,842,427</u>	<u>1,883,094</u>	<u>1,945,869</u>	<u>62,775</u>
Operating Expenditures				
Cost of Sales and Services	1,601,001	1,659,499	1,582,958	76,541
Contingency	<u>3,000</u>	<u>3,000</u>	<u>55</u>	<u>2,945</u>
Total Expenditures	<u>1,604,001</u>	<u>1,662,499</u>	<u>1,583,014</u>	<u>79,485</u>
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	<u>238,426</u>	<u>220,595</u>	<u>362,856</u>	<u>142,261</u>
Nonoperating Expenditures				
Capital Outlay	(111,500)	(126,500)	(131,574)	(5,074)
Total Non-Operating Expenditures	<u>(111,500)</u>	<u>(126,500)</u>	<u>(131,574)</u>	<u>(5,074)</u>
Transfers				
Transfers Out	<u>(141,895)</u>	<u>(145,028)</u>	<u>(145,028)</u>	<u>-</u>
Net Change in Working Capital	(14,969)	(50,933)	86,254	137,187
Working Capital, Beginning of Year	<u>115,618</u>	<u>96,430</u>	<u>101,970</u>	<u>5,540</u>
Working Capital, End of Year	<u>\$ 100,649</u>	<u>\$ 45,497</u>	188,224	<u>\$ 142,727</u>
Add (Deduct):				
Capital Outlay			131,574	
Pension Expense			(55,198)	
Depreciation			(66,276)	
Carryover from Prior Years			<u>234,014</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 432,338</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Combining Statement of Net Position -
Nonmajor Enterprise Funds
December 31, 2017**

	Child Development	Parking Services	Total
Current Assets			
Cash	\$ 4,107	\$ 123,766	\$ 127,872
Accounts Receivable	12,934	38,504	51,438
Total Current Assets	<u>17,040</u>	<u>162,270</u>	<u>179,310</u>
Capital Assets			
Buildings and Improvements	199,368	-	199,368
Vehicles and Equipment	27,650	-	27,650
Less Accumulated Depreciation	<u>(179,090)</u>	<u>-</u>	<u>(179,090)</u>
Total Capital Assets	<u>47,928</u>	<u>-</u>	<u>47,928</u>
Total Assets	<u>64,969</u>	<u>162,270</u>	<u>227,238</u>
Deferred Outflow of Resources - Related to Pensions	<u>192,998</u>	<u>-</u>	<u>192,998</u>
Current Liabilities			
Accounts Payable	3,901	16,061	19,962
Accrued Expenses	8,889	2,200	11,089
Unearned Revenue	<u>4,250</u>	<u>-</u>	<u>4,250</u>
Total Current Liabilities	<u>17,040</u>	<u>18,260</u>	<u>35,300</u>
Noncurrent Liabilities			
Net Pension Liability	<u>724,390</u>	<u>-</u>	<u>724,390</u>
Total Liabilities	<u>741,430</u>	<u>18,260</u>	<u>759,690</u>
Deferred Inflow of Resources - Related to Pensions	<u>8,056</u>	<u>-</u>	<u>8,056</u>
Net Position			
Net Investment in Capital Assets	47,928	-	47,928
Unrestricted	<u>(539,447)</u>	<u>144,009</u>	<u>(395,438)</u>
Total Net Position	<u>\$ (491,519)</u>	<u>\$ 144,009</u>	<u>\$ (347,510)</u>

See the accompanying independent auditor's report.

Town of Mountain Village

**Combining Statement of Revenues, Expenses, and Changes
in Net Position - Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2017**

	Child Development	Parking Services	Total
Operating Revenues			
Charges for Sales and Services	\$ 434,820	\$ 480,887	\$ 915,707
Operating Grants and Contributions	38,650	12,230	50,880
Other Revenues	19,843	-	19,843
Total Operating Revenues	<u>493,313</u>	<u>493,116</u>	<u>986,429</u>
Operating Expenses			
Cost of Sales and Services	754,171	409,992	1,164,163
Depreciation Expense	18,611	-	18,611
Total Operating Expenses	<u>772,782</u>	<u>409,992</u>	<u>1,182,774</u>
Operating Gain (Loss)	<u>(279,469)</u>	<u>83,124</u>	<u>(196,344)</u>
Non-operating Revenues (Expenses)			
Grant Proceeds	-	-	-
Pension Expense	-	-	-
Total Non-Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Profit/Loss Before Capital Contributions and Transfers	(279,469)	83,124	(196,344)
Transfers			
Transfers In	120,404	-	120,404
Transfers Out	-	(32,899)	(32,899)
Total Operating Transfers	<u>120,404</u>	<u>(32,899)</u>	<u>87,505</u>
Changes in Net Position	(159,065)	50,225	(108,839)
Net Position, Beginning of Year	<u>(332,454)</u>	<u>93,784</u>	<u>(238,670)</u>
Net Position, End of Year	<u>\$ (491,519)</u>	<u>\$ 144,009</u>	<u>\$ (347,509)</u>

See the accompanying independent auditor's report.

Town of Mountain Village

Combining Statement of Cash Flows -
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2017

	Child Development	Parking Services	Total
Cash Flows From Operating Activities:			
Operating Contributions	\$ 38,650	\$ 12,230	\$ 50,880
Cash Receipts	466,093	493,821	959,914
Payments to Suppliers	(252,204)	(335,293)	(587,497)
Payments to Employees	(368,937)	(83,281)	(452,218)
Net Cash Used in Operating Activities	<u>(116,398)</u>	<u>87,476</u>	<u>(28,922)</u>
Cash Flows from Non-capital Financing Activities:			
Transfers (to)/from Other Funds	<u>120,404</u>	<u>(32,899)</u>	<u>87,505</u>
Net Cash Provided by Noncapital Financing Activities	<u>120,404</u>	<u>(32,899)</u>	<u>87,505</u>
Cash Flows from Capital and Related Activities			
Capital Grants	-	-	-
Purchase of Capital Assets	-	-	-
Net Cash Used in Capital and Related Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,006	54,577	58,583
Cash and Cash Equivalents, Beginning of Year	<u>100</u>	<u>69,189</u>	<u>69,289</u>
End of Year	<u>\$ 4,106</u>	<u>\$ 123,766</u>	<u>\$ 127,872</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating Gain (Loss)	(279,469)	83,124	(196,344)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities			
Depreciation	18,611	-	18,611
(Increase) Decrease in Accounts Receivable	13,555	17,164	30,719
Increase (Decrease) in Net Pension Liability	140,454	-	140,454
Increase (Decrease) in Unearned Revenues	(2,125)	(4,230)	(6,355)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(7,424)	(8,582)	(16,006)
Net Cash Used in Operating Activities	<u>\$ (116,398)</u>	<u>\$ 87,476</u>	<u>\$ (28,922)</u>

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Parking Services Fund**
For the Fiscal Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions:				
Contributions/Shared Expense from Other Entities	\$ 11,895	\$ 7,000	\$ 12,230	\$ 5,230
Other Revenues:				
Parking Permits	12,000	12,000	12,548	548
Parking Fines	40,000	30,000	10,156	(19,844)
Parking Revenues	236,638	382,900	458,183	75,283
Total Revenues	<u>300,533</u>	<u>431,900</u>	<u>493,116</u>	<u>61,216</u>
Expenditures				
Parking Services	144,942	179,842	174,264	(5,578)
Gondola Parking Garage	57,445	62,445	76,389	13,944
Surface Lots	21,760	54,900	63,794	8,894
Heritage Parking Garage	100,225	109,045	89,744	(19,301)
Meadows Parking	-	1,000	1,000	-
Total Expenditures	<u>324,372</u>	<u>407,232</u>	<u>405,192</u>	<u>(2,040)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,839)</u>	<u>24,668</u>	<u>87,924</u>	<u>63,256</u>
Nonoperating (Expenditures) Revenues				
Capital Outlay	(94,800)	(74,800)	(4,800)	70,000
Transfers from Other Funds	147,759	83,031	-	(83,031)
Transfers to Other Funds	(29,120)	(32,899)	(32,899)	-
Other Financing Sources (Uses), Net	<u>23,839</u>	<u>(24,668)</u>	<u>(37,699)</u>	<u>(13,031)</u>
Change in Fund Balance	-	-	50,225	50,225
Fund Balance, Beginning of Year	<u>18,403</u>	<u>93,784</u>	<u>93,784</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 18,403</u>	<u>\$ 93,784</u>	<u>\$ 144,009</u>	<u>\$ 50,225</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Child Development Enterprise Fund
For the Fiscal Year ended December 31, 2017**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Operating Revenues				
Charges for Services	\$ 438,035	\$ 448,871	\$ 434,820	\$ (14,051)
Other Revenues	12,000	12,000	19,843	7,843
Grant Proceeds	20,000	37,450	38,650	1,200
Total Revenues	470,035	498,321	493,313	(5,008)
Operating Expenditures				
Operating Costs	615,303	632,530	613,717	(18,813)
Deficiency of Operating Revenues Under Operating Expenditures	(145,268)	(134,209)	(120,404)	13,805
Nonoperating (Expenditures) Revenues				
Capital Outlay	-	-	-	-
Nonoperating (Expenditures) Revenues, Net	-	-	-	-
Transfers In	145,268	134,209	120,404	(13,805)
Net Change in Working Capital	-	-	-	-
Working Capital, Beginning of Year	-	-	(3,155)	(3,155)
Working Capital, End of Year	\$ -	\$ -	(3,155)	\$ -
Add (Deduct):				
Depreciation			(18,611)	
Pension Expense			(140,454)	
Carryover from Prior Years			(329,299)	
Net Position, End of Year, GAAP Basis			\$ (491,519)	

See the accompanying independent auditor's report.

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Mountain Village
		YEAR ENDING : December 2017
This Information From The Records Of Town of Mountain Village	Prepared By: Phone: (970)369-6448	Julie Vergari

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	-
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	975,249
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	-
2. General fund appropriations	587,690	b. Snow and ice removal	92,543
3. Other local imposts (from page 2)	410,172	c. Other	-
4. Miscellaneous local receipts (from page 2)	-	d. Total (a. through c.)	92,543
5. Transfers from toll facilities	-	4. General administration & miscellaneous	-
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	-
a. Bonds - Original Issues	-	6. Total (1 through 5)	1,067,792
b. Bonds - Refunding Issues	-	B. Debt service on local obligations:	
c. Notes	-	1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	-
7. Total (1 through 6)	997,862	b. Redemption	-
B. Private Contributions	-	c. Total (a. + b.)	-
C. Receipts from State government (from page 2)	69,930	2. Notes:	
D. Receipts from Federal Government (from page 2)	-	a. Interest	-
E. Total receipts (A.7 + B + C + D)	1,067,792	b. Redemption	-
		c. Total (a. + b.)	-
		3. Total (1.c + 2.c)	-
		C. Payments to State for highways	-
		D. Payments to toll facilities	-
		E. Total disbursements (A.6 + B.3 + C + D)	1,067,792

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	-	-	-	-
1. Bonds (Refunding Portion)				
B. Notes (Total)	-	-	-	-

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	-	1,067,792	1,067,792	-	-

Notes and Comments:

See the accompanying independent auditor's report.

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2017	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	279,353	a. Interest on investments	-
b. Other local imposts:		b. Traffic Fines & Penalties	-
1. Sales Taxes	-	c. Parking Garage Fees	-
2. Infrastructure & Impact Fees	130,819	d. Parking Meter Fees	-
3. Liens	-	e. Sale of Surplus Property	-
4. Licenses	-	f. Charges for Services	-
5. Specific Ownership &/or Other	-	g. Other Misc. Receipts	-
6. Total (1. through 5.)	130,819	h. Other	-
c. Total (a. + b.)	410,172	i. Total (a. through h.)	-
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	64,421	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	-
a. State bond proceeds		b. FEMA	-
b. Project Match		c. HUD	-
c. Motor Vehicle Registrations	5,510	d. Federal Transit Admin	-
d. Other (Specify) - DOLA Grant	-	e. U.S. Corps of Engineers	-
e. Other (Specify)	-	f. Other Federal	-
f. Total (a. through e.)	5,510	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	69,930	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	-	-	-
b. Engineering Costs	-	-	-
c. Construction:			
(1). New Facilities	-	-	-
(2). Capacity Improvements	-	-	-
(3). System Preservation	-	-	-
(4). System Enhancement & Operation	-	-	-
(5). Total Construction (1) + (2) + (3) + (4)	-	-	-
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	-	-
			(Carry forward to page 1)
Notes and Comments:			

See the accompanying independent auditor's report.

TOWN OF MOUNTAIN VILLAGE

Statistical Section

December 31, 2017

This part of Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

- A-1 Net Position by Component
- A-2 Changes in Net Position
- A-3 Program Revenues by Function/Program
- A-4 Fund Balances, Governmental Funds
- A-5 Changes in Fund Balances, Governmental Funds
- A-6 Tax Revenues by Source, Governmental Funds
- A-7 User Fee Revenues, Enterprise Funds
- A-8 Enterprise Fund Expenses

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

- B-1 Actual Value and Estimated Assessed Value of Taxable Property
- B-2 Direct and Overlapping Property Tax Rates
- B-3 Principal Property Taxpayers
- B-4 Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

- C-1 Ratios of Outstanding Debt by Type
- C-2 Direct and Overlapping Bond Debt
- C-3 Pledged-Revenue Coverage
- C-4 Legal Debt Margin Information

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

- D-1 Demographic and Economic Statistics
- D-2 Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

- E-1 Full-Time Equivalent Town Employees by Function/Program
- E-2 Operating Indicators by Function/Program
- E-3 Capital Asset Statistics by Function/Program

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The Town implemented GASB 34 in 2004; schedules presenting government-wide information include information beginning in that year.

TOWN OF MOUNTAIN VILLAGE
Net Position by Component
Last Ten Years

TABLE A-1

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 36,036,460	\$ 32,372,113	\$ 30,763,276	\$ 29,055,499	\$ 27,532,327	26,700,785	26,241,771	\$ 26,634,411	\$ 25,897,608	\$ 11,359,109
Restricted for:										
Debt Service	450,278	947,096	743,941	750,647	734,651	1,033,003	1,056,461	1,023,210	1,293,186	1,097,281
Emergencies	641,878	619,295	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740
Unrestricted	<u>3,216,687</u>	<u>2,872,639</u>	<u>2,878,480</u>	<u>7,047,403</u>	<u>6,046,962</u>	<u>3,160,555</u>	<u>2,819,313</u>	<u>1,115,565</u>	<u>2,002,857</u>	<u>17,238,544</u>
Total Net Position	<u>40,345,303</u>	<u>36,811,143</u>	<u>34,936,921</u>	<u>37,389,639</u>	<u>34,846,083</u>	<u>31,395,960</u>	<u>30,619,811</u>	<u>29,295,936</u>	<u>29,522,956</u>	<u>30,232,674</u>
Business-type Activities:										
Net Investment in Capital Assets	10,436,162	11,330,752	12,230,261	11,694,046	13,318,565	13,681,119	15,789,269	19,000,536	22,002,632	21,023,208
Restricted for:										
Capital Projects	-	-	-	-	-	-	-	-	295,466	974,936
Debt Service	852,366	850,109	850,160	850,023	450,000	450,077	450,062	453,806	449,231	-
Unrestricted	<u>5,210,881</u>	<u>3,562,653</u>	<u>2,250,944</u>	<u>4,313,988</u>	<u>3,377,277</u>	<u>3,606,621</u>	<u>2,679,130</u>	<u>2,108,087</u>	<u>(498,199)</u>	<u>1,969,932</u>
Total Net Position	<u>16,499,409</u>	<u>15,743,514</u>	<u>15,331,365</u>	<u>16,858,058</u>	<u>17,145,842</u>	<u>17,737,817</u>	<u>18,918,460</u>	<u>21,562,429</u>	<u>22,249,130</u>	<u>23,968,076</u>
Primary Government:										
Net Investment in Capital Assets	46,472,622	43,702,865	42,993,537	40,749,545	40,850,892	40,381,904	42,031,039	45,634,947	47,900,240	32,382,317
Restricted for:										
Debt Service	1,302,643	1,797,205	1,594,101	1,600,670	1,184,651	1,483,080	1,506,523	1,477,016	1,742,417	1,097,281
Capital Projects	-	-	-	-	-	-	-	-	295,466	974,936
Emergencies	641,878	619,295	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740
Unrestricted	<u>8,427,568</u>	<u>6,435,292</u>	<u>5,129,424</u>	<u>11,361,392</u>	<u>9,424,239</u>	<u>6,767,176</u>	<u>5,498,443</u>	<u>3,223,652</u>	<u>1,504,658</u>	<u>19,208,476</u>
Total Net Position	<u>56,844,711</u>	<u>52,554,656</u>	<u>50,268,285</u>	<u>54,247,697</u>	<u>\$ 51,991,925</u>	<u>\$ 49,133,777</u>	<u>\$ 49,538,271</u>	<u>\$ 50,858,365</u>	<u>\$ 51,772,086</u>	<u>\$ 54,200,750</u>

TOWN OF MOUNTAIN VILLAGE
Changes in Net Position
Last Ten Years

TABLE A-2

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Primary Government:										
Program Expenses:										
Governmental Activities:										
General Government	\$ 13,988,003	\$ 14,918,579	\$ 12,733,573	\$ 12,114,348	\$ 12,816,565	\$ 13,393,334	\$ 13,532,429	\$ 12,544,856	\$ 15,695,455	\$ 19,096,466
Public Safety	964,517	947,987	899,441	926,589	1,211,029	930,812	941,734	956,624	1,002,641	991,345
Culture and Recreation	607,253	538,001	485,452	487,552	430,976	623,271	673,324	685,898	491,755	349,280
Economic Development	3,145,477	3,110,718	2,681,472	2,348,837	2,220,203	1,433,224	1,307,533	1,173,179	1,072,877	1,402,860
Total Governmental Activities Expenses	<u>18,705,250</u>	<u>19,515,286</u>	<u>16,799,937</u>	<u>15,877,325</u>	<u>16,678,773</u>	<u>16,380,641</u>	<u>16,455,020</u>	<u>15,360,557</u>	<u>18,262,728</u>	<u>21,839,951</u>
Business-type Activities:										
Housing Authority	2,358,389	2,229,997	2,309,596	2,536,978	2,347,284	2,526,775	4,893,022	2,311,278	4,004,065	2,983,112
Water & Sewer	2,201,536	2,083,243	2,041,858	2,059,875	2,013,911	1,989,756	2,048,121	1,860,514	1,730,240	1,798,936
Telluride Conference Center	500,926	498,242	495,140	416,111	416,067	449,473	442,267	539,740	1,042,216	1,149,843
Daycare Program	772,782	605,668	572,489	567,180	563,955	574,001	569,756	582,369	433,154	371,074
Parking Services	405,192	286,610	280,298	328,928	288,821	259,665	354,796	307,891	-	-
Cable TV	1,704,488	1,783,156	1,541,273	1,393,850	1,361,458	1,317,112	1,324,139	1,447,972	1,155,889	1,130,893
Regional Communication System	-	-	-	-	193,646	210,346	216,768	273,699	202,597	220,961
Total Business-type Activities Expenses	<u>7,943,312</u>	<u>7,486,915</u>	<u>7,240,654</u>	<u>7,302,922</u>	<u>7,185,143</u>	<u>7,327,128</u>	<u>9,848,870</u>	<u>7,323,463</u>	<u>8,568,162</u>	<u>7,654,818</u>
Total Primary Government Expenses	<u>26,648,562</u>	<u>27,002,201</u>	<u>24,040,591</u>	<u>23,180,248</u>	<u>23,863,916</u>	<u>23,707,769</u>	<u>26,303,890</u>	<u>22,684,020</u>	<u>26,830,890</u>	<u>29,494,769</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	523,332	405,889	463,438	332,853	598,790	686,119	820,898	756,085	679,083	1,353,068
Public Safety	10,625	2,765	7,146	5,592	4,150	(558)	5,156	25,578	121,117	54,896
Transportation	14,157	7,029	16,663	5,525	11,779	9,380	2,880	35,854	87,728	78,473
Economic Development	1,225,480	847,437	826,881	787,029	1,249,554	604,430	569,292	676,872	693,122	961,059
Total Charges for Services	<u>1,773,594</u>	<u>1,263,120</u>	<u>1,314,128</u>	<u>1,130,999</u>	<u>1,864,273</u>	<u>1,299,371</u>	<u>1,398,226</u>	<u>1,494,389</u>	<u>1,581,050</u>	<u>2,447,496</u>
Operating Grants and Contributions	5,187,988	5,104,263	3,677,500	3,883,361	3,520,479	3,477,497	3,473,031	3,060,688	3,008,182	3,410,228
Capital Grants and Contributions	209,970	986,478	964,267	482,543	537,244	291,709	391,258	568,732	541,458	3,762,081
Total Governmental Activities Program Revenues	<u>7,171,552</u>	<u>7,353,861</u>	<u>5,955,896</u>	<u>5,496,903</u>	<u>5,921,996</u>	<u>5,068,578</u>	<u>5,262,515</u>	<u>5,123,809</u>	<u>5,130,690</u>	<u>9,619,805</u>
Business-type Activities:										
Housing Authority:										
Charges for Services	2,257,221	2,287,713	2,277,184	1,941,392	1,766,045	1,677,183	1,708,925	1,746,086	1,586,097	1,932,780
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	147,708	732,292	-	-	-
Water & Sewer										
Charges for Services	2,790,778	2,438,021	2,439,540	2,362,197	2,379,454	2,125,578	2,116,620	1,896,887	1,914,913	1,703,626
Capital Grants and Contributions	276,548	42,960	173,002	37,761	176,725	124,573	20,356	92,472	(69,436)	182,761
Telluride Conference Center										
Charges for Services	-	-	-	-	-	-	-	76	421,774	494,103
Operating Grants and Contributions	-	-	-	-	-	-	14,200	-	-	-
Child Development:										
Charges for Services	454,663	478,042	441,422	430,994	429,238	404,664	352,011	344,450	220,175	189,145
Operating Grants and Contributions	38,650	46,522	38,499	26,075	39,475	40,099	40,798	40,586	33,560	96,252
Capital Grants and Contributions	-	-	-	9,240	-	-	-	32,050	159,724	-
Broadband										
Charges for Services	1,945,869	1,818,604	1,717,541	1,625,486	1,572,602	1,522,159	1,472,986	1,410,430	1,297,013	1,205,726
Parking Services:										
Charges for Services	480,887	397,478	494,359	376,729	311,311	272,803	251,935	170,877	-	-
Operating Grants and Contributions	12,230	9,953	7,732	20,771	19,567	24,419	25,124	30,590	-	-
Regional Communication System:										
Charges for Services	-	-	-	-	15,767	27,024	36,000	37,344	38,208	47,508
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	<u>8,256,845</u>	<u>7,519,293</u>	<u>7,589,279</u>	<u>6,830,646</u>	<u>6,710,184</u>	<u>6,366,210</u>	<u>6,771,247</u>	<u>5,801,848</u>	<u>5,602,027</u>	<u>5,851,901</u>
Total Primary Government Program Revenues	<u>15,428,397</u>	<u>14,873,154</u>	<u>13,545,174</u>	<u>12,327,549</u>	<u>12,632,180</u>	<u>11,434,787</u>	<u>12,033,761</u>	<u>10,925,657</u>	<u>10,732,717</u>	<u>15,471,706</u>

Net (Expense)/Revenues:											
Governmental Activities	(11,533,698)	(12,161,425)	(10,844,041)	(10,380,422)	(10,756,777)	(11,312,063)	(11,192,505)	(10,236,748)	(13,132,038)	(12,220,146)	
Business-type Activities	<u>313,534</u>	<u>32,377</u>	<u>348,625</u>	<u>(472,277)</u>	<u>(474,959)</u>	<u>(960,918)</u>	<u>(3,077,623)</u>	<u>(1,521,615)</u>	<u>(2,966,135)</u>	<u>(1,802,917)</u>	
Total Primary Government Net Expense	<u>(11,220,165)</u>	<u>(12,129,048)</u>	<u>(10,495,417)</u>	<u>(10,852,699)</u>	<u>(11,231,736)</u>	<u>(12,272,982)</u>	<u>(14,270,128)</u>	<u>(11,758,363)</u>	<u>(16,098,173)</u>	<u>(14,023,063)</u>	
General Revenues and Other Changes in Net Position:											
Governmental Activities:											
Taxes:											
Property	7,334,897	7,368,209	7,070,688	7,128,873	7,709,941	7,845,065	8,357,159	7,635,783	6,517,003	6,539,508	
Specific Ownership	325,149	291,693	303,008	287,077	258,341	219,426	211,892	211,838	227,304	261,106	
Sales and Use	5,460,964	4,497,202	4,394,807	3,502,280	4,196,071	2,780,228	2,745,202	2,807,409	2,635,121	3,984,012	
Lodging	1,721,579	1,638,909	1,502,265	1,203,169	1,082,424	872,113	871,063	782,576	661,853	767,514	
Restaurant	422,623	412,054	367,006	314,825	274,993	246,473	243,948	224,278	205,006	207,566	
Miscellaneous	100,150	90,656	114,614	144,401	126,629	116,976	152,874	107,955	471,785	175,243	
Grants and Contributions Not Restricted to Specific Programs	1,672	8,172	40,534	43,990	-	-	-	-	2,575,862	-	
Interest Earnings	36,824	49,223	62,211	94,542	9,122	65,634	56,860	87,025	55,183	924,678	
Gain on Sale of Capital Assets	-	-	-	-	-	-	7,807	-	95,000	81,459	
Transfers	<u>(336,000)</u>	<u>(320,470)</u>	<u>495,157</u>	<u>204,820</u>	<u>549,382</u>	<u>25,455</u>	<u>(130,424)</u>	<u>(587,322)</u>	<u>(1,021,800)</u>	<u>(604,644)</u>	
Total Governmental Activities General Revenues	<u>15,067,857</u>	<u>14,035,648</u>	<u>14,350,289</u>	<u>12,923,978</u>	<u>14,206,903</u>	<u>12,171,370</u>	<u>12,516,382</u>	<u>11,269,542</u>	<u>12,422,317</u>	<u>12,336,442</u>	
Business-type Activities:											
Miscellaneous	105,096	59,251	72,856	389,133	384,538	352,202	308,442	246,270	210,632	-	
Investment Earnings	1,264	52	72	179	470	931	905	1,321	7,429	45,466	
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	(6,117)	-	7,306	7,122	
Contributions	-	-	-	-	-	-	-	-	-	-	
Transfers	<u>336,000</u>	<u>320,470</u>	<u>(495,157)</u>	<u>(204,820)</u>	<u>(549,381)</u>	<u>(25,455)</u>	<u>130,424</u>	<u>587,322</u>	<u>1,021,800</u>	<u>604,644</u>	
Total Business-type Activities General Revenues	<u>442,361</u>	<u>379,773</u>	<u>(422,228)</u>	<u>184,493</u>	<u>(164,373)</u>	<u>327,678</u>	<u>433,654</u>	<u>834,913</u>	<u>1,247,167</u>	<u>657,232</u>	
Total Primary Government General Revenues and Transfers	<u>15,510,218</u>	<u>14,415,421</u>	<u>13,928,061</u>	<u>13,108,470</u>	<u>14,042,530</u>	<u>12,499,048</u>	<u>12,950,036</u>	<u>12,104,455</u>	<u>12,480,514</u>	<u>12,993,674</u>	
Change in Net Position:											
Governmental Activities	3,534,159	1,874,223	3,506,248	2,543,555	3,450,126	859,307	1,323,876	1,032,794	(709,721)	116,296	
Business-type Activities	<u>755,894</u>	<u>412,150</u>	<u>(73,604)</u>	<u>(287,784)</u>	<u>(639,332)</u>	<u>(633,241)</u>	<u>(2,643,969)</u>	<u>(686,702)</u>	<u>(1,718,968)</u>	<u>(1,145,685)</u>	
Total Primary Government	<u>\$ 4,290,053</u>	<u>\$ 2,286,373</u>	<u>\$ 3,432,644</u>	<u>\$ 2,255,772</u>	<u>\$ 2,810,794</u>	<u>\$ 226,066</u>	<u>\$ (1,320,093)</u>	<u>\$ 346,093</u>	<u>\$ (2,428,689)</u>	<u>\$ (1,029,389)</u>	

TOWN OF MOUNTAIN VILLAGE
Program Revenues by Function/Program
Last Ten Years

TABLE A-3

Function/Program:	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities:										
General Government Administration	\$ 523,332	\$ 405,889	\$ 463,438	\$ 332,853	\$ 598,790	\$ 686,119	\$ 820,898	\$ 756,085	\$ 679,083	\$ 1,353,068
Public Safety	10,625	2,765	7,146	5,592	4,150	(558)	5,156	25,578	121,117	54,896
Parking & Transportation	14,157	7,029	16,663	5,525	11,779	9,380	2,880	35,854	87,728	78,473
Economic Development	1,225,480	847,437	826,881	787,029	1,249,554	604,430	569,292	676,872	693,122	961,059
Operating Grants and Contributions	5,187,988	5,104,263	3,677,500	3,883,361	3,520,479	3,477,497	3,473,031	3,060,688	3,008,182	3,410,228
Capital Grants and Contributions	209,970	986,478	964,267	482,543	537,244	291,709	391,258	568,732	541,458	3,762,081
Total Governmental Activities	<u>7,171,552</u>	<u>7,353,861</u>	<u>5,955,896</u>	<u>5,496,903</u>	<u>5,921,996</u>	<u>5,068,578</u>	<u>5,262,515</u>	<u>5,123,809</u>	<u>5,130,690</u>	<u>9,619,805</u>
Business-type Activities:										
Housing Authority:										
Charges for Services	2,257,221	2,287,713	2,277,184	1,941,392	1,766,045	1,677,183	1,708,925	1,746,086	1,586,097	1,932,780
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	147,708	732,292	-	-	-
Water & Sewer										
Charges for Services	2,790,778	2,438,021	2,439,540	2,362,197	2,379,454	2,125,578	2,116,620	1,896,887	1,914,913	1,703,626
Operating Grants and Tap Fee Contributions	276,548	42,960	173,002	37,761	176,725	124,573	20,356	92,472	(69,436)	182,761
Telluride Conference Center										
Charges for Services	-	-	-	-	-	-	-	76	421,774	494,103
Operating Grants and Tap Fee Contributions	-	-	-	-	-	-	14,200	-	-	-
Daycare Program:										
Charges for Services	454,663	478,042	441,422	430,994	429,238	404,664	352,011	344,450	220,175	189,145
Operating Grants and Contributions	38,650	46,522	38,499	26,075	39,475	40,099	40,798	40,586	33,560	96,252
Capital Grants and Contributions	-	-	-	9,240	-	-	-	32,050	159,724	-
Broadband										
Charges for Services	1,945,869	1,818,604	1,717,541	1,625,486	1,572,602	1,522,159	1,472,986	1,410,430	1,297,013	1,205,726
Parking Services:										
Charges for Services	480,887	397,478	494,359	376,729	311,311	272,803	251,935	170,877	-	-
Operating Grants and Contributions	12,230	9,953	7,732	20,771	19,567	24,419	25,124	30,590	-	-
Regional Communication System:										
Charges for Services	-	-	-	-	15,767	27,024	36,000	37,344	38,208	47,508
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	<u>8,256,845</u>	<u>7,519,293</u>	<u>7,589,279</u>	<u>6,830,646</u>	<u>6,710,184</u>	<u>6,366,210</u>	<u>6,771,247</u>	<u>5,801,848</u>	<u>5,602,027</u>	<u>5,851,901</u>
Total Primary Government	<u>\$ 15,428,397</u>	<u>\$ 14,873,154</u>	<u>\$ 13,545,174</u>	<u>\$ 12,327,549</u>	<u>\$ 12,632,180</u>	<u>\$ 11,434,787</u>	<u>\$ 12,033,761</u>	<u>\$ 10,925,657</u>	<u>\$ 10,732,717</u>	<u>\$ 15,471,706</u>

TOWN OF MOUNTAIN VILLAGE
Fund Balances, Governmental Funds
Last Ten Years

TABLE A-4

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:										
Restricted for:										
Long-term Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergencies	641,878	619,295	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740
Non-spendable	264,540	288,447	287,930	322,325	395,397	34,385	251,876	325,498	-	-
Unassigned	8,433,159	8,538,573	8,146,194	6,253,526	5,709,655	3,324,779	2,612,323	1,448,541	2,002,857	3,563,981
Total Fund Balance	<u>9,339,578</u>	<u>9,446,315</u>	<u>8,985,348</u>	<u>7,111,942</u>	<u>6,637,196</u>	<u>3,860,781</u>	<u>3,366,466</u>	<u>2,296,789</u>	<u>2,332,161</u>	<u>4,101,721</u>
All Other Governmental Funds:										
Restricted for:										
Debt Service	450,278	947,096	743,941	750,647	734,651	1,033,003	1,056,461	1,126,669	1,293,186	1,097,280
Capital Projects	-	-	-	-	-	-	-	-	-	(1,588,877)
Assigned	1,943,532	239,544	157,316	91,938	20,346	102,710	48,623	11,424	-	-
Unassigned, Reported in:										
Capital Projects Funds	-	-	-	-	-	-	-	-	-	15,428,143
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>2,393,809</u>	<u>1,186,641</u>	<u>901,257</u>	<u>842,584</u>	<u>754,997</u>	<u>1,135,713</u>	<u>1,105,084</u>	<u>1,138,093</u>	<u>1,293,186</u>	<u>14,936,546</u>
Total Governmental Funds										
Restricted for:										
Long-term Receivables	-	-	-	-	-	-	-	-	-	-
Debt Service	450,278	947,096	750,647	750,647	734,651	1,033,003	1,056,461	1,126,669	1,293,186	1,097,280
Capital Projects	-	-	-	-	-	-	-	-	-	(1,588,877)
Emergencies	641,878	619,295	536,090	536,090	532,144	501,617	502,267	522,750	329,305	537,740
Non-spendable	264,540	288,447	322,325	322,325	395,397	34,385	251,876	325,498	-	-
Assigned	1,943,532	239,544	91,938	91,938	20,346	102,710	48,623	11,424	-	-
Unassigned, Reported in:										
General Fund	8,433,159	8,538,573	8,185,605	6,253,526	5,709,655	3,324,779	2,612,323	1,448,541	2,002,857	3,563,981
Other Funds	-	-	-	-	-	-	-	-	-	15,428,143
Total Fund Balances	<u>\$ 11,733,387</u>	<u>\$ 10,632,956</u>	<u>\$ 9,886,605</u>	<u>\$ 7,954,526</u>	<u>\$ 7,392,193</u>	<u>\$ 4,996,494</u>	<u>\$ 4,471,550</u>	<u>\$ 3,434,882</u>	<u>\$ 3,625,347</u>	<u>\$ 19,038,267</u>
Percent change from previous year	<u>10.3%</u>	<u>7.5%</u>	<u>24.3%</u>	<u>7.6%</u>	<u>47.9%</u>	<u>11.7%</u>	<u>30.2%</u>	<u>-5.3%</u>	<u>-81.0%</u>	<u>-21.4%</u>

(1) Effective January 1, 2007 the Town of Mountain Village assumed all functions of the Mountain Village Metropolitan District

TOWN OF MOUNTAIN VILLAGE
Changes in Fund Balances, Governmental Funds
Last Ten Years

TABLE A-5

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues:										
Taxes	\$ 15,265,211	\$ 14,208,068	\$ 13,637,774	\$ 12,436,224	\$ 13,521,770	\$ 11,963,305	\$ 12,429,265	\$ 11,661,884	\$ 10,246,286	\$ 11,759,707
Licenses and Permits	887,675	599,560	631,681	545,126	762,552	417,710	432,166	464,527	549,088	961,058
Intergovernmental	374,212	377,290	375,754	363,555	440,285	415,315	455,538	445,252	401,778	441,801
Charges for Services	503,424	275,112	357,801	284,648	736,705	441,139	494,218	554,579	509,067	1,036,903
Fines and Forfeitures	8,282	11,157	7,146	4,093	2,725	(558)	5,156	25,578	121,117	54,896
Investment Earnings	36,824	49,223	62,211	94,543	41,151	65,634	56,860	87,025	55,183	919,904
Grants and Contributions	5,503,850	6,090,741	4,583,515	4,346,616	3,968,785	3,769,206	3,875,430	3,861,383	6,125,502	7,121,147
Miscellaneous	100,150	90,656	114,614	97,266	108,789	142,742	152,874	115,770	471,785	179,243
Total Revenue	<u>22,679,628</u>	<u>21,701,806</u>	<u>19,770,495</u>	<u>18,172,070</u>	<u>19,582,763</u>	<u>17,214,493</u>	<u>17,901,506</u>	<u>17,215,998</u>	<u>18,479,806</u>	<u>22,474,659</u>
Expenditures:										
Current:										
General Government	9,943,665	10,765,818	9,362,252	9,003,564	9,722,040	10,073,500	10,014,456	10,472,575	11,057,927	14,917,454
Public Safety	829,791	828,338	811,016	714,239	765,603	838,821	850,149	870,536	1,002,641	954,082
Culture and Recreation	607,253	538,001	485,452	487,552	434,215	574,777	673,324	685,898	491,755	347,373
Economic Development	3,145,477	3,110,718	2,681,472	2,348,837	2,220,203	1,433,224	1,307,533	1,176,543	1,072,877	1,209,993
Capital Outlay	2,953,051	1,950,973	1,343,475	954,735	952,990	163,233	425,183	376,793	3,558,299	3,317,780
Debt service:										
Administrative Charges	109,099	119,633	119,254	113,844	114,780	114,912	140,822	90,412	-	-
Bond Issuance Costs	-	-	-	120,673	-	-	-	-	-	-
Principal	3,315,000	2,695,000	2,815,000	3,185,000	2,495,000	2,400,000	2,140,000	1,840,000	14,200,000	2,000,000
Interest	492,608	634,675	756,186	941,225	1,033,300	1,122,098	1,190,754	1,306,384	1,079,230	2,055,093
Total Expenditures	<u>21,395,944</u>	<u>20,643,157</u>	<u>18,374,106</u>	<u>17,869,670</u>	<u>17,738,132</u>	<u>16,720,567</u>	<u>16,742,221</u>	<u>16,819,141</u>	<u>32,462,728</u>	<u>24,801,774</u>
Excess of Revenues Over (Under) Expenditures	<u>1,283,684</u>	<u>1,058,650</u>	<u>1,396,389</u>	<u>302,400</u>	<u>1,844,631</u>	<u>493,927</u>	<u>1,159,285</u>	<u>396,857</u>	<u>(13,982,922)</u>	<u>(2,327,115)</u>
Other Financing Sources (Uses):										
Transfers In	1,724,070	1,303,273	1,710,628	1,579,663	1,787,359	856,571	890,208	611,163	1,677,264	2,340,072
Transfers Out	(2,060,070)	(1,623,743)	(1,215,471)	(1,489,270)	(1,237,977)	(831,117)	(1,020,632)	(1,198,485)	(2,699,064)	(2,702,151)
Payments of Refunded Bonds	-	-	-	(7,445,847)	-	-	(3,025,000)	-	-	-
Insurance Proceeds	149,777	-	-	-	-	-	-	-	-	-
Issuance of Refunded Bonds	-	-	-	7,571,396	-	-	3,025,000	-	-	-
Proceeds from Sale of Capital Assets	2,972	8,172	40,534	43,990	1,685	5,563	7,807	-	95,000	81,459
Total Other Financing Sources (Uses)	<u>(183,251)</u>	<u>(312,298)</u>	<u>535,690</u>	<u>259,933</u>	<u>551,067</u>	<u>31,018</u>	<u>(122,617)</u>	<u>(587,322)</u>	<u>(926,800)</u>	<u>(280,620)</u>
Net Change in Fund Balances	<u>\$ 1,100,432</u>	<u>\$ 746,351</u>	<u>\$ 1,932,079</u>	<u>\$ 562,332</u>	<u>\$ 2,395,698</u>	<u>\$ 524,945</u>	<u>\$ 1,036,668</u>	<u>\$ (190,465)</u>	<u>\$ (14,909,722)</u>	<u>\$ (2,607,735)</u>
Debt Service as a Percent of Non-capital Expenditures	<u>20.6%</u>	<u>17.8%</u>	<u>21.0%</u>	<u>24.4%</u>	<u>21.0%</u>	<u>21.3%</u>	<u>20.4%</u>	<u>19.1%</u>	<u>52.9%</u>	<u>18.9%</u>

TOWN OF MOUNTAIN VILLAGE
Tax Revenues by Source, Governmental Funds
Last Ten Years

TABLE A-6

<u>Year</u>	<u>Property</u>	<u>Specific Ownership</u>	<u>Sales</u>	<u>Use and Cigarette</u>	<u>Lodging</u>	<u>Restaurant</u>	<u>Penalties and Interest</u>	<u>Total</u>
2008	6,400,527	261,105	2,429,211	1,552,182	767,481	207,566	45,410	11,663,481
2009	6,517,003	227,304	2,148,018	436,324	659,226	205,006	53,406	10,246,286
2010	7,613,001	211,838	2,314,439	487,124	782,576	224,278	29,157	11,662,414
2011	8,315,474	211,892	2,474,576	268,297	871,063	243,948	44,014	12,429,264
2012	7,790,254 (1)	219,426	2,496,731	279,374	872,113	246,473	60,423	11,964,795
2013	7,694,069	258,341	2,955,474	1,229,436	1,082,424	274,993	27,032	13,521,770
2014	7,026,165	287,077	3,138,781	357,359	1,203,169	314,825	23,316	12,350,692
2015	7,055,375	303,008	3,812,811	570,271	1,502,265	367,006	27,037	13,637,773
2016	7,350,889	291,693	4,008,650	479,148	1,638,909	412,054	26,724	14,208,067
2017	7,334,897	325,149	4,270,722	1,184,263	1,720,340	421,623	8,218	15,265,211
Change								
2008-2017	14.6%	24.5%	75.8%	-23.7%	124.2%	103.1%	-81.9%	30.9%
2008-2015	10.2%	16.0%	57.0%	-63.3%	95.7%	76.8%	-40.5%	16.9%
2013-2017	-4.7%	25.9%	44.5%	-3.7%	58.9%	53.3%	-69.6%	12.9%

(1) Effective January 1, 2012 the Town of Mountain Village began self collection of sales taxes.

Town of Mountain Village
User Fee Revenues, Enterprise Funds
Last Ten Years

TABLE A-7

Year	Water and Sewer Fund User Fees	Water System Development User (Tap) Fees	Broadband Fund User Fees	Child Development Fund User Fees	Parking Services Fund User Fees	Housing Authority User Fees	Telluride Conference Center Fund User Fees	Total User Fees
2008	1,703,626	268,931	1,205,726	187,079	-	1,932,780	491,662	5,789,803
2009	1,914,913	26,534	1,297,013	220,175	-	1,796,679	421,795	5,677,108
2010	1,896,887	92,472	1,410,430	344,450	170,212	1,990,255	76	5,904,782
2011	2,116,620	20,356	1,472,986	352,011	263,113	2,010,108	-	6,235,194
2012	2,125,578	124,573	1,522,159	393,119	286,544	2,029,386	-	6,481,360
2013	2,379,454	176,725	1,572,602	415,121	323,035	2,151,523	-	7,018,459
2014	2,362,197	37,761	1,625,486	430,994	368,318	2,342,523	920	7,168,199
2015	2,439,540	173,002	1,717,541	441,422	494,359	2,350,040	-	7,615,904
2016	2,438,021	42,960	1,818,604	460,305	397,478	2,346,963	-	7,504,332
2017	2,790,778	276,548	1,945,869	454,663	480,887	2,257,221	-	8,205,966

Town of Mountain Village
Enterprise Fund Expenses
Last Ten Years

TABLE A-8

	Operations						Capital Outlay						Total Expenses
	Water and Sewer Fund	Broadband Fund	Child Development Fund	Parking Services Fund	Housing Authority Fund	Telluride Conference Center Fund	Water and Sewer Fund	Broadband Fund	Child Development Fund	Parking Services Fund	Housing Authority Fund	Telluride Conference Center Fund	
2008	1,136,342	990,614	369,854	-	1,745,712	931,684	44,646	231,246	3,795	-	498,084	57,708	6,009,685
2009	1,219,265	919,664	427,817	-	2,793,108	706,585	42,608	247,541	175,433	-	905,515	6,631	7,444,167
2010	1,247,676	1,207,522	560,678	339,115	1,148,880	222,319	11,841	54,898	32,050	-	-	-	4,824,979
2011	1,403,872	1,086,474	546,161	351,065	1,116,628	130,749	27,284	10,057	-	-	1,021,836	-	5,694,126
2012	1,380,534	1,155,171	550,406	259,665	1,599,720	139,959	121,563	19,897	-	-	63,543	15,525	5,305,984
2013	1,305,576	1,214,275	540,929	281,338	1,076,244	105,542	401,407	105,431	-	-	283,011	92,787	5,406,540
2014	1,447,875	1,237,251	544,006	328,928	1,093,578	120,368	298,653	41,971	9,240	-	206,806	33,648	5,362,324
2015	1,414,788	1,384,582	553,015	280,298	1,033,410	193,103	1,756,814	125,976	-	-	90,721	-	6,832,707
2016	1,416,328	1,620,961	586,679	286,610	1,094,375	196,206	326,024	51,774	-	-	170,044	-	5,749,000
2017	1,458,927	1,583,014	613,717	405,192	1,181,232	199,089	382,628	131,574	-	-	201,745	5,564	6,162,683

TOWN OF MOUNTAIN VILLAGE
Actual Value and Estimated Assessed Value of Taxable Property
Last Ten Years

TABLE B-1

Collection Year	Assessment Year	Vacant Property	Residential Property	Commercial Property	Personal Property	State Assessed	Less: Tax-Exempt Property	Total Taxable Actual Value	Total Direct Tax Rate	Estimated Assessed Taxable Value	Taxable Estimated Assessed Value as a % of Actual Total Taxable Value
2009	2008	309,444,713	2,236,232,301	96,019,648	16,835,620	664,069	31,185,284	2,628,011,067	13.443	309,559,030	11.8%
2010	2009	352,810,365	2,914,840,872	120,616,538	19,392,657	678,808	32,849,849	3,375,489,391	13.448	370,033,758	11.0%
2011	2010	340,682,083	2,979,575,525	102,003,092	28,002,801	664,919	31,938,566	3,418,989,854	13.604	373,861,120	10.9%
2012	2011	285,890,645	2,564,807,411	81,866,265	26,986,021	743,724	31,912,149	2,928,597,597	13.691	318,849,890	10.9%
2013	2012	225,264,565	2,177,223,916	117,188,460	21,971,079	N/A	34,225,675	2,507,422,345	13.479	317,578,720	12.7%
2014	2013	213,148,847	2,147,342,272	90,787,423	21,529,847	712,289	33,739,055	2,439,781,623	13.485	265,515,290	10.9%
2015	2014	231,186,150	2,529,775,804	93,154,429	20,427,600	508,131	41,826,618	2,833,225,496	13.460	266,407,970	9.4%
2016	2015	228,599,611	2,466,526,089	89,150,287	20,755,650	674,965	41,832,526	2,763,874,076	13.447	294,538,840	10.7%
2017	2016	224,533,231	2,467,868,983	89,423,928	21,852,112	633,586	43,543,186	2,760,768,654	13.589	294,011,170	10.6%
2018	2017	218,489,561	2,683,621,949	91,328,149	23,321,304	400,206	155,371,444	2,993,839,865	13.717	289,947,030	9.7%

N/A - information is not available.

Source: San Miguel County Assessor's Office

TOWN OF MOUNTAIN VILLAGE
Property Tax Rates
Direct and Overlapping Governments
Last Ten Years

TABLE B-2

Fiscal Year	Town Direct Rates				Overlapping Rates								
	Operations *	Debt (1)	Mountain Village Historical Museum	Total Direct	Mountain Village Metropolitan District	Telluride Fire District	San Miguel County	Library District R-1	Telluride School District	Lone Tree Cemetery District	San Miguel Authority of Regional Transportation	Southwestern Water Conservation District	Telluride Hospital District
2009	13.110	-	0.333	13.443	8.050	2.454	10.120	3.629	10.887	0.054	-	0.216	2.288
2010	13.115	-	0.333	13.448	7.478	2.344	10.120	3.492	10.647	0.049	-	0.020	2.284
2011	13.271	-	0.333	13.604	8.794	2.498	10.120	3.492	10.290	0.051	-	0.272	2.294
2012	13.358	-	0.333	13.691	10.750	2.947	10.120	3.587	10.113	0.051	-	0.291	2.304
2013	13.146	-	0.333	13.479	10.823	2.967	10.120	3.630	8.678	0.051	-	0.307	2.288
2014	13.152	-	0.333	13.485	13.325	3.038	10.120	3.710	8.989	0.051	-	0.368	2.286
2015	13.127	-	0.333	13.460	13.052	3.020	10.120	3.655	11.922	0.051	-	0.362	2.280
2016	13.114	-	0.333	13.447	11.820	2.855	10.120	3.661	11.332	0.049	-	0.340	2.280
2017	13.256	-	0.333	13.589	11.840	2.958	10.120	3.656	11.447	0.150	0.750	0.395	2.280
2018	13.384	-	0.333	13.717	1.904	2.940	10.870	2.830	11.059	0.150	0.750	0.407	2.299

Source: San Miguel County Treasurer's Office

TOWN OF MOUNTAIN VILLAGE
Principal Property Taxpayers
Current Year and Ten Years Ago

TABLE B-3

Taxpayer	Type of Business	2017			2008		
		Taxable Assessed Value	Rank	Percentage of Town's Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Town's Taxable Assessed Value
Telluride Ski and Golf Company	Ski Area Owner and Operator	\$ 15,019,680	1	6.1%	\$ 18,608,360	1	7.7%
TSG Assets Holdings	Ski Area Owner and Operator	9,971,730	2	4.1%	-		0.0%
Yellow Brick Road Company LLC	Private Property Owner	3,889,730	3	1.6%	-		0.0%
AMMV Investments, LLC / Club Telluride LLC	Residential Ownership Club	2,593,610	4	1.1%	5,373,800	2	2.2%
Club Telluride Company I LLC	Residential Ownership Club	2,216,080	5	0.9%	-		0.0%
Northern Trust NA AS TRTEE ET AL	Financial Institution	2,115,760	6	0.9%	-		0.0%
Bildor Real Estate LTD		1,848,750	7	0.8%	-		0.0%
Telluride 331 LLC	Real Estate Developer	1,554,050	8	0.6%	-		0.0%
107 ER LLC		1,553,260	9	0.6%	-		0.0%
Telluride LLC	Private Property Owner	1,495,460	10	0.6%	-		0.0%
MR Ridge JV LLC/MR 1.81 LLC	Developer	-		0.0%	-		0.0%
Peaks Resort and Spa (Telluride Resort and Spa LLC)	Hotel and Spa	-		0.0%	5,296,420	3	2.2%
AB Ridge/Lot 129 LLC/West Galena Holdings LLC (Honig) (2)	Real Estate Developer	-		0.0%	4,954,830	4	2.1%
Stonegate Sundance Partners, LLC	Real Estate Developer	-		0.0%	4,399,500	5	1.8%
Madeline Property Owner LLC (1)	Hotel/Condominium Units	-		0.0%	3,842,260	6	1.6%
MR Ridge JV LLC/MR 1.81 LLC	Developer	-		0.0%	3,742,730	7	1.6%
Exclusive Resorts	Residential Ownership Club	-		0.0%	2,573,180	8	1.1%
St. Sophia Partners, LLLP	Real Estate Developer	-		0.0%	2,488,700	9	1.0%
Butler, Alice L as Trustee	Private Property Owner	-		0.0%	2,279,480	10	0.9%
Subtotal Principal Taxpayers		43,753,570		17.8%	53,559,260		19.7%
All Other Taxpayers		246,193,460		100.0%	240,564,720		80.3%
Total Taxpayers		\$ 289,947,030		100.0%	\$ 294,123,980		100.0%

Source: San Miguel County Assessor's Office

(1) Formerly Lost Creek Associates & RAL Mountain Village Lodging & Ektornet US Telluride LLC

(1) Formerly Honig Aviation

TOWN OF MOUNTAIN VILLAGE
Property Tax Levies and Collections
Last Ten Years

TABLE B-4

Collection Year	Assessment Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
2008	2007	6,522,491	6,496,245	99.60%	(44)	6,496,201	99.60%
2009	2008	6,463,656	6,458,377	99.92%	-	6,458,377	99.92%
2010	2009	7,743,049	7,613,326	98.32%	(5,731)	7,607,595	98.25%
2011	2010	8,368,027	8,330,119	99.55%	(12,169)	8,317,950	99.40%
2012	2011	7,793,017	7,742,011	99.35%	(1,076)	7,740,935	99.33%
2013	2012	7,717,798	7,697,744	99.74%	163	7,697,907	99.74%
2014	2013	7,118,465	7,116,268	99.97%	-	7,116,268	99.97%
2015	2014	7,063,008	7,060,595	99.97%	-	7,060,595	99.97%
2016	2015	7,442,123	7,376,897	99.12%	(25,988)	7,350,909	98.77%
2017	2016	7,476,559	7,479,876	100.04%	(144,607)	7,335,269	98.11%

Source: San Miguel County Treasurer Office

Notes: The San Miguel County Treasurer's fee has not been deducted from the collection amounts. The negative numbers reflect abatements (refunds) that have been granted to property owners who successfully protested their valuations in the tax area in subsequent years.

- (1) The Mountain Village Metropolitan District dissolved effective 1/1/2007; all the assets and obligations were transferred to the Town of Mountain Village

TOWN OF MOUNTAIN VILLAGE
Ratios of Outstanding Debt by Type -Town of Mountain Village
Last Ten Years

TABLE C-1

<u>Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Actual Property Value (1)</u>	<u>Per Capita (2)</u>	<u>Per Personal Income</u>
	<u>General Obligation Bonds, Net (1)</u>	<u>Revenue Bonds</u>	<u>Note Payable</u>				
2008	44,435,916	13,265,000	1,152,591	58,853,507	2.4%	45,943	1,097
2009	30,104,968	13,020,000	1,132,898	44,257,866	1.7%	33,810	876
2010	28,321,658	13,020,000	1,110,691	42,452,349	1.3%	32,332	920
2011	26,266,498	12,840,000	1,088,946	40,195,444	1.2%	30,132	830
2012	23,997,843	12,650,000	1,066,251	37,714,094	1.3%	27,895	755
2013	21,258,720	12,450,000	1,042,247	34,750,967	1.4%	25,515	604
2014	18,905,837	12,340,000	1,017,055	32,262,892	1.3%	23,328	469
2015	16,005,209	12,275,527	660,221	28,940,957	1.2%	20,941	396
2016	13,224,581	12,340,000	292,600	25,857,181	0.9%	18,657	341
2017	13,138,953	12,275,527	-	25,414,480	0.9%	18,011	325

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

- (1) See Table B-1 for taxable property value data.
- (2) See Table D-1 for population data.
- (3) The revenue bonds were issued on December 29, 2000.
- (4) In 2002, the Town entered into a loan for the purpose of land acquisition and construction planning costs for the Affordable Housing Development fund.
- (5) Mountain Village Metropolitan District merged into the Town of Mountain Village 1/1/2007

Town Of Mountain Village
Direct and Overlapping Bond Debt
December 31, 2017

TABLE C-2

<u>Governmental Unit</u>	<u>2017 Valuation</u>	<u>Bond Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Library District R-1	\$ -	\$ -	#DIV/0!	\$ #DIV/0!
Telluride Fire District	-	-	#DIV/0!	#DIV/0!
Subtotal		-		#DIV/0!
Mountain Village Metropolitan District, a unit of the Town of Mountain Village	289,947,030	13,224,581 (1)	100.0%	13,224,581
Total Direct and Overlapping Debt		<u>\$ 13,224,581</u>		<u>\$ #DIV/0!</u>

Sources: San Miguel County Assessor's Office for the 2016 valuation; each governmental unit for the debt outstanding data.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Mountain Village by taking the total valuation of MV divided by the total valuation of the entire district times the outstanding debt of each entity. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. This does not imply that every taxpayer is a resident, and therefore responsible for (1) For the purposes of debt service, Mountain Village Metropolitan District has been kept in existence until all debt service is retired.

TOWN OF MOUNTAIN VILLAGE

Pledged-Revenue Coverage

Last Ten Years

TABLE C-3

Village Court Apartments (VCA) Revenue Bonds and Construction Note (1)

<u>Year</u>	<u>Gross Revenue</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
2008	1,974,545	1,014,551	959,994	18,468	697,628	1.34
2009	1,808,333	1,484,950	323,383	264,610	552,620	0.40
2010	1,986,020	1,121,823	864,197	22,298	486,158	1.70
2011	1,996,266	1,095,394	900,872	201,745	293,179	1.82
2012	2,007,358	1,003,534	1,003,824	214,502	272,229	2.06
2013	2,129,888	1,049,555	1,080,333	224,004	266,229	2.20
2014	2,324,246	1,005,537	1,318,710	285,801	262,799	2.40
2015	2,337,461	1,030,000	1,307,461	356,834	480,291	1.56
2016	2,333,828	987,015	1,346,814	367,621	432,260	1.68
2017	2,343,641	1,049,464	1,294,177	357,073	406,401	1.70

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Gross revenues include non-operating interest income and grants and contributions.

Operating expenses do not include interest, loan fees, depreciation, or amortization.

- (1) The VCA revenue bonds were issued on December 29, 2000. The construction Note issued in 2006.
- (2) The Telluride Mountain Village Owners Association (TMVOA) guarantees the debt service payments to the extent not covered by operating surpluses by pledging its property owner assessments and guaranteeing the obligation by funding the guaranty fund in the amount of \$1,350,000.

Town of Mountain Village - Mountain Village Metropolitan District
Legal Debt Margin Information
Last Ten Years

TABLE C-4

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assessed Value	\$ <u>288,548,790</u>	\$ <u>370,033,758</u>	\$ <u>373,861,120</u>	\$ <u>318,849,890</u>	\$ <u>317,578,720</u>	\$ <u>265,515,290</u>	\$ <u>266,407,970</u>	\$ <u>294,538,840</u>	\$ <u>294,011,170</u>	\$ <u>289,947,030</u>
Debt Limit (1)	144,274,395	185,016,879	186,930,560	159,424,945	158,789,360	132,757,645	133,203,985	147,269,420	147,005,585	144,973,515
Total Net Debt Applicable to Limit	<u>32,075,000</u>	<u>26,845,000</u>	<u>25,080,000</u>	<u>23,065,000</u>	<u>20,765,000</u>	<u>18,370,000</u>	<u>15,595,000</u>	<u>12,890,000</u>	<u>10,310,000</u>	<u>7,110,000</u>
Legal debt margin	\$ <u>112,199,395</u>	\$ <u>158,171,879</u>	\$ <u>161,850,560</u>	\$ <u>136,359,945</u>	\$ <u>138,024,360</u>	\$ <u>114,387,645</u>	\$ <u>117,608,985</u>	\$ <u>134,379,420</u>	\$ <u>136,695,585</u>	\$ <u>137,863,515</u>
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	22.2%	14.5%	13.4%	14.5%	13.1%	13.8%	11.7%	8.8%	7.0%	4.9%

Source: San Miguel County Assessor's Office for the assessed value.

TOWN OF MOUNTAIN VILLAGE
Demographic and Economic Statistics
Last Ten Years

TABLE D-1

Town of Mountain Village					San Miguel County Area				
Year	Population	Per Capita Personal Income	Per Capita Total Income	Zoned Population	Population	Per Capita Personal Income	Per Capita Total Income	School Enrollment	Unemployment Rate
2008	1,309	-	-	8,027	7,366	53,668	395,318,488	1,010	3.9%
2009	1,272	-	-	8,027	7,279	50,536	347,558,809	973	6.6%
2010	1,313	45,520	59,767,117	8,027	7,358	46,124	358,998,071	954	7.6%
2011	1,334	-	-	8,027	7,483	48,400	288,524,311	1,032	7.8%
2012	1,352	-	-	8,027	7,578	49,927	378,346,806	738	6.9%
2013	1,362	-	-	8,027	7,636	57,530	321,051,257	863	5.5%
2014	1,383	-	-	8,027	7,755	68,737	391,266,354	835	3.7%
2015	1,382	-	-	8,027	7,849	73,084	479,636,813	907	2.4%
2016	1,404	-	-	8,027	8,017	75,876	585,485,018	933	2.1%
2017	1,411	-	-	8,027	8,057	78,152	629,679,563	902	2.9%

Source: Population and income data provided by the Colorado Division of local Government, State Demography Office; school enrollment data provided by Telluride School District; unemployment data provided by the US Bureau of Labor Statistics. Personal per capita income for the Town of Mountain Village is only calculated every ten years during the U.S. Census. Telluride School District enrollment as of 2016 includes Pre-K through 12th grade.

TOWN OF MOUNTAIN VILLAGE

Principal Employers

Last Ten Years

TABLE D-2

2017			
Employer	Type of Business	Employees	% of Total Employment Rank
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	1,050	77.05% 1
Madeline Property Owners (Hotel Madeline)	Hotel and Restaurants	176	12.92% 2
Town of Mountain Village	Government	137	10.03% 3
Total		<u>1,363</u>	
2016			
Employer	Type of Business	Employees	% of Total Employment Rank
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	1,050	76.64% 1
Madeline Property Owners (Hotel Madeline)	Hotel and Restaurants	185	13.50% 2
Town of Mountain Village	Government	135	9.86% 3
Total		<u>1,370</u>	
2015			
Employer	Type of Business	Employees	% of Total Employment Rank
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	1,020	86.22% 1
Madeline Property Owners (Hotel Madeline)	Hotel and Restaurants	163	13.78% 2
Town of Mountain Village	Government	132	11.12% 3
Total		<u>1,183</u>	
2014			
Employer	Type of Business	Employees	% of Total Employment Rank
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	953	72.17% 1
Town of Mountain Village	Government	129	9.80% 2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	125	9.47% 3
Ektornet (Hotel Madeline)	Hotel and Restaurants	113	8.56% 4
Total		<u>1,320</u>	
2013			
Employer	Type of Business	Employees	% of Total Employment Rank
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	965	73.26% 1
Town of Mountain Village	Government	130	9.88% 2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	121	9.19% 3
Ektornet (Hotel Madeline)	Hotel and Restaurants	101	7.67% 4
Total		<u>1,317</u>	
2012			
Employer	Type of Business	Employees	% of Total Employment Rank
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,050	69.12% 1
Ektornet (Hotel Madeline & Inn at Lost Creek)	Hotel and Restaurants	180	11.85% 2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	145	9.55% 3
Town of Mountain Village	Government	144	9.48% 4
Total		<u>1,519</u>	
2011			
Employer	Type of Business	Employees	% of Total Employment Rank
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,010	68.94% 1
Ektornet (Hotel Madeline & Inn at Lost Creek)	Hotel and Restaurants	157	10.72% 2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	150	10.24% 3
Town of Mountain Village	Government	148	10.10% 4
Total		<u>1,465</u>	
2010			
Employer	Type of Business	Employees	% of Total Employment Rank
Telluride Ski and Golf Company	Ski Area Owner and Operator	970	67.09% 1
RAL Lodging LLC (Capella & Inn at Lost Creek)	Hotel and Restaurants	175	12.10% 2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	153	10.58% 3
Town of Mountain Village	Government	148	10.22% 4
Total		<u>1,446</u>	
2009			
Employer	Type of Business	Employees	% of Total Employment Rank
Telluride Ski and Golf Company	Ski Area Owner and Operator	950	69.90% 1
Town of Mountain Village	Government	156	11.48% 2
RAL Lodging LLC (Capella & Inn at Lost Creek)	Hotel and Restaurants	130	9.57% 3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	123	9.05% 4
Total		<u>1,359</u>	
2008			
Employer	Type of Business	Employees	% of Total Employment Rank
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,079	75.09% 1
Telluride Resort and Spa	Hotel, Restaurants, and Spa	205	14.27% 2
Town of Mountain Village	Government	153	10.65% 3
Total		<u>1,437</u>	

(1) In 2013, TSG purchased the Inn at Lost Creek and in 2015, The Peaks Resort and Spa.

Source: Human Resource departments for various agencies.

TOWN OF MOUNTAIN VILLAGE
Full-Time Equivalent Town Employees by Function/Program
Last Ten Years

TABLE E-1

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Planning and Development</u>	<u>Housing Authority</u>	<u>Daycare Program</u>	<u>Administration</u>	<u>Road & Bridge/Shop</u>	<u>Parking & Transit</u>	<u>Plaza Services Parks & Recreation</u>	<u>Gondola</u>	<u>Water & Sewer</u>	<u>Broadband Fund</u>	<u>Conference Center</u>	<u>Total</u>
2008	6.00	9.00	9.00	5.00	7.00	10.00	16.00	18.00	18.70	47.00	6.00	4.00	9.00	164.70
2009	4.00	9.00	6.00	5.00	10.00	8.00	14.00	17.00	18.70	45.00	7.00	4.00	8.00	155.70
2010	3.80	9.70	6.00	5.50	9.20	8.50	13.00	18.15	17.95	45.00	7.00	4.00	0.00	147.80
2011	3.80	9.70	7.00	6.00	8.55	9.20	13.00	18.15	17.95	44.10	6.50	4.00	0.00	147.95
2012	3.50	8.70	6.85	6.15	8.55	9.50	12.50	17.90	15.70	44.25	6.50	4.00	0.00	144.10
2013	3.50	7.70	5.00	6.15	8.50	9.50	12.50	6.95	15.80	44.05	6.50	4.00	0.00	130.15
2014	3.50	7.70	4.85	6.15	8.50	9.50	12.00	4.90	17.90	43.95	6.50	4.00	0.00	129.45
2015	3.50	7.70	5.85	6.15	8.50	9.50	12.00	4.80	19.00	44.10	6.50	4.00	0.00	131.60
2016	4.00	7.70	6.25	6.15	8.00	9.00	12.00	5.80	20.25	45.40	6.50	4.00	0.00	135.05
2017	4.00	7.70	6.25	6.15	9.50	10.00	11.84	5.18	19.88	45.92	6.33	4.00	0.00	136.75

N/A - information is not available.

Source: Town of Mountain Village Human Resources Department

TOWN OF MOUNTAIN VILLAGE
Operating Indicators by Function/Program
Last Ten Years

Function/Program:	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General:										
Business Licenses Issued (5)	1,325	1,263	1,101	1,043	1,038	1,035	944	778	640	648
Business Licenses Revenue	\$ 320,389	\$ 296,585	\$ 281,898	\$ 270,572	\$ 268,235	\$ 245,933	\$ 228,506	\$ 201,719	\$ 187,160	\$ 185,476
Skier Days (1)	425,206	487,144	505,592	478,211	454,259	424,822	423,927	420,621	454,257	450,730
Real Estate Transfer Assessments (RETA)	\$ 8,478,982	\$ 5,700,044	\$ 5,416,271	\$ 6,301,078	\$ 3,962,093	\$ 4,873,158	\$ 2,684,481	4,318,347	\$ 3,400,333	\$ 4,721,320
Planning and Development Services:										
Construction Permits Issued	115	107	341	93	128	127	303	87	75	192
Building Permits Valuation	\$ 64,003,406	\$ 22,855,998	\$ 34,723,371	\$ 17,782,576	\$ 56,574,803	\$ 37,471,121	\$ 18,130,969	27,388,886	\$ 32,562,444	\$ 86,183,479
Housing Authority										
Occupancy Rate	97.13%	99.28%	99.36%	95.53%	87.16%	81.56%	81.36%	85.92%	81.82%	90.68%
Public Works:										
Street Resurfacing (miles)	6.49	3.51	1.00	1.06	3.30	1.50	0.00	5.00	1.80	1.90
Water:										
Average Daily Consumption (gallons)	593,477	661,178	619,452	530,348	644,682	686,717	695,070	545,099	479,431	439,688
Wastewater:										
Average Daily Sewage Treatment (gallons)	216,159	258,150	232,521	240,565	223,572	212,085	218,071	212,312	222,784	232,342
Transit:										
Gondola Passengers	2,813,254	2,778,910	2,617,642	2,407,193	2,283,778	2,171,113	2,148,977	2,298,067	2,264,662	2,435,322
Dial A Ride Passengers	92,092	46,221	74,008	48,172	26,887	59,280	66,973	61,411	52,439	63,935
Broadband Services:										
Cable TV Subscribers	1,715	1,691	1,685	1,560	1,423	1,412	1,448	1,501	1,489	1,542
Phone Subscribers	102	99	98	96	88	84	77	37	N/A	N/A
Internet Subscribers	1,840	1,820	1,815	1,012	952	955	954	910	823	621
Daycare Services: (3)										
Average # of Resident Infants Tended Per Day	5.49	5.52	5.04	4.39	3.92	4.57	2.57	2.02	3.16	5.10
Average # of Resident Toddlers Tended Per Day	13.44	12.73	11.15	12.14	12.45	9.10	8.52	9.95	10.43	12.95
Average # of Non-resident Infants Tended Per Day	0.16	0.49	0.65	0.77	0.73	0.92	1.19	1.15	1.84	0.65
Average # of Non-resident Toddlers Tended Per Day	1.65	2.53	2.27	1.10	1.83	2.18	3.57	5	3.36	3.74
Preschool Services: (4)										
Average # of Resident Students Tended Per Day	13.47	11.02	11.02	9.81	8.55	9.80	9.11	8.67	7.72	N/A
Average # of Non-resident Students Tended Per Day	0.00	3.71	3.71	4.06	4.98	4.30	3.60	2.81	1.44	N/A
Conference Center: (2)										
Attendance at Events	27,624	27,390	36,937	28,943	13,321	11,839	11,530	24,309	19,792	27,694
Number of Event Days	119	130	150	81	129	87	103	131	90	131
Percentage of Possible Event Days	32.60%	35.62%	41.10%	22.19%	35.34%	23.84%	28.22%	35.89%	24.66%	35.84%

N/A - information is not available or has changed in the way that it is tracked.

Sources: Various town departments. skier days data provided by the Telluride Ski and Golf Company.

- (1) Skier Days represents the number of skiers visits.
- (2) In October of 2009, the operations of the Conference Center was contracted out to a management company.
- (3) In 2008, new rates were established for resident and non-resident children.
- (4) In October of 2009, a preschool program was started.
- (5) The increase in BL's from 2009-2011 was due mainly to a change in the BL ordinance and new audit procedures. For business licensing and tax collections, the Town went to an online filing and payment system in 2012. Some of the increase in licensing are (zero fee) taxpayers, previously not licensed.

TOWN OF MOUNTAIN VILLAGE
Capital Asset Statistics by Function/Program
Last Ten Years

TABLE E-3

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Function/Program:										
Public Safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streets (miles)	20	20	20	20	18	18	18	18	18	18
Water Mains (miles)	38	38	35	35	30	30	30	30	30	30
Sewer Lines (miles)	29	29	29	29	19	19	19	19	19	19
Fleet:										
Vehicles (1)	104	98	82	81	79	78	79	80	77	76
Broadband Services:										
Cable TV Line (miles)	34	33	33	33	33	33	33	33	33	28
Parks and Recreation:										
Acreage of Parks and Open Space	1169	1169	1169	1169	1169	1169	1169	1169	1169	1169
Miles of Maintained Trails (Winter)	15	15	15	15	15	13	13	13	13	13
Miles of Maintained Trails (Summer)	13	13	16	16	16	10	8	8	8	8
Ponds	3	3	3	3	3	3	3	4	4	4
Outdoor Ice Skating Rink	1	1	1	1	1	1	1	1	1	0
Outdoor Ice Skating Pond	1	1	0	0	0	0	0	1	1	1
Conference Center	1	1	1	1	1	1	1	1	1	1

Sources: Various town departments.

(1) Due to the classification of "vehicles" by our insurance company, we have reclassified trailers from "equipment" to "vehicles" in our system, thus increasing the count in 2016.

This Page Left Blank Intentionally

ECOACTION PARTNERS



Memo

To: Mountain Village Town Council
From: Heather Knox & Kim Wheels
Date: July 11, 2018
Re: EcoAction Partners 2018 Update

EcoAction Partners mission is to track regional GHG emissions and coordinate programs that reduce energy and waste.

EcoAction Partners developed, tracked and has reported on our region's Green House Gas (GHG) Emissions since 2010. We share our data, and present to participating governments and other entities on the extensive information we collect, from electricity and natural gas use, to water, weather, waste, and resident and visitor populations, and more. EcoAction Partners continues to guide regional governments and citizens on ways to reduce our region's GHG emissions by providing programs to reduce energy and waste.

As requested by Mountain Village, EcoAction Partners is working on a Mountain Village specific Green House Gas Inventory that will be available by the end of 2018. Isolating a single jurisdiction from the San Miguel County inventory requires looking at how our regional assets are split between jurisdictions. A meeting was held on July 11 between government representatives and staff from Mountain Village, the Town of Telluride, and San Miguel County to review and discuss how regional assets are divided between jurisdictions. The meeting was very productive, and for the most part, with a few minor changes, the shared assets will continue to follow how they were laid out initially. A summary of these assets and how they are currently divided are included following this memo.

Additionally, the 2018/2019 EcoAction Partners Full Work Plan is attached for your reference. Select projects and programs are highlighted below. Presentation slides with charts and recommendations are attached for review prior to the meeting. The Town of Mountain Village 2017 annual Energy Use & Greenhouse Gas Report is also included.

A. Ophir Composting Project

EcoAction Partners was awarded an RREO Mini-Grant for \$9,959.49 to purchase 2 Earth Cube Composters, some additional supplies, and educational materials for Community Composting for the Town of Ophir. The program was implemented early April, and without a doubt, the Ophir community has embraced composting! It is clear based on the numbers of participants and volumes thus far, that the 2 Earth Cubes are not enough. We are strategizing ways to get another one or two units for Ophir.

Overall the Ophir Community Composting Project has been an exciting learning experience for all. The Ophir Self Reliance Committee has been involved and assisted in many ways. In the first month the Earth Cube diverted 620 pounds of food waste, and 1,830 pounds, as of July 5, 2018. The two batches have gone through the composting process. There are still things we are learning, including the best process for unloading the composter, and the best brown matter/bulking agents, and more.

RREO Mini-Grants, which go up to \$25k, are a great opportunity for waste diversion, recycling, and composting projects in other locations in our region. The grants are due in late fall, so identifying locations for composting is a priority. For a variety of reasons, it is recommended that individual entities apply (instead of EcoAction applying as how we have done in the past). EcoAction is eager to assist any local entity with this grant process, and to provide guidance, estimated diversion and environmental benefits, verbiage for the grants, and the educational materials that were created for Ophir. Please let us know if there is a location we can partner on for composting in Mountain Village.

Locations that are currently considering composting include:

- Mountain Village: Mountain Village Green Team is offering up to \$5K as an incentive for composting equipment. This could provide valuable matching funds that the granting entity likes to see, for small scale or a larger, more automated composting system in MV.
- Town of Ridgway
- Town of Telluride – HOA locations or affordable housing areas?
- Lawson Hill – the Lawson neighborhood has expressed a desire to compost. The HOA needs more information prior to approving this project; EcoAction Partners is providing information and guidance.

B. Energy Outreach CO/SMIPA IQ Update

Energy Outreach Colorado partnered with SMIPA to brand Energy Outreach's CARE Program as the SMIPA Income Qualified (IQ) Weatherization Program. SMIPA then added a solar component. The program

supports the region's low and middle-income households by providing a free energy assessment that prioritizes cost effective energy efficiency improvements (up to \$3000) for qualified residents, which are then implemented at no cost. Once participants go through the program, they are eligible for free solar panels to off-set a portion of the homes' energy use in the SMPA IQ solar array.

EcoAction Partners was selected by Energy Outreach Colorado to operate the CARE/SMPA IQ Weatherization Program, and we have been providing this service since the program was introduced to the SMPA service territory in 2016.

New in 2018, Black Hills joined in funding the program in a more significant way, supporting gas related improvements beyond what the previous rebates allowed. Now qualifying Black Hills customers can get up to \$8K for improvements of a new high efficiency furnace (amazing!) We aren't allowed to publish the amount because it is strictly on a need basis, but we are now able to provide beyond the standard "boiler clean and tune up".

For the SMPA IQ Weatherization/CARE Program, as of the end of 2017, 58 residents have qualified and 49 had been served, receiving improvements like air sealing, insulation, and new refrigerators and boilers. This equates to approximately **1,300 therms** saved and **6.95 metric tons of carbon** reduced.

For Mountain Village, **13** Mountain Village residences have been served to-date, which includes **12** Village Court units. As requested by Energy Outreach Colorado, thank you to Mountain Village for contributing toward the purchase of new refrigerators for the Income Qualified individuals/families in VCA.

EcoAction just completed our annual inspections with Energy Outreach CO on homes they selected that we served. Our inspection, on May 31, went very well. Energy Outreach CO continues to be pleased with EcoAction Partners work in the SMPA service territory.

C. Truth or Dare Update

Truth or Dare is a weeklong, school-based educational program for regional school children focused on saving energy and reducing waste. Students gain valuable knowledge on how to reduce their carbon footprint through small actions like carpooling/walking, unplugging electrical gadgets, and recycling. Using a point based system, students track their habits. EAP then summarizes the GHG emissions reduced by each student. Since 2014 this program has been presented to over 1400 students in 5 different school districts. We estimate that in 2017 regional students collectively reduced over 25,000 lbs. of carbon emissions. Since the program's inception, the amount is well over 60,000 lbs. of carbon reduced. We have found that kids

often share their enthusiasm with their parents, leading to more households engaged in sustainability efforts.

Thus far in 2018 the following schools participated: Telluride Intermediate School, The Mountain School, the Norwood school, and Ouray. The students in Ouray also decided to create and publish a book about the program to help other students in “reducing their carbon footprint”. The Nucla/Naturita Schools and the Ridgway School have asked to run it in the fall next year. For the four participating schools 28,334 pounds of carbon were saved during that week of Truth or Dare. If students continued those habits beyond that week, it is estimated that over 900,000 pounds of carbon would be saved annually, which is equivalent to 408.2 metric tons of carbon annually.

D. Green Lights LED Discounted Lightbulb Program Running May 28 – July 31

EcoAction Partners Greenlights LED Program is in progress and available until July 31! The Greenlights LED Program helps residents and businesses switch to LED bulbs to save money and reduce energy use by leveraging up to a 75% off rebate. Each SMPA meter is allowed to order up to 50 bulbs. By 2017, 483 San Miguel Power Association members purchased 9,965 bulbs, reducing GHG emissions annually by 113.65 metric tons for the lifespan of the bulbs. EAP provides education region-wide on how effective this simple change can be to protecting our environment. Thank you to Mountain Village for participating!

Currently San Miguel Power Association and regional governments are again supporting the “Greenlights” LED Program. Participating governments include: San Miguel & Ouray Counties, Mountain Village, Telluride, Ridgway, and Ouray. EcoAction Partners received a grant from the Telluride Foundation which provides funds for SMPA Members in Rico and Montrose County to participate in Greenlights.

Results from **2017 Greenlights** for Mountain Village & other jurisdictions are as follows:

2017 GREENLIGHTS COMMUNITY BULB PURCHASE REPORT										
Jurisdiction	Maximum	Total Orders	Total Bulbs	Total Watts	Kilowatts Hrs/Year Saved*	CO2 Saved**	CO2 Metric Ton***	Total SMPA Rebates	Total Government Funds Utilized	
Mountain Village	\$2,000.00	17	528	5,648	9,277	17,348	7.87	\$3,061.63	\$1,530.81	
Telluride	\$3,000.00	16	314	3,269	5,370	10,041	4.56	\$1,756.48	\$878.24	
San Miguel County	\$3,000.00	23	626	8,395	13,789	25,786	11.70	\$2,933.37	\$1,466.68	
Ridgway	\$1,000.00	14	282	2,493	4,095	7,657	3.47	\$1,174.08	\$587.04	
Ouray	\$1,000.00	8	145	1,742	2,860	5,349	2.43	\$877.11	\$438.55	
Ouray County	\$1,166.37	15	402	4,389	7,208	13,479	6.12	\$2,332.74	\$1,166.37	
Rico, Nucla, Naturita	\$2,500.00	16	405	4,052	6,656	12,446	5.65	\$1,654.09	\$1,051.95	
Total	\$6,166.37	53	1,234	12,675	20,819	38,932	17.66	\$6,038.01	\$3,243.91	

For 2018 the program is currently in process and we are seeing orders coming in from Mountain Village again. EcoAction Partners will provide jurisdiction-specific results from Greenlights for 2018 when the program culminates. Thank you again for participating in this regional program.

E. Regional Spring Clean Up & E-Waste

EcoAction Partners was pleased to provide Electronics Recycling Services at the Telluride/SMC Community Spring Clean Up that happened in Carhenge Parking Lot May 18 - 20. Electronics recycling was provided by vendor, CORRecycling out of Grand Junction. It all went smoothly, and two 20 yard dumpsters were filled with of electronics for recycling.

F. Events Compost Recycling & Trash Update

EcoAction Partners continues to assist Telluride and Mountain Village Festivals and Events with Compost, Recycling, and Trash (CRT) services, as well as providing guidance on products to purchase to minimize waste and increase diversion. In addition to numerous festivals, EcoAction Partners provided CRT services for the Fireman's Picnic in Telluride on the 4th of July, as well as on-going services at the Sunset Concert Series in Mountain Village.

G. Green Business Certification

EcoAction Partners Green Business Certification Program helps businesses lower GHG emissions and gain financial savings through energy efficiency efforts. EAP completes an energy assessment then provides recommendations for improvements to conserve energy and reduce waste. EAP helps businesses establish achievable goals and incentivizes them to track their energy usage. Once certified, EAP promotes business' achievements. Currently 30+ regional businesses participate. In Mountain Village more than 13 businesses and lodging properties are certified, totaling over **600,000 Mountain Village commercial ft²**. Of note, we are assisting Telluride Ski and Golf Company toward certification of all of their properties, businesses, and renting businesses; and Telluride Sports is using the program for all 9 of their stores in Mountain Village, Telluride, and Vail.

H. Mountain Village Green Team

EcoAction Partners is pleased to participate in the Mountain Village Green Team meetings. We believe this is a valuable platform to discuss and collaborate on Green initiatives with Mountain Village staff, businesses and owners.

**SMC Shared Resources Meeting for GHG Inventories
Wednesday July 11, 10-12 at WPL Telluride Room**

The aim of this meeting is to reach consensus as to how the GHG emissions associated with each shared resource will be assigned between the Telluride & Mountain Village GHG Inventories. Allocations for Telluride's inventories from 2010-2017 are explained below, along with associated Mountain Village analyses. The SMC inventory includes all jurisdictions (including Telluride & MV) and thus is inclusive of these resources.

Allocation methodologies to consider for each resource:

- Location of utility billing
- % of county population
- Is data available to parse resources between communities?
- Allocation of tourist impact to Telluride & Mountain Village versus rest of SMC or greater region?

Regionally Shared Resources

Wastewater Treatment Plant – Telluride & MV & SMC subdivisions

MV: 15% ownership, \$30,000 toward solar PV system, 35% of use

Towns working toward Regional Sewer District (~5 years?)

- Electricity & natural gas: 100% to Telluride
- Biogas emissions (nitrogen & methane) from all 10,000+ visitors: 100% assigned to Telluride
- *Could allocate all of the above based on % of use*

*WasteWater analysis charts (no impact to GHG Inventory emissions)

35% assigned to MV, 65% assigned to Telluride.

(For improved Telluride analysis – breakout SMC subdivision population)

*Food GHG emissions are calculated using WWTP population accounting

35% assigned to MV

65% assigned to Telluride, minus SMC subdivision population of 1035

Gondola – eliminates vehicle traffic between MV & Telluride

100% of electricity & offset assigned to MV.

Natural gas & diesel use allocated to MV.

- TMVOA (through TMV electricity bills) purchases Green Blocks to offset electricity use by 100% (actually over by 30,000 kWh currently), so electricity use does not show up in GHG pie.
- Reallocate extra Green Blocks for other TMVOA electricity? Or natural gas & diesel use of gondola?

Telluride Ski & Golf – operations in MV, Telluride, & County land

100% of electricity & natural gas allocated to MV currently

- Prior to purchase of the peaks, TSG energy use was 3% of total county energy use (Btus), 7% of MV Energy Use, 11-12% of Energy Emissions
- 2015 analysis (incl Peaks) – TSG was 17% of MV's Energy emissions
- TSG operations:
 - Office space & Businesses in MV core
 - The Peaks & other lodging
 - On-mountain operations
 - Conference Center
 - Telluride - Base of Gondola & Lift 7 operations
- *Could ask for TSG assistance in separating utility bills based on location of service, to reassign emissions accordingly*

Regional airports – serve region

- Telluride airport: 100% allocated to SMC (50/50 between Telluride & MV)
- 65% of Montrose airport to San Miguel & Ouray Counties
 - 100% assigned to SMC currently
 - assigned to Telluride as % population of SMC
 - What % of people stop & stay in Ouray County?
- *Better visitor / traveler data needed - info requested of Matt Skinner*

Vehicle Transportation – data provided per county

Emissions assigned to Telluride as % population of SMC

- Vehicles & CDOT studies are basis for current Inventory
- Transit Services (some shared among jurisdictions)
- *Traffic count data for Telluride & MV would provide better data specific to community driving, but wouldn't account for distance of travel to each town*

Telluride Festivals – all 3 governments resources utilized

Electricity & water use tied to Telluride Town Park

- Located in Telluride Town Park
- Gondola used
- Camping in outlying areas, with school bus transportation
- People travel to region for festivals
- Benefits all businesses

Mountain Village Sunset Series – MV resources

- Located in Mountain Village
- Gondola used
- Regional benefit

Others – serve region, allocated by location

- Wilkinson Public Library - Telluride
- Telluride Medical Center – Telluride
- Telluride School District – Telluride
- Telluride Mountain School - SMC

Data Gaps

Trash & Recycling –

- Bruin provides data per jurisdiction. Has not provided for 2017. Telluride fined Bruin for lack of 2016 & 2017 data. Bruin data is only part of the waste picture.
- Waste Management – Private company, data not available. Require in contracts? MV contract required it. Is it still being provided?
- 2017 Regional & SMC Inventories – data from EcoAction Partner’s Regional Waste Diversion Study. 2015 data trash & recycling per jurisdiction

Transportation –

- Region 10 study data not applicable. It focuses on gaps in transit services.
- CDOT data tracks highway travel only, not all roads.
- Registered vehicles in counties relies upon average CO annual mileage.
- Off-Road vehicle use is increasing, but not accounted for.

Affordable Housing –

- Regional impacts on transit studies & transportation emissions
- GHG calculation could be done to compare impacts of reducing commute mileage for local employees

Food -

- Population-based calculation, including visitors. Telluride is based on 65% of WWTP, minus estimated SMC subdivision population served by WWTP (~1035). Mountain Village would be 35% of WWTP population.
- A food study would be helpful for more accurate food emissions & tracking reduction associated with farmers markets & programs.

Propane data –

- Estimate from 2010
- Private companies, updated data not currently available



2018 & 2019 Work Plan

ENERGY

Measurable Outcomes

GOAL: Reduce Energy Related Green House Gas Emissions by 20% by 2020.

Objective 1. Assist Residents, Visitors, Business & Governments in Achieving Community Reduction of Energy Use.

General Program Actions:

- 1 Annually update & maintain GHG Inventory; track progress toward goals, analyze Energy Use for SMC & Ouray County
- 2 Maintain Website with Energy Information as a Central Resource.
- 3 Share GHG data for research and community benefit.
- 4 Market and operate Green Lights LED Program to Promote Energy Efficient lighting in the SMPA territory.
- 6 Conduct Roundtables, Outreach & Educational Events Throughout Region.
- 7 Convene and lead "Umbrella Meeting" to Showcase Partners & Programs.
- 8 Provide general Energy Efficiency Outreach, i.e., Utility Rebates, Energy Audit Programs, **C-Pace**
- 9 Coordinate efforts with the Carbon Neutral Coalition; present SMC-specific GHG Inventory & update annually.
- 10 Network with other organizations in the state to exchange program information, successes, lessons learned, etc.

GHG emissions tracking, present results
 # hits on page, actions taken
 community projects/benefits
 # bulbs sold, members served, kWhrs & GHG saved
 # of events and attendees
 # of attendees

Residents Actions:

- 1 SMPA IQ - Market and operate program to Income Qualified Residents for Energy Audits & improvements
- 2 Operate "Truth or Dare" Energy Efficiency Education Program in Local Schools.

served, #improvements, est GHG savings
 # schools , # students, # actions, GHG savings

Business Community Actions:

- 1 Develop, Implement and Manage Lodging Energy Efficiency Program with HOA and Property Managers.
- 2 Manage and Promote "Green Business Certification" Program.
- 3 Promote C-PACE to help commercial clients complete energy efficiency & renewable energy improvements

of participants, establishment of baseline
 # of businesses involved
 # of businesses involved

Government Related Actions:

- 1 Implement "Sneffels Community Energy Board Sustainability Action Plan", with priorities as chosen by Board.
- 2 Respond to government's technical assistance needs per specific contracts (community-specific GHG Inventories, project GHG calculations GHG/energy/\$\$ savings; Policies & Programs implemented,etc.
- 3 Greening Govt - serve as local point of contact for govt efforts to reduce their carbon footprints. GHG/Energy/\$\$ savings, Policies & Programs implemented,etc.
- 4 REMP Program Consulting, as Needed.
- 5 Offer Green Grants Program for REMP fund uses for communities who choose Grants implemented, GHG savings per grant



2018 & 2019 Work Plan

WASTE

Measurable Outcomes

Goal: To increase waste diversion activities to meet zero waste goals in the region.

Objective 1: Research, establish baseline data and report on waste volume

Actions:

- | | | |
|---|---|--------------------------------------|
| 1 | Work with govts to improve data availability from Bruin & Waste Management | report published, posted on web site |
| 2 | Maintain records of waste volume/lbs. hauled and or diverted at festivals/events . | report published, posted on web site |

Objective 2: Decrease waste through Composting, Reduce, Reuse, Recycle, Rethink, Refuse strategies

Actions:

- | | | |
|---|--|--|
| 1 | Complete Ophir Composting Final Report for RREO | report submitted, Ophir Composting success publicized |
| 2 | Promote waste diverted through Ophir composting project, and assist other HOAs/communities with Waste Grants, Educational materials & Start up | Volum waste diverted through Composting, # of other locations composting |
| a | Work with individuals and govts on increasing composting knowledge/implementation | Educational pieces created, participation rates |
| b | Assist govts with regulations to encourage use of recyclable and compostable materials as appropriate | Research conducted and relayed |
| 3 | Operate, contract and promote electronics recycling at Spring Cleanup and Fall E-cycle. | Volume of items, # volunteers |
| 4 | Assist govts and businesses with Zero Waste Projects | Projects completed, publicized |
| 3 | Promote Zero Waste aspects of Sustainable Business Consulting program | # entities using reusable products, and adding recycling services |

Objective 3: Increase events using CRT services.

Actions:

- | | | |
|---|--|---|
| 1 | Increase number of contacts and events requesting CRT services by promotion, education & outreach. | # of events, # staff, |
| 2 | Identify specific items needed for contracts and obtain contracts for all CRT services. | Number of contracts obtained, income, % CRT tracked |
| 3 | Assist smaller events with limited budgets by develop training programs and utilizing volunteers. | Number of festivals trained |
| 4 | Work with local govts. on special events contracts requiring CRT. | Checklists incorporated into Gov. contracts |
| 5 | Recruit and train and adequate # of volunteers to staff CRT events. | # of vols, hours, |

ECOACTION PARTNERS



Mission Statement:

EcoAction Partners tracks regional greenhouse gas emissions and coordinates programs that reduce energy and waste.

www.ecoactionpartners.org

2018 Update



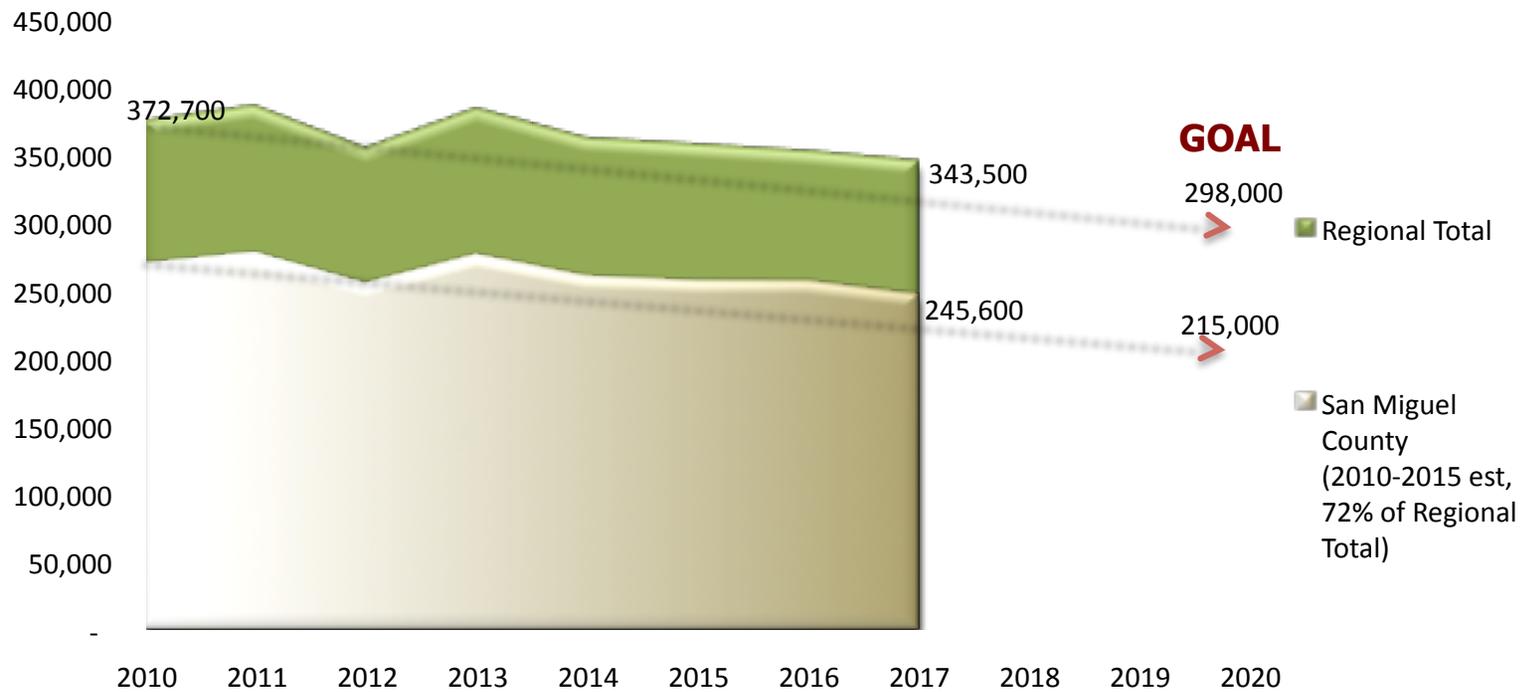
- ◆ 2017 Regional GHG Inventory
- ◆ 2017 Mountain Village Community Energy Use
- ◆ Highlighted Programs:
 - ◆ Greenlights
 - ◆ Ophir Composting Program
 - ◆ Truth or Dare
- ◆ Commercial PACE
- ◆ Suggestions:
 - ◆ Building Energy Codes & Smart Building Program Update
- ◆ 2017 Mountain Village Government Energy Use

www.ecoactionpartners.org

Total GHG Emissions



Ouray & San Miguel Counties Regional GHG Emissions (mtCO₂e)



www.ecoactionpartners.org

GHG Emissions Categories

ECOACTION PARTNERS

Materials, Food &
Waste 23%



Transportation
*Vehicles & Airplanes
27%



50%

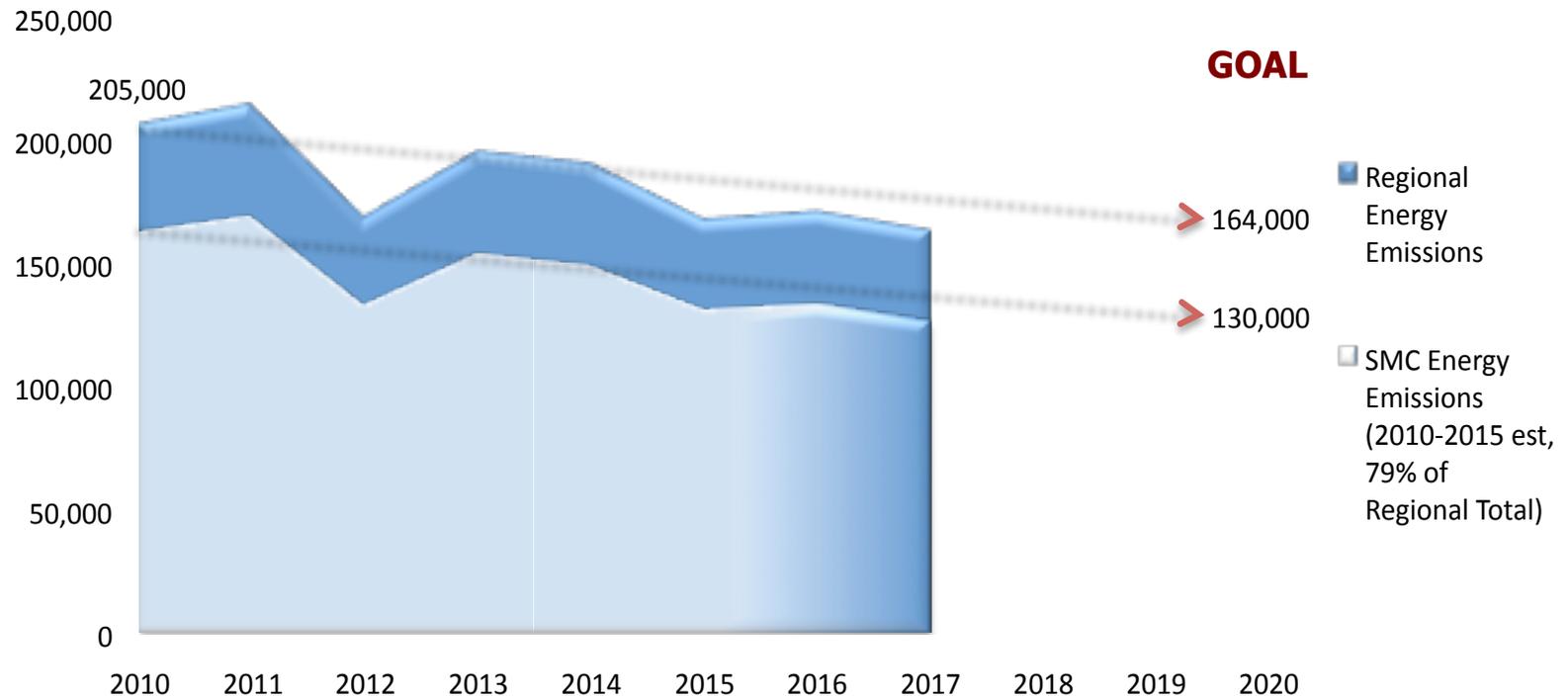
Electricity & Natural Gas

*mostly Building energy use

Energy Use Emissions



Ouray & San Miguel Counties Emissions from Energy Use (mtCO₂e)

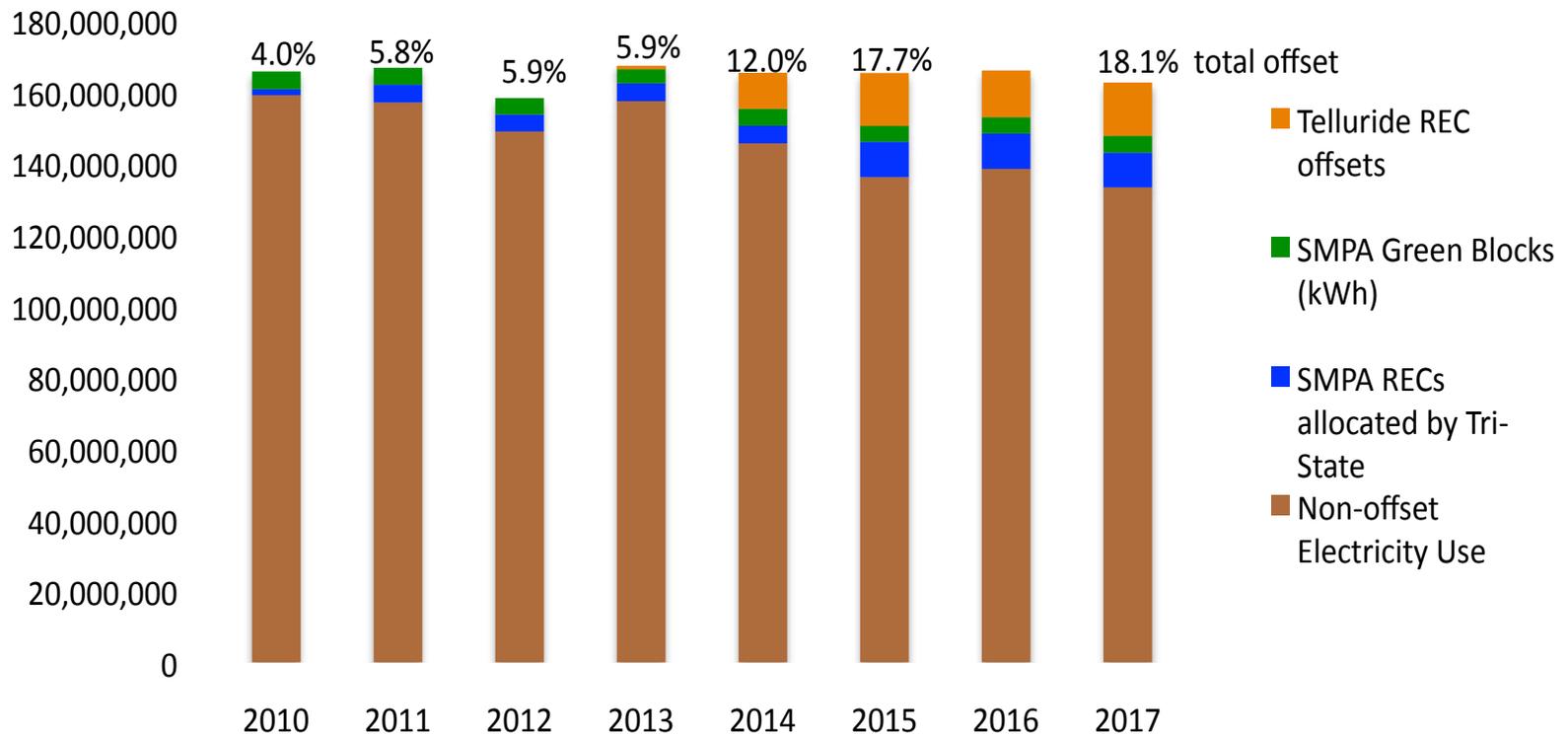


www.ecoactionpartners.org

Regional Electricity

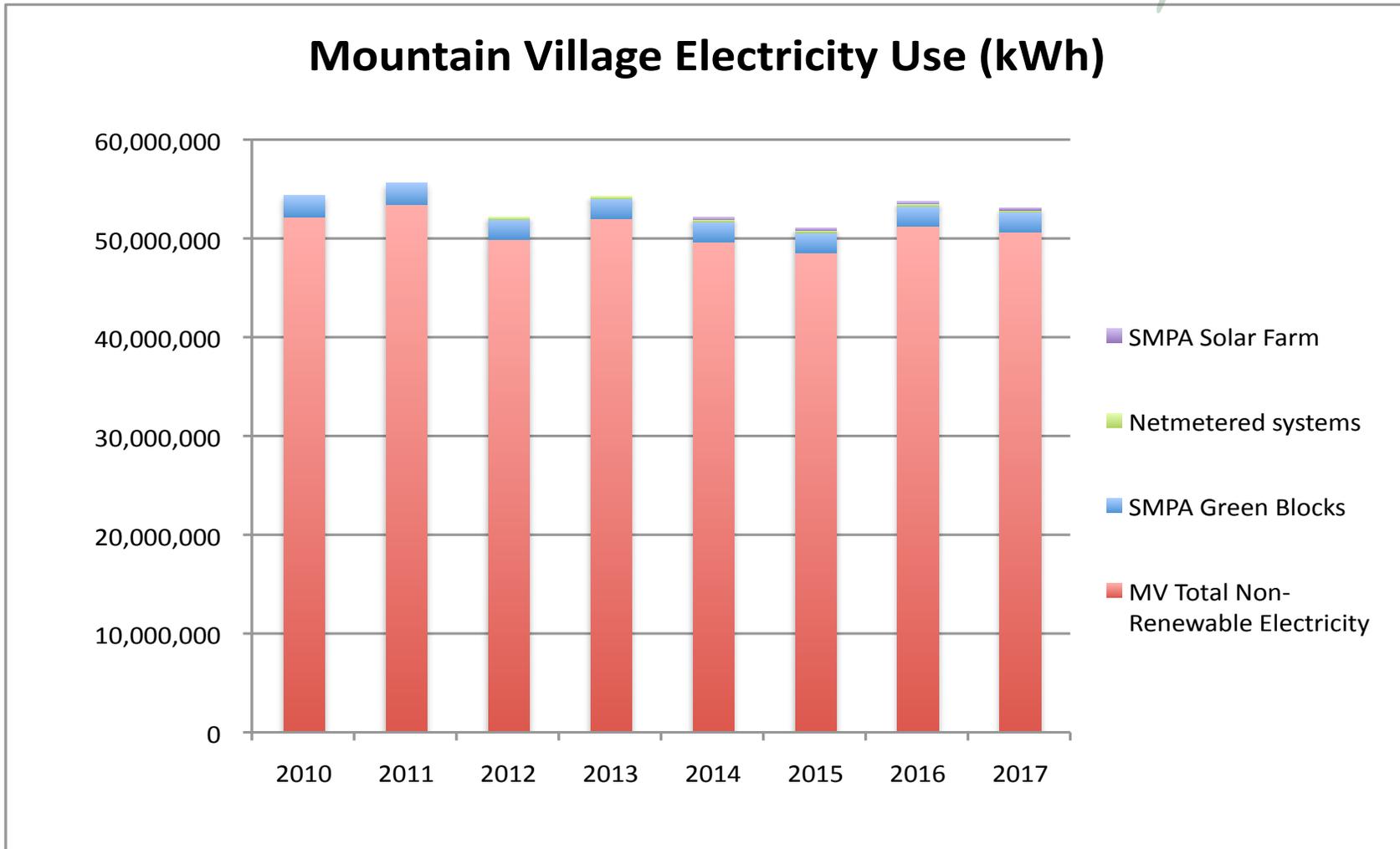


Regional Electricity Use (kWh) with Renewable Energy Credit Offsets



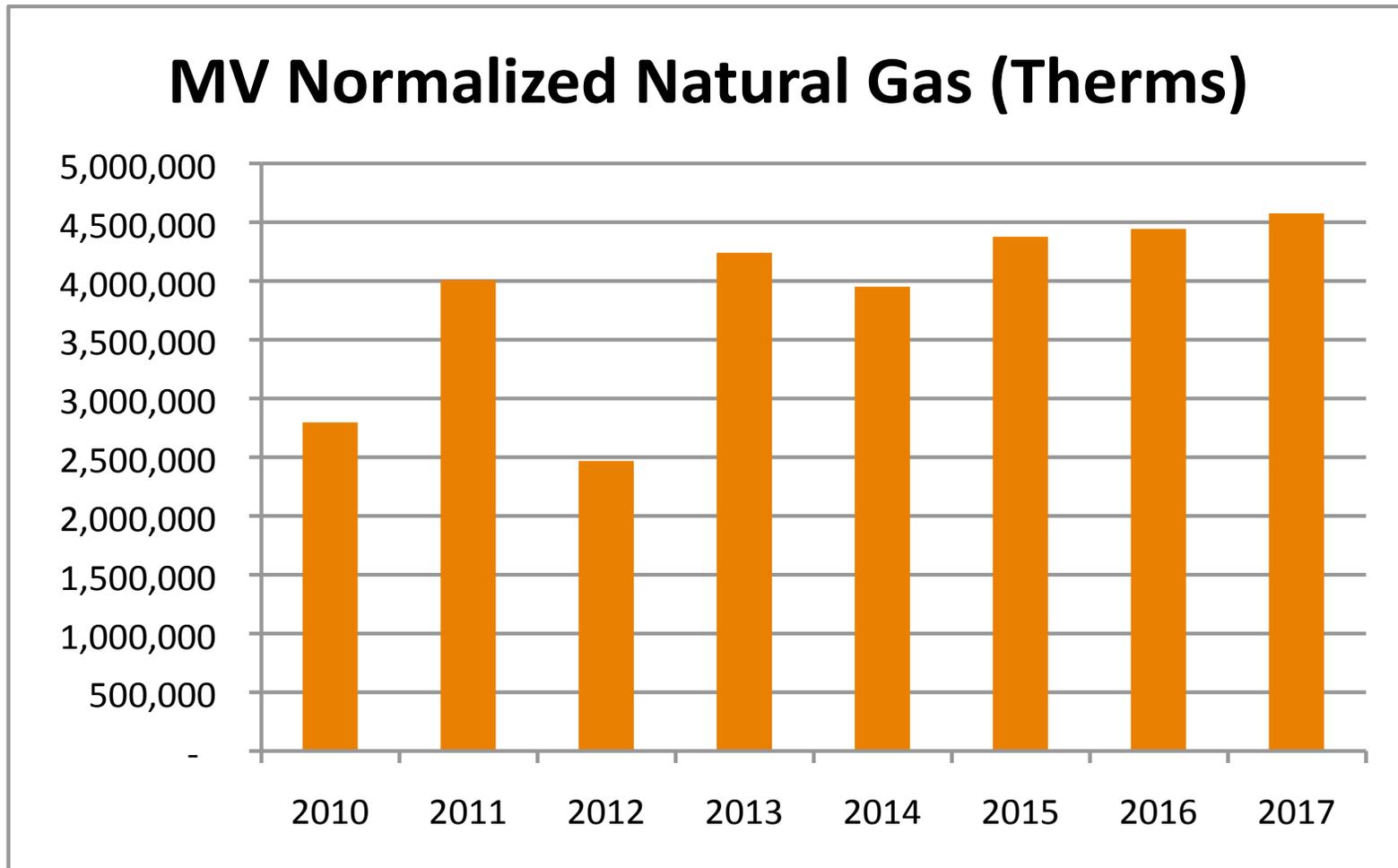
www.ecoactionpartners.org

MV Electricity



www.ecoactionpartners.org

MV Natural Gas



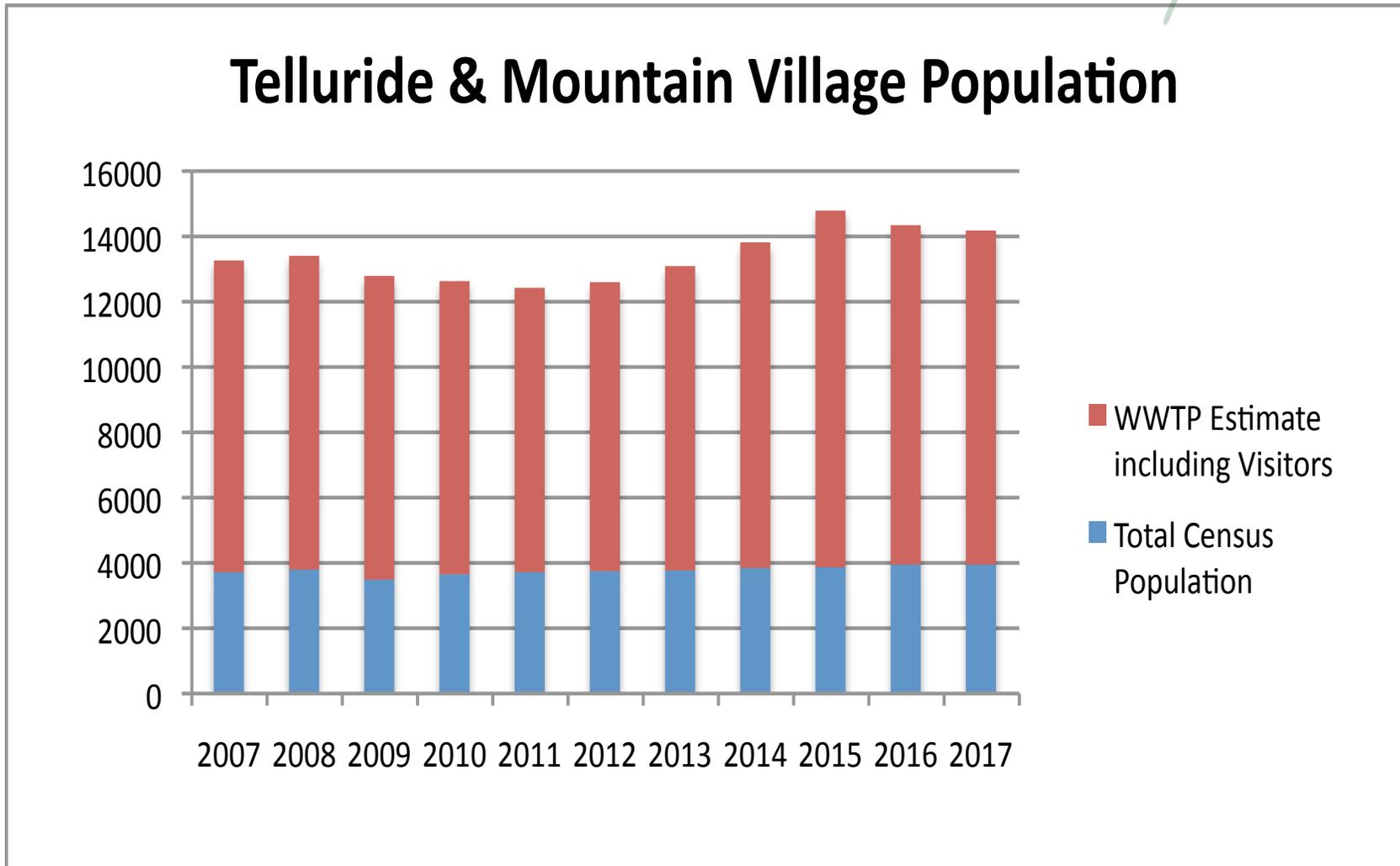
www.ecoactionpartners.org

Energy Use Variables:

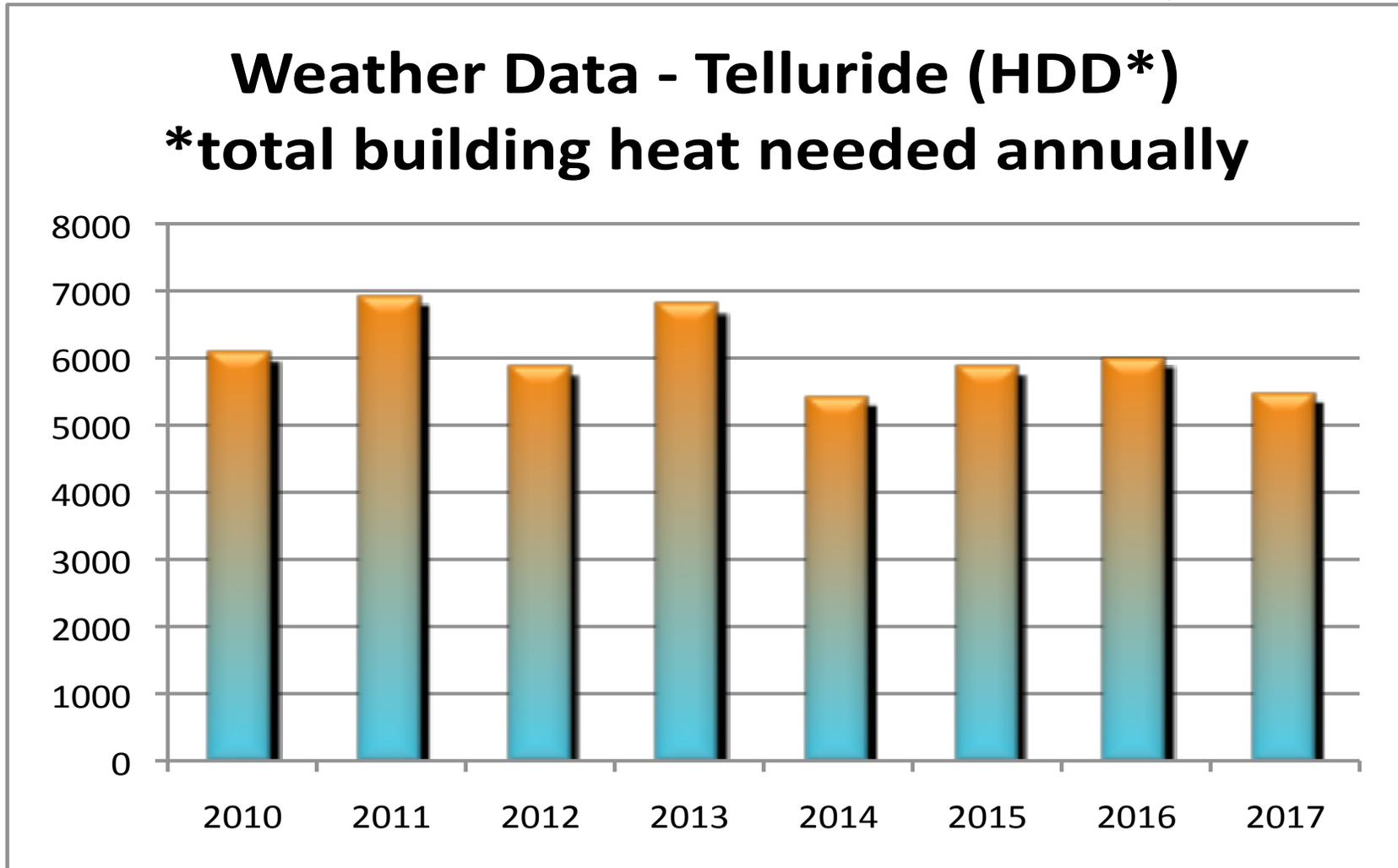


- ◆ Population – Census & Visitors
- ◆ Weather:
 - ◆ Winter (& Summer) Temperatures
 - ◆ Snowfall
- ◆ Economy:
 - ◆ New Construction
 - ◆ Hotel Occupancy
 - ◆ Restaurants & Businesses

Population

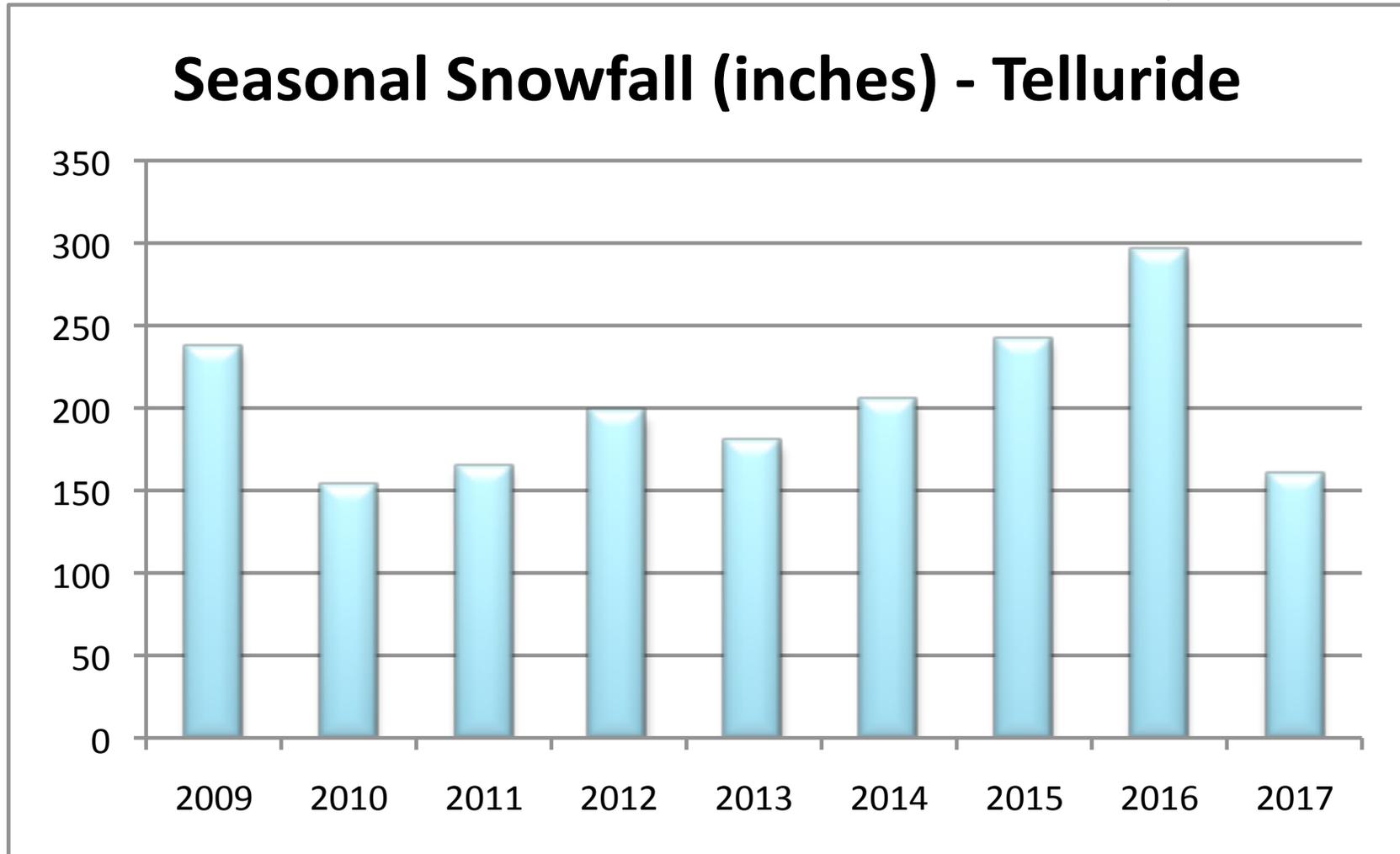


Weather: Temperature



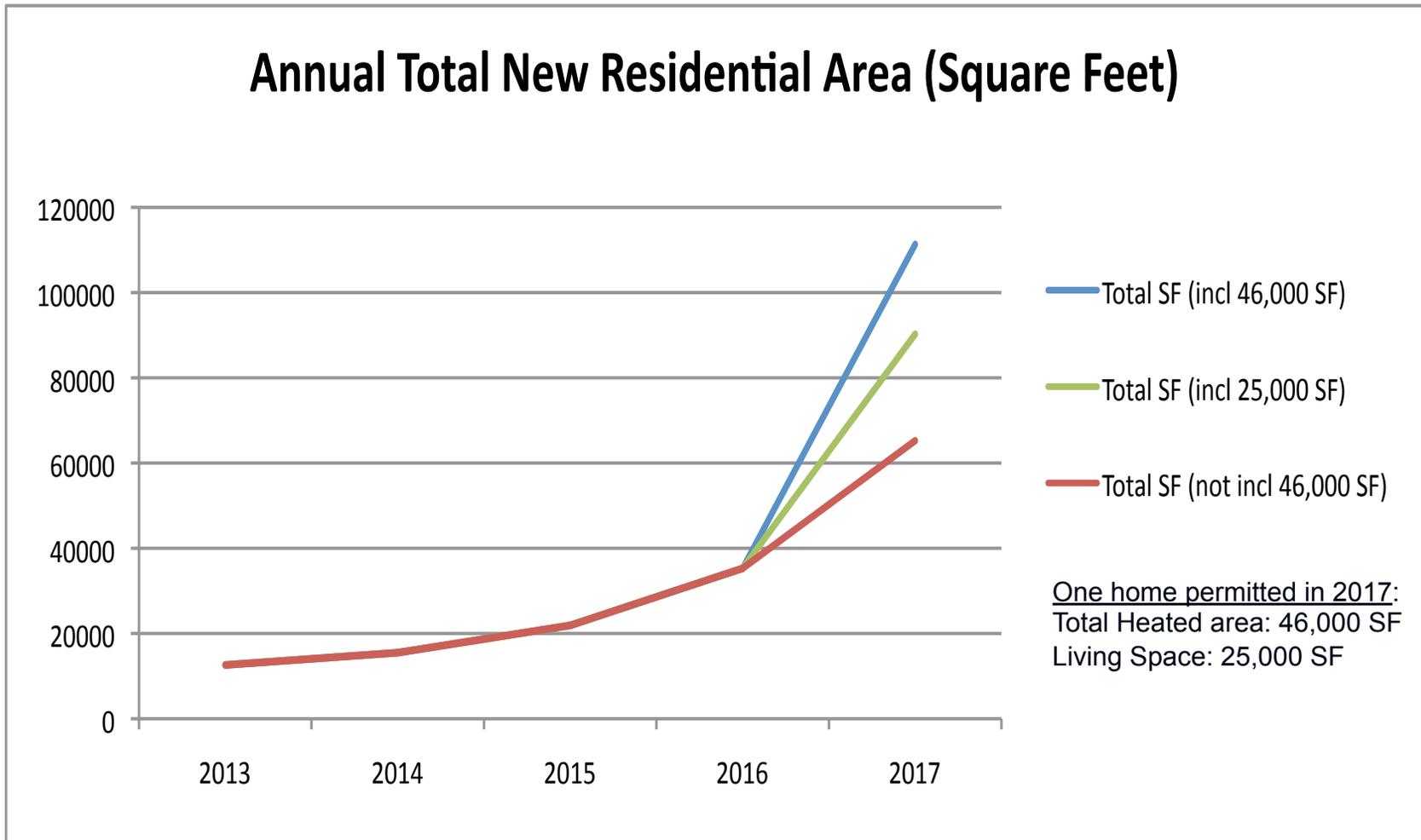
www.ecoactionpartners.org

Weather: Temperature



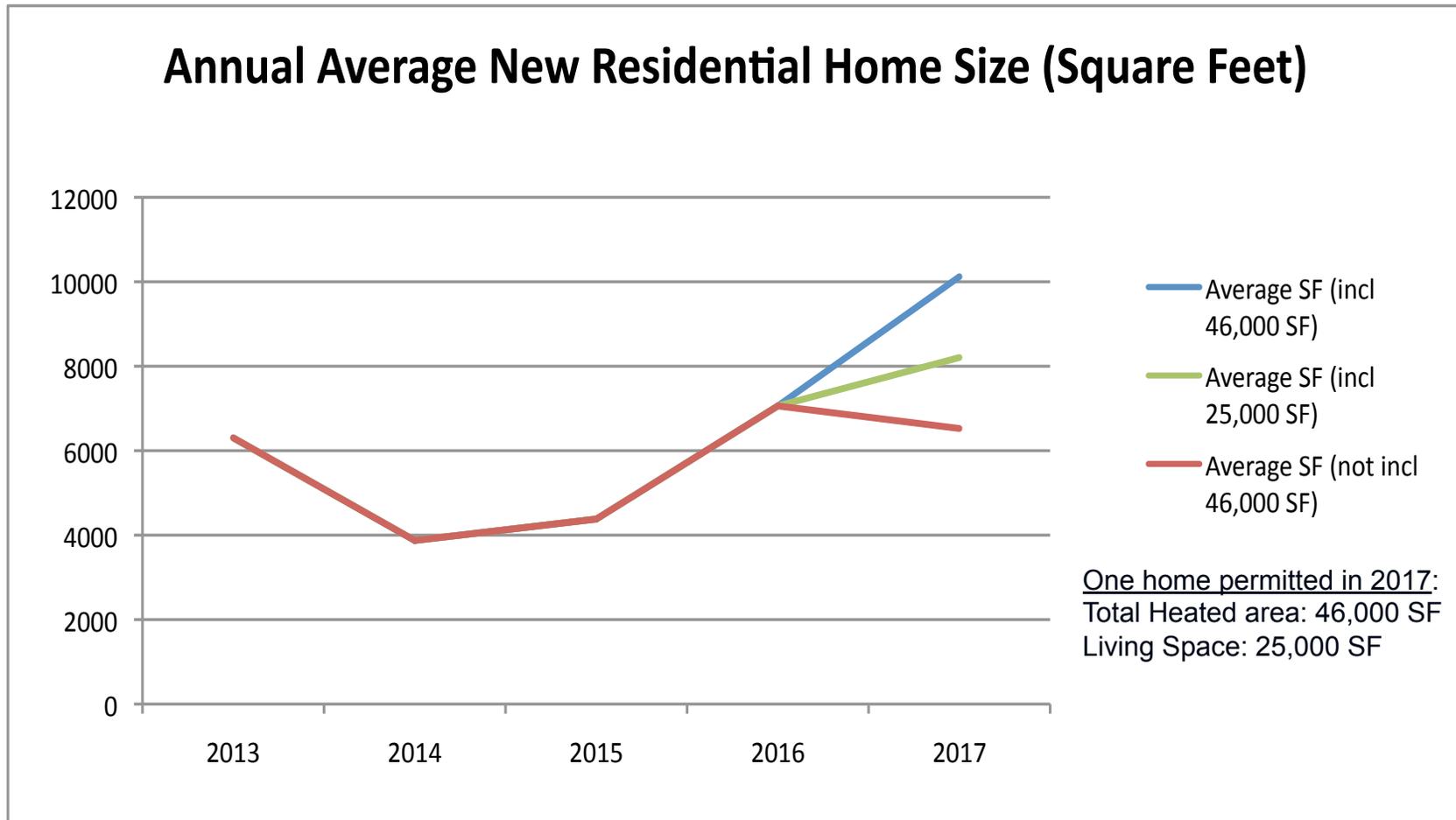
www.ecoactionpartners.org

MV Construction:



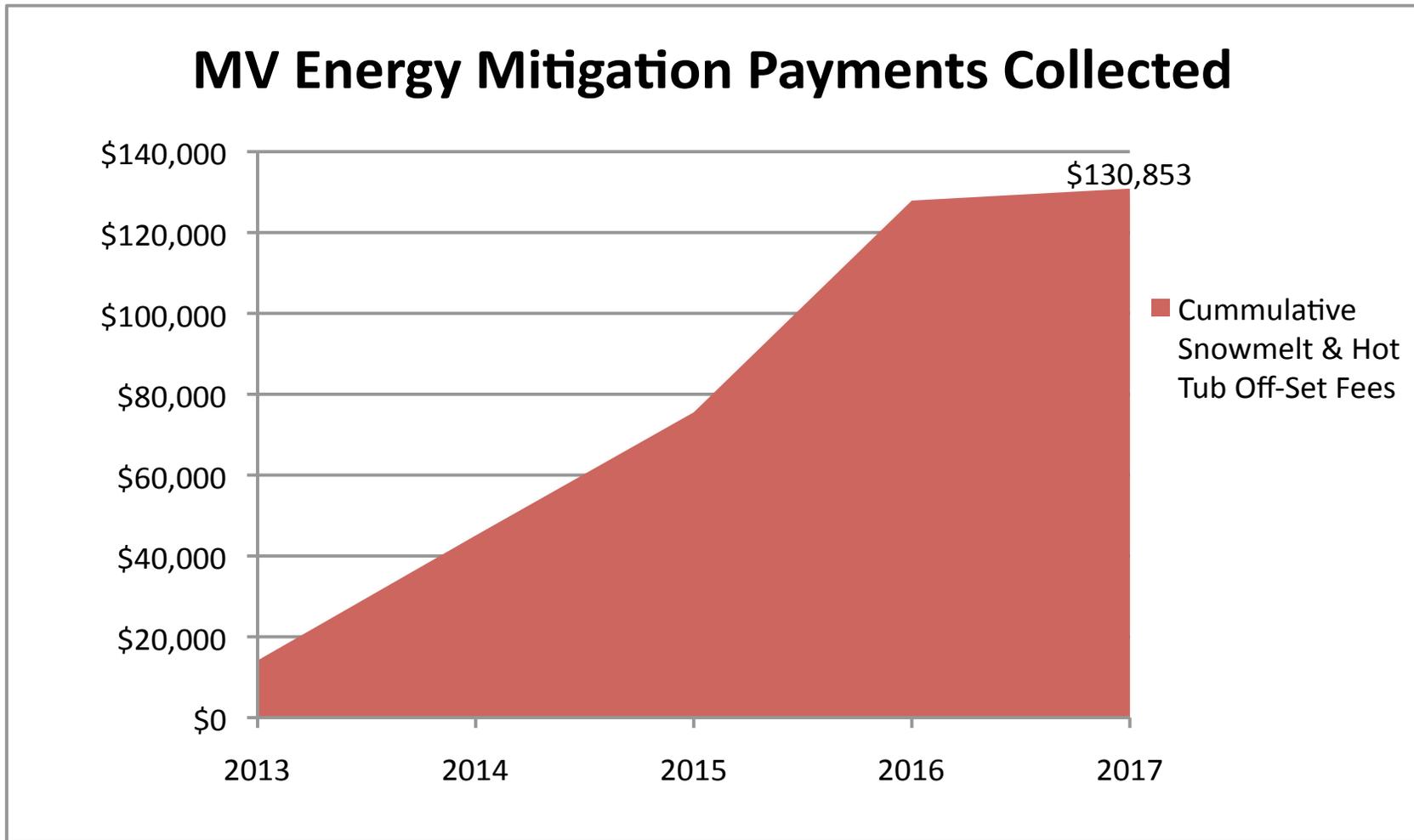
www.ecoactionpartners.org

MV Construction:



www.ecoactionpartners.org

MV Construction:



www.ecoactionpartners.org

Suggestions for Mountain Village to reduce Emissions



- ◆ Building Energy Code Adoption: 2018 IECC with amendments that progress energy efficiency
 - ◆ Improves energy efficiency of residential & commercial buildings
 - ◆ Maximum HERS score in our climate zone is 61
 - ◆ Reconsider size categories & HERS scores for larger homes
 - ◆ Require house electricity offset of 100%, through Green Blocks, on-site renewable energy, or other equivalent
 - ◆ Incentivize small homes < 3000 SF & net-zero, passive home construction through financial or expedited process
- ◆ Renewable Energy Mitigation Program (REMP):
 - ◆ Eliminate or reduce free 1000 SF of snowmelt allowed
 - ◆ Address outdoor fireplaces and infrared heaters
 - ◆ Continue double-incentive for on-site renewable energy mitigation

www.ecoactionpartners.org

Suggestions for Mountain Village to reduce Emissions



- ◆ REMP Funds:
 - ◆ EcoAction Partners to update calculation methodology
 - ◆ Modify verbage to allow use of funds for “greenhouse gas (GHG) ” and energy reducing projects & programs
 - ◆ Consider using REMP funds for community grant program
 - ◆ Collaborate with SMPA, EcoAP & others to support new Community Solar Farm development & include as a REMP option
- ◆ Promote SMPA Green Blocks along with MV Incentives
- ◆ Require solar panels on all new construction, utilizing available financing incentives to make it worthwhile
- ◆ Franchise fees for electricity & natural gas
 - ◆ Develop agreements with utilities & use funds for GHG-reduction projects / programs

www.ecoactionpartners.org

Other EcoAP support to Mountain Village



- ◆ MV GHG Inventory Development
- ◆ Composting Incentive Program Implementation
 - ◆ EcoAction Partners available to assist applicants
- ◆ Farm to Table Program
 - ◆ EcoAction Partners will calculate GHG emissions savings
- ◆ Sunset Concert Series
 - ◆ EcoAction Partners assisting MV with waste reduction
- ◆ Waste contract data
 - ◆ Analyze & utilize collected data
- ◆ Update Gondola offset calculation
- ◆ Government efficiency, renewable energy & offset projects
 - ◆ Ongoing support

www.ecoactionpartners.org

TO: MOUNTAIN VILLAGE MAYOR AND TOWN COUNCIL
FROM: KIM WHEELS, ECOACTION PARTNERS
SUBJECT: 2017 GOVERNMENT ENERGY USE AND GREENHOUSE GAS REPORT
DATE: JULY 12, 2018

BACKGROUND

In 2009 the Town of Mountain Village along with Telluride and San Miguel County adopted a resolution to achieve a 20% reduction in greenhouse gas emissions by the year 2020. The new county-wide target is carbon neutrality.

The town is currently using 2010 as the baseline year for achieving this goal. All three governments are calculating GHG emissions by converting total electricity, natural gas, and fuel consumed by government operations to Carbon Dioxide emissions, a primary greenhouse gas, using a standardized EPA conversion. Note: this is a simplified greenhouse gas calculation and analysis.

2017 TMV GOVERNMENT ENERGY USE AND GHG EMISSIONS SUMMARY

- Overall, 2017 total government CO₂ emissions were slightly less (<1%) than 2016 levels; down 15% from average of previous years; **and down 28% from 2010 baseline** emission levels.
- CO₂ emissions from **natural gas were down 29%** from 2010 baseline levels; CO₂ emissions from **electricity were down 28%** from 2010 baseline levels; and CO₂ emissions from **fuel were down 27%** from 2010 baseline levels.
- **Natural gas** use was 21% lower in 2017 than 2016, and was 29% lower than the 2010 baseline. Most of the 2017 decrease is likely due to the mild winter temperatures and reduced snowfall, which impacted both building and plaza snowmelt natural gas usage.

Note: The rise and fall of natural gas use closely correlates with weather temperatures and snowfall amounts in our region.

- **Electricity use** in government facilities went down 2% in 2017 from 2016 levels. Overall, 2017 total electricity was 11% below 2010 baseline levels. All town systems experienced a slight decrease in electricity use from 2016 levels.

Note: Electricity use is also impacted by winter temperatures (though to a much lesser extent than natural gas). Visitor numbers likely also influence electricity use.

- **Village Court Apartments (VCA)** electricity use in 2017 went down 6% from 2016 levels, and was approximately 10% below 2010 baseline levels. Heating at VCA is provided by electricity, so the mild winter temperatures influenced this decrease in electricity use.

VCA staff is proactively replacing appliances in 2018 and 2019.

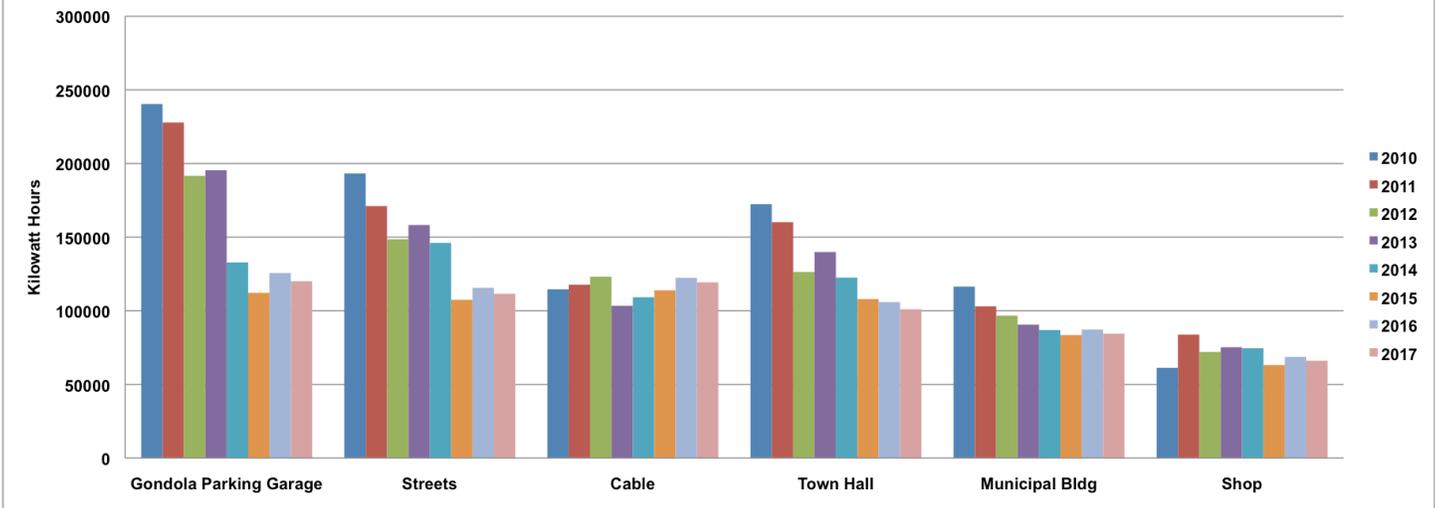
NOTE: VCA IS NOT INCLUDED IN OVERALL GOVERNMENT EMISSIONS TOTALS.

- **Total Fuel use** was slightly lower in 2017 (56,186 total gallons used) than 2016 with a decrease in unleaded fuel (-1,665 gal) and increase in diesel fuel (483 gal). This resulted in a 27% decrease in total annual fuel used compared to 2010 baseline levels. Total fuel costs were just over \$100,000 (\$103,741).
- The **gondola** electricity use decreased about 4% from 2016 to 2017, despite the additional morning run time of the gondola in 2017. The gondola electricity use was about 17% below 2010 baseline levels.

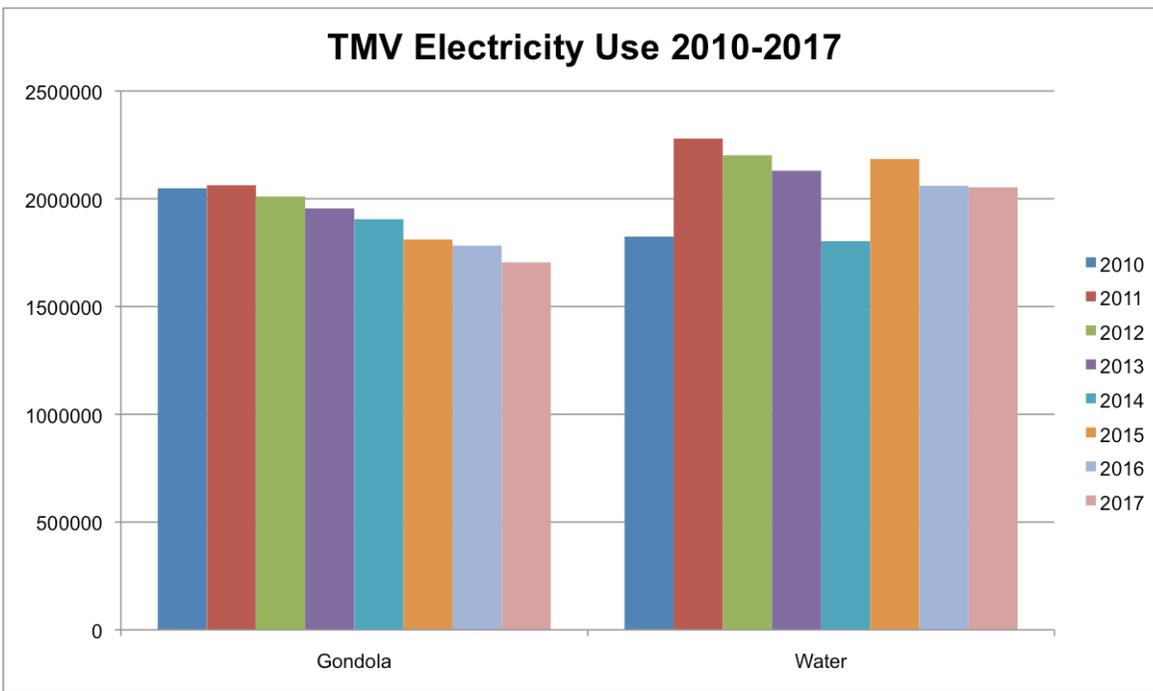
TMVOA and TMV continue to partner to offset 100% of its traditional electricity use through the purchase of **Green Blocks**, renewable energy credits from SMPA. TMVOA and TMV staff are looking at possibilities to reallocate Green Blocks that are being purchased in excess of the current gondola electricity usage.

- The **water department** experienced a very slight (0.3%) decrease in electricity compared to 2016 usage. However, 2017 water department electricity remains up 13% from 2010 baseline levels.
- The **emissions factor** of our electricity from SMPA continues its downward trend. The emissions factor for 2016 & 2017 was 1.78 lbs. CO₂ per kilowatt hour of electricity used; down from the emissions factor of 2.2 lbs. CO₂/kwh for the baseline year of 2010. According to the EPA, the national average is about 1.22 lbs. CO₂ per kwh.

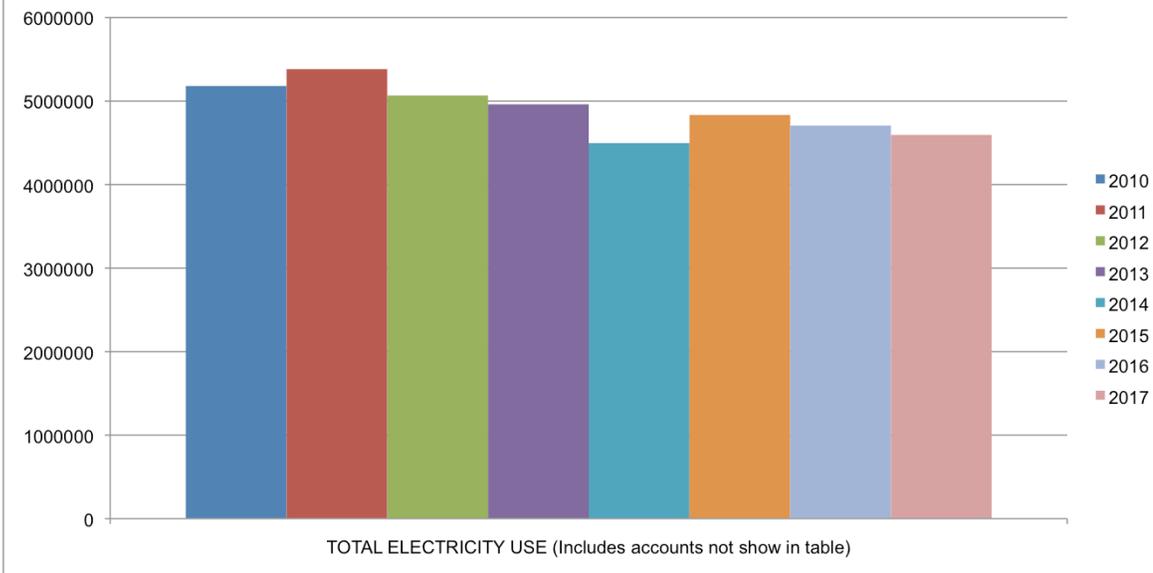
TMV Electricity Use 2010-2017



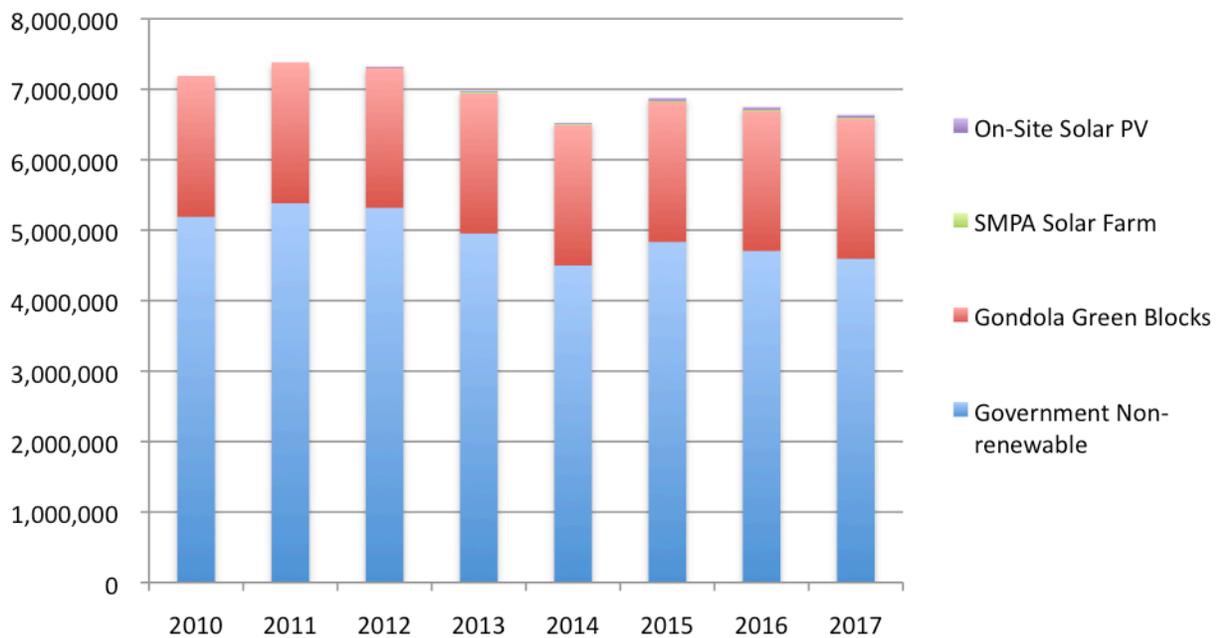
TMV Electricity Use 2010-2017



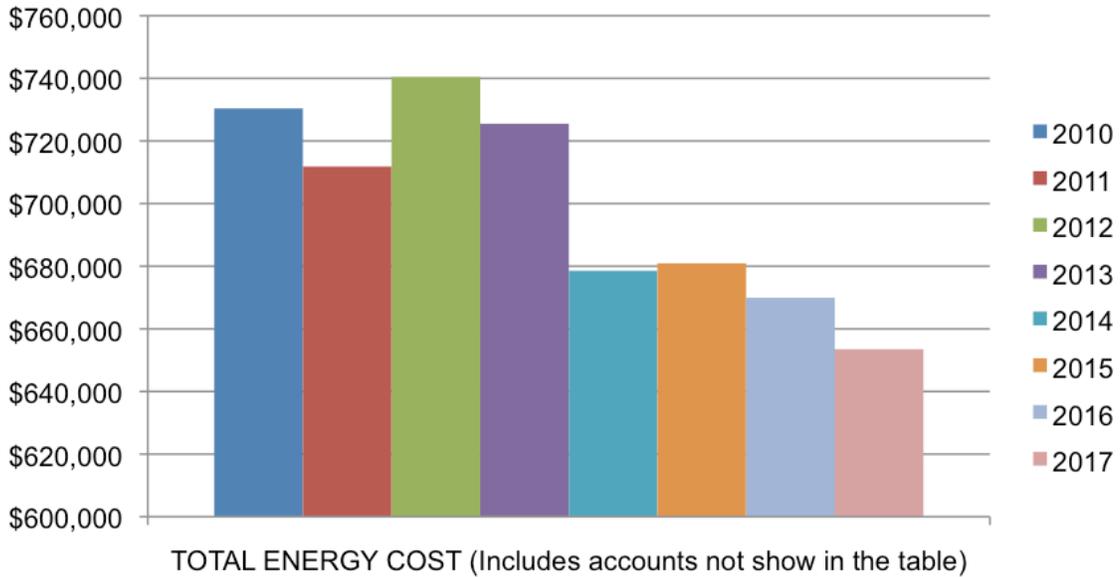
Total TMV Electricity Use 2010-2017



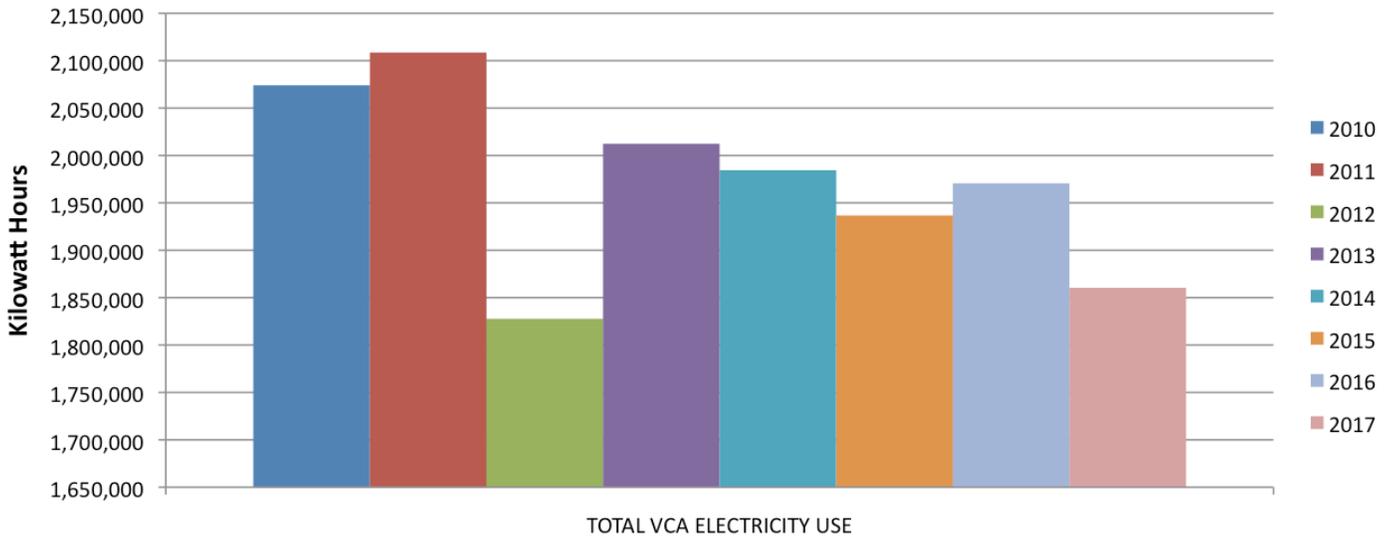
TMV Government Electricity Analysis (kWh)



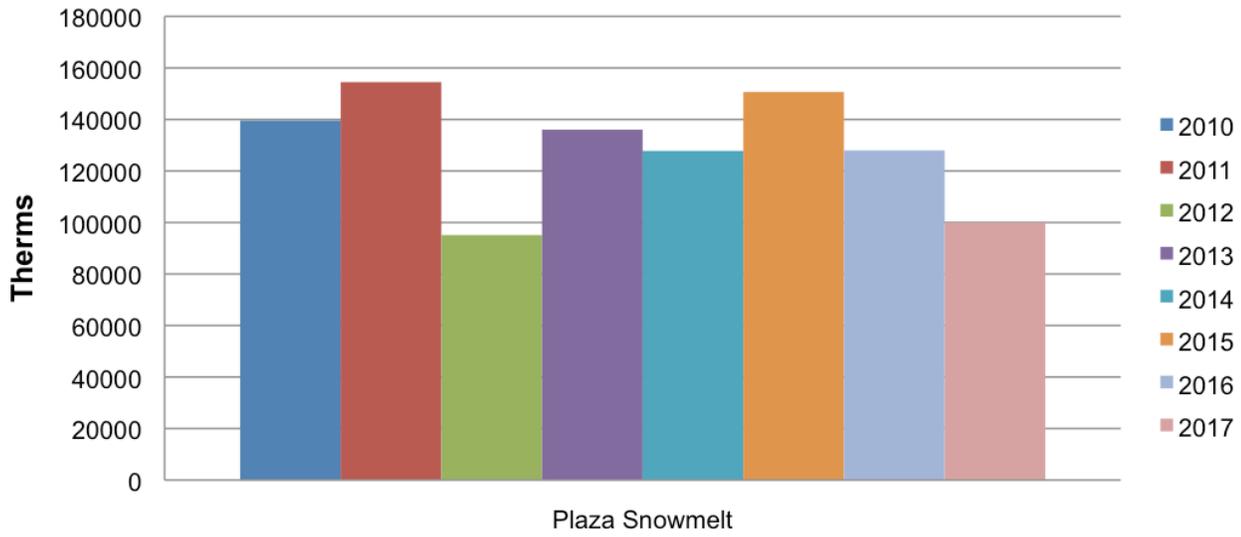
TOTAL TMV ELECTRICITY COST 2010-2017



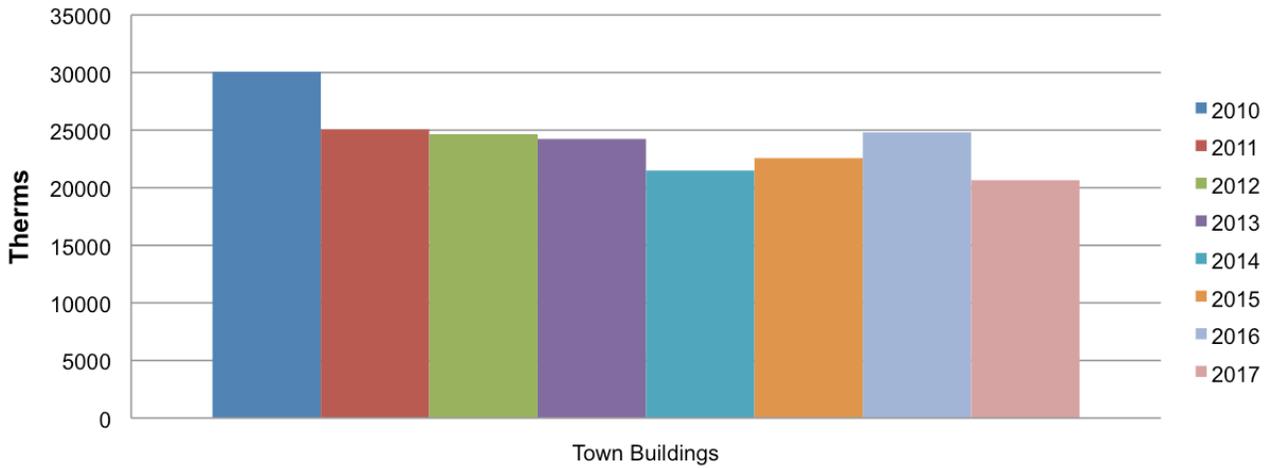
VCA Electricity Use 2010-2017



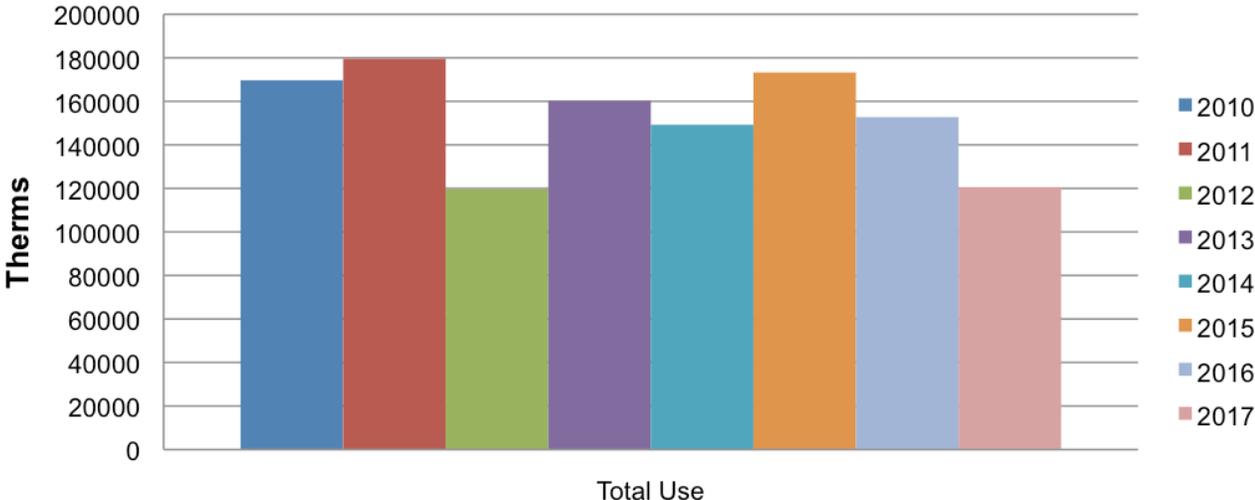
Plaza Snowmelt Natural Gas Use 2010-2017



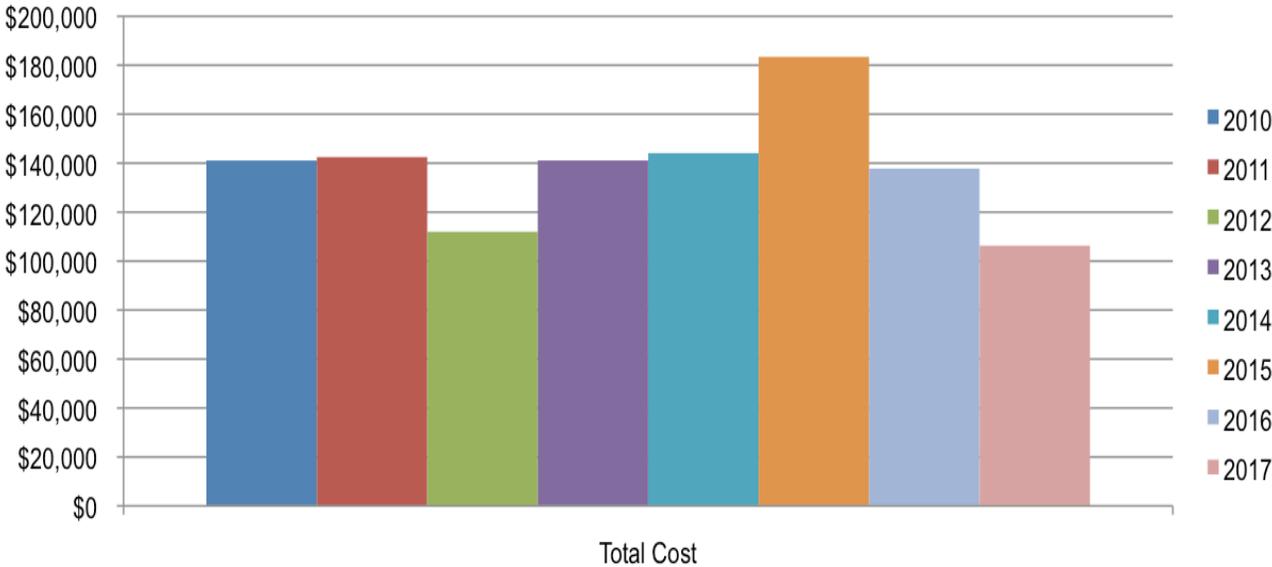
TMV Government Buildings Natural Gas Use 2010-2017



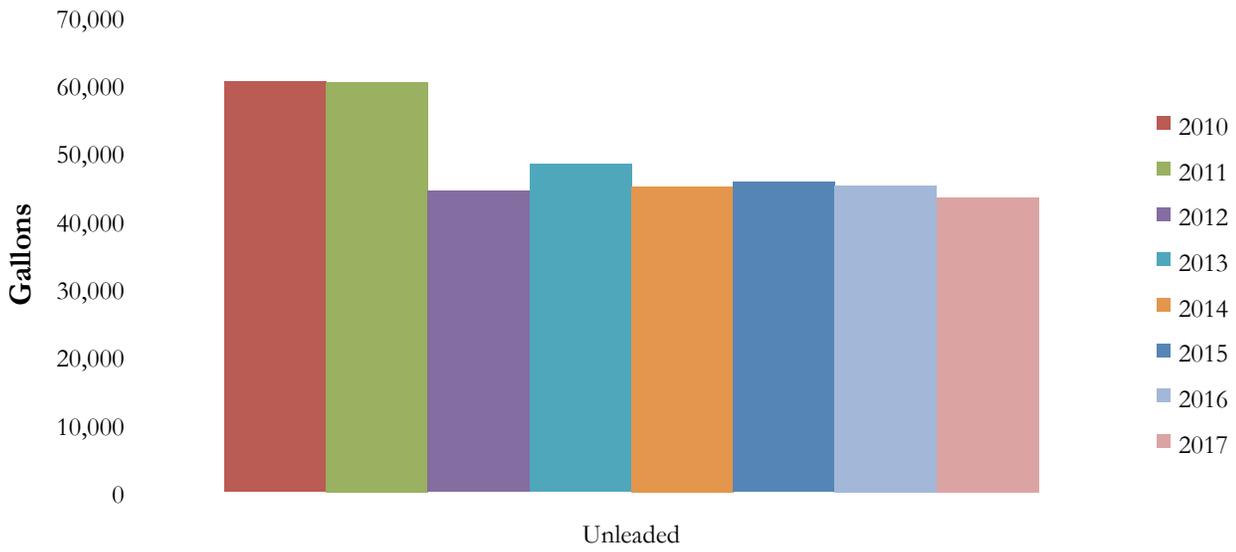
TMV Government Natural Gas Use 2010-2017



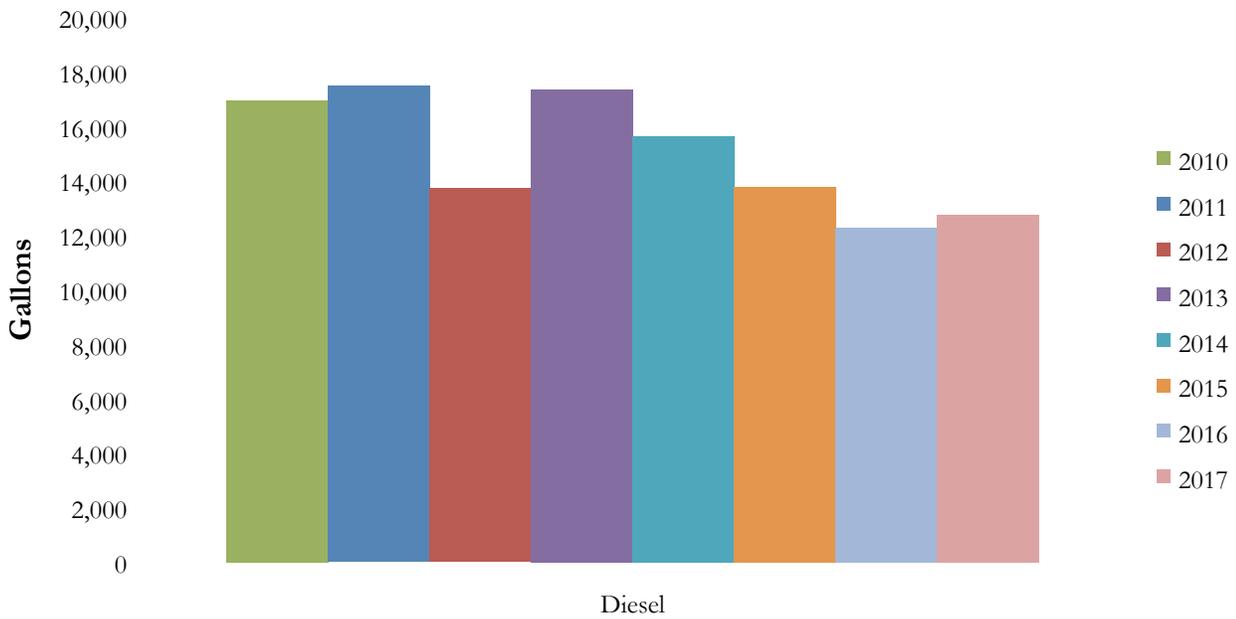
TMV Government Natural Gas Cost 2010-2017



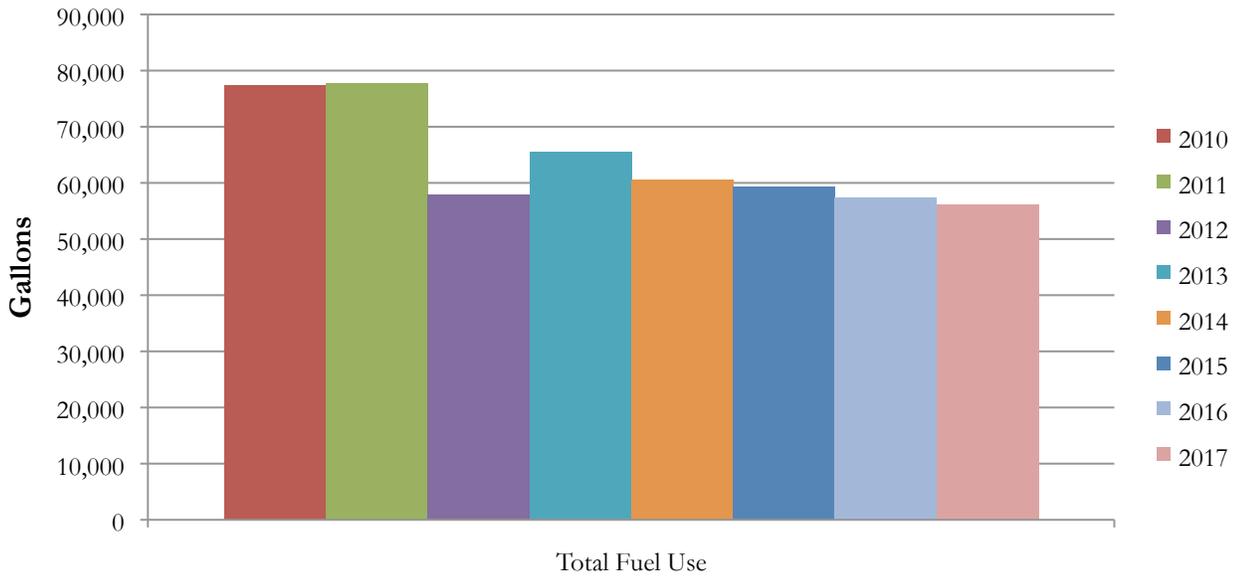
TMV Gasoline Use 2010-2017



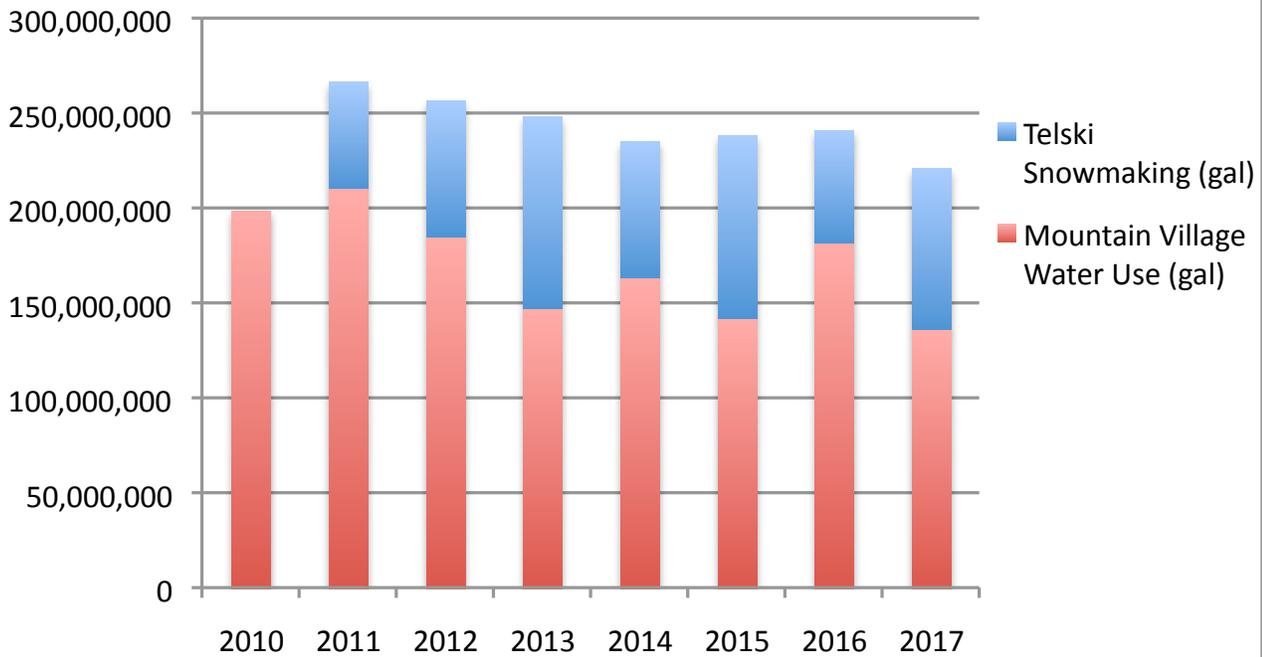
TMV Diesel Use 2010-2017



TMV TOTAL FUEL USE 2010-2017

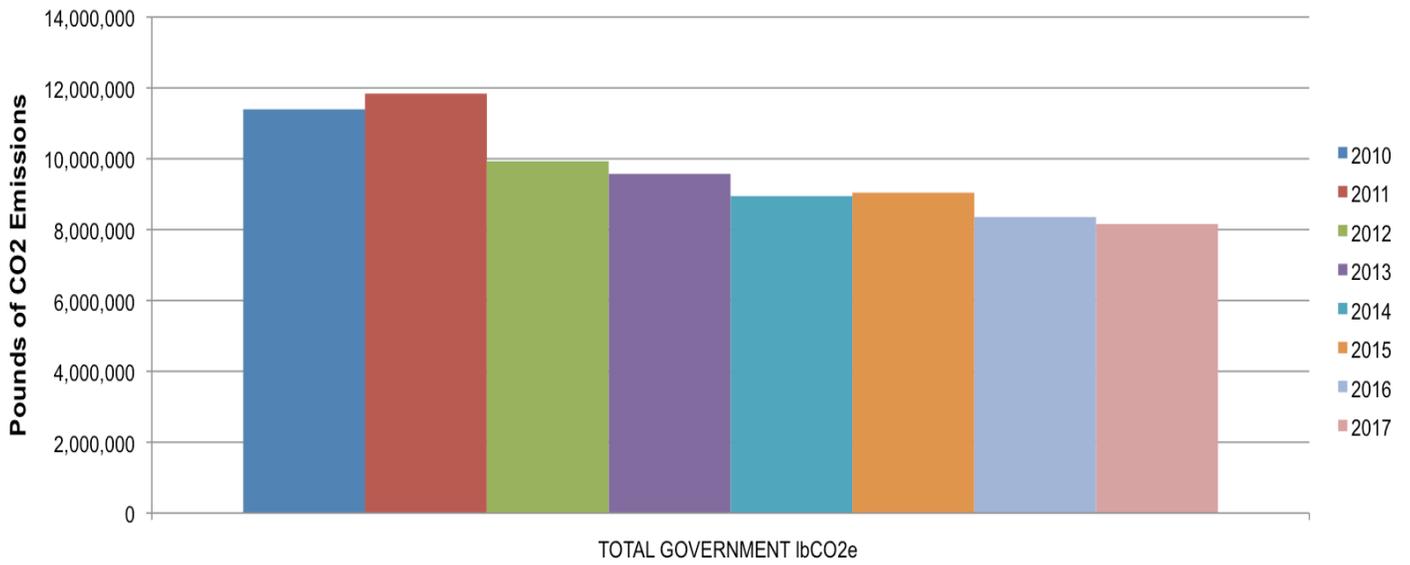


Mountain Village Water Supply

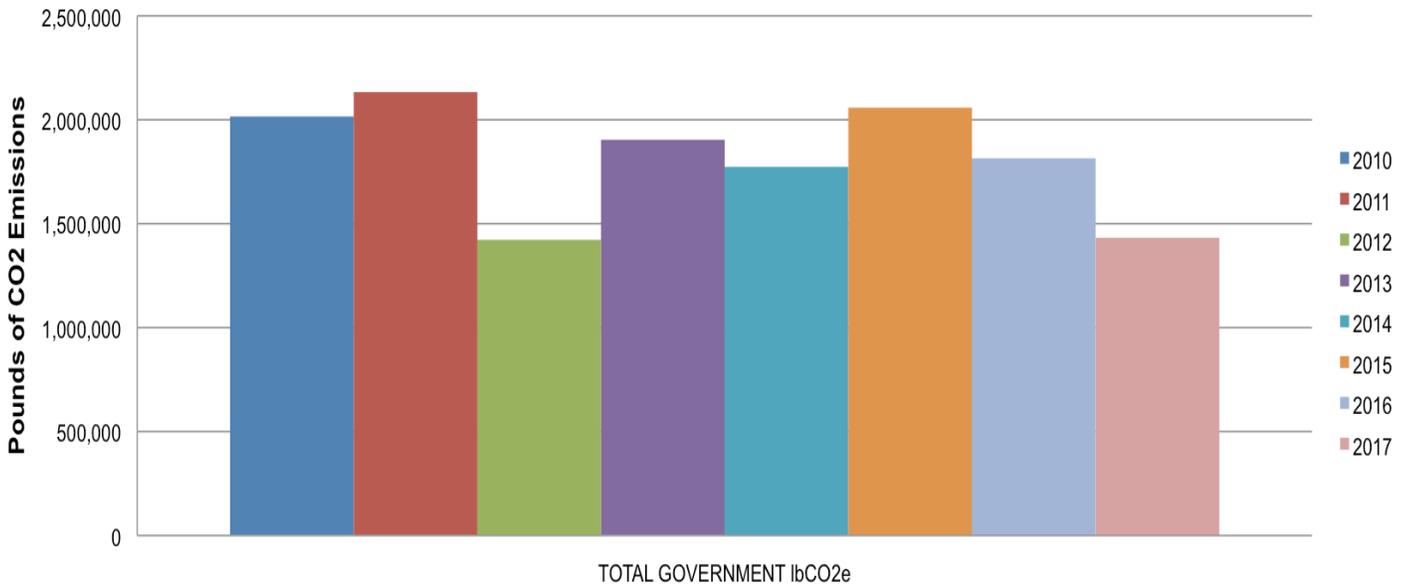


*2010 Snowmaking water data not available

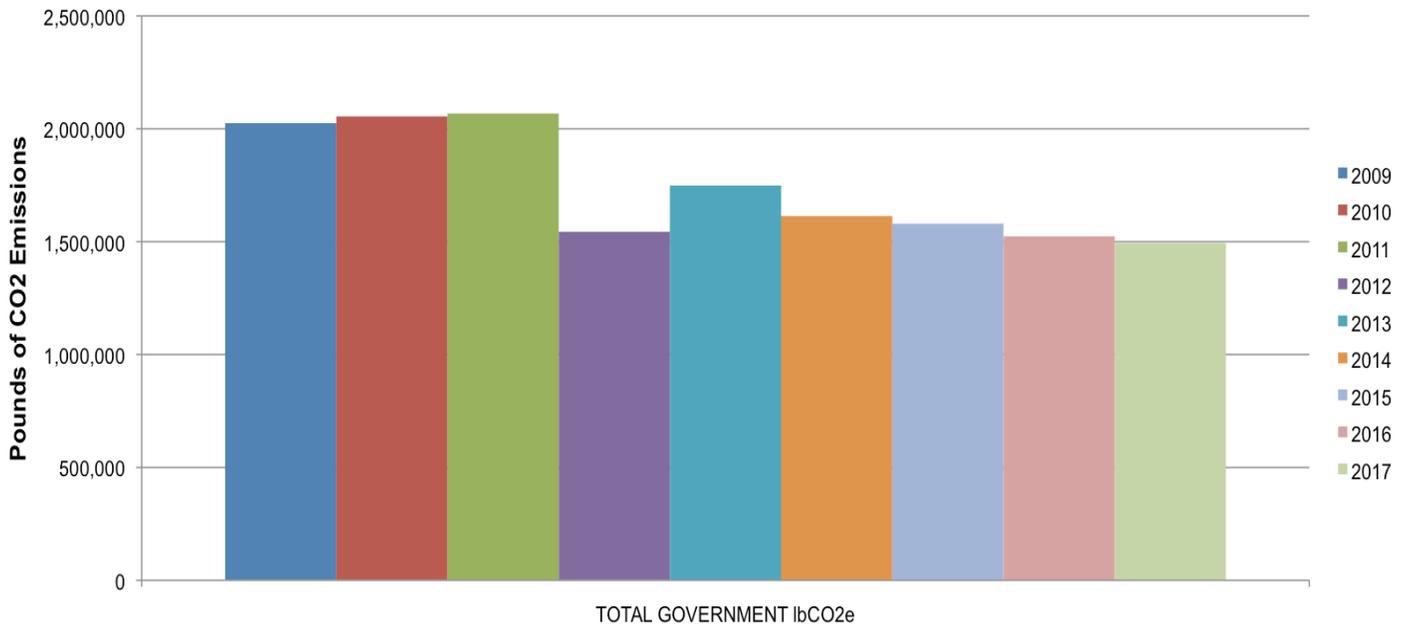
Government Electricity CO2 Emissions 2010-2017



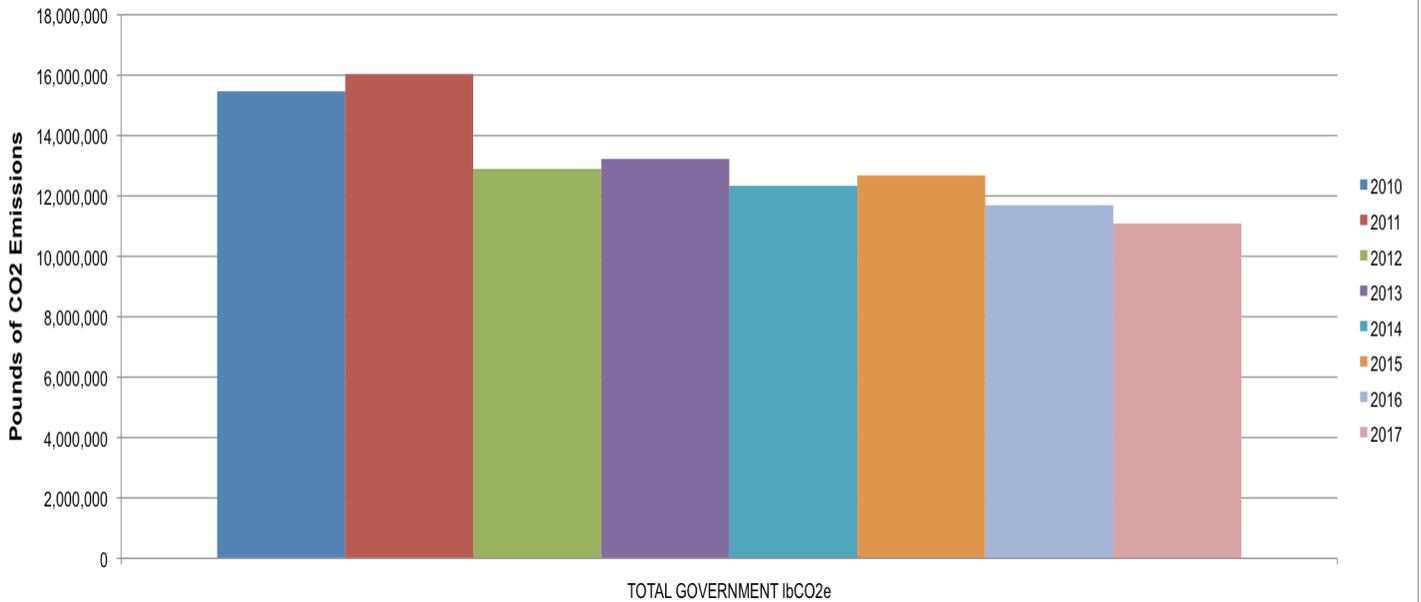
Government Natural Gas CO2 Emissions 2010-2017



Government Fuel CO2 Emissions 2009-2017



TOTAL Government CO2 Emissions 2010-2017



Conversion Factors Used:

TriState (SMPA): 2.2 lb CO2e/kWh (pre-2012) 1.96 lbCO2d/kWh (2012) 1.93 lbCO2e/kWh (2013)
 1.99 lbCO2e/kWh (2014) 1.871 lbCO2e/kWh (2015) 1.776 lbCO2e/kWh (2016-Present)

Black Hills Energy: 11.88 lbCO2e/therm

Gasoline: 26.22 lbCO2e/gallon (includes both tail-pipe and well-to-pump emissions)

Diesel: 27.81 lb CO2e/gallon (includes both tail-pipe and well-to-pump emissions)

Town of Mountain Village
Cable Department
Semi-Annual Report to Town Council
Jan 2018 to June 2018

Department Goals

1. Service the community with the newest technologies available for video services.
2. Service the community with the newest technologies available for Internet services
3. Full compliance with FCC guidelines and reporting requirements.
4. Provide Mountain Village the highest level of customer service.
5. Service the community with the newest technologies available for Phone services
6. Operating the enterprise does not require general tax subsidy.

Performance Measures

1. Maintain 75% of units in Mountain Village as video customers.
2. Maintain 80% of units in Mountain Village as data customers.
3. Complete all FCC reports on time
4. Average number of service calls per month with all calls being completed within 24 hours.
5. Average down time of phone customers to be .03% or less
6. The enterprise operates without transfers from the General Fund or other funds of the Town.

The Cable Department is responsible for the care and maintenance of 37 miles of plant which serves 2048 homes, condos, hotels, and apartments.

Performance Report

1. We have maintained 76% (national average is 48%) of video customers of homes passed for the 1st half of 2018. Net increase of 14 Subs
2. We have maintained 83% (national average is 42%) of internet customers of homes passed for the 1st half of 2018. Net increase of 24 Subs
3. All FCC reports are current.
4. We provide approximately 45 service calls and change of service calls per month all within 24 hours of request.
5. We had 3 Internet outages the last 6 months for a total of 5.5 hours with the majority being only the meadows
6. The Cable department is fully self-funded.
7. We completed 271 service truck rolls and 88 cable locates for 1st half of 2018

Cable Department Projects and Issues

Currently adding more HD channels to our line up and completed fiber project adding fiber capacity to all of Mountain Village adding more bandwidth capacity to existing internet issued a Cable study RFP in process



1. INTRODUCTION

1.1 Job Summary

The Marketing and Business Development Department is responsible for advertising, marketing, communications, public relations, website management, business development, plaza use planning & events, permitting, and implementation of the Town of Mountain Village's (TMV) internal and external marketing and communication strategies, public relations, business development, and community and business outreach. Other responsibilities include overseeing the development and implementation of support materials and services for marketing, communications, social media, and public relations. Additionally, I serve as the Public Information Officer for emergency management under Chief Boady and the Town Manager.

1.2 Primary Relationships

The Marketing and Business Director reports to the Town Manager, Kim Montgomery and serves as a member of the management team. The position has primary working relationships with all departments and their staff, department heads (Directors), management team, guest services, police and fire, business and community members, media, neighboring municipalities, the county, and service providers.

1.3 Primary Accountabilities

To communicate strategically, the Marketing and Business Development Department utilizes marketing and communication tools to support two-way communication for the town's residents, businesses, property owners, visitors, community stakeholders and media. Information is compiled and disseminated promptly and approached thoroughly and precisely to communicate all town messaging clearly. Departmental primary accountabilities include town-led Marketing, Communications, Public Relations, Advertising, Social Media, Business Development, Plaza use, and Permitting.

1. Manage and lead a team of two under the Marketing and Business Development Department. The positions include a Community Engagement Coordinator (CEC), and Marketing Coordinator.
 - a. The duties of Community Engagement and Business Development Coordinator include coordinating, planning, managing and administrating town programs, events, policies, outreach and regulations to achieve an active Mountain Village Center, community vitality, energy reduction goals, regional cooperation and community resiliency goals.
 - b. The duties of the Marketing Coordinator assist with the marketing, communication and public relation strategies for the Town and is responsible for the creation, maintenance, and execution of social media, and email marketing.
2. Responsible for creating, implementing and measuring the success of:
 - A marketing, communications and public relations program to enhance TMV's brand, events, programs, and outreach within the business and residential community, and to facilitate internal and external departmental communications.
 - Coordinate and facilitate TMV's marketing, communications and public relations activities and materials to include advertising, publications, media relations, client acquisition, and business development.

2. Ensure articulation of Mountain Village's desired image and position, assure consistent communication of image and position throughout Mountain Village's events, and assure communication of images and status to all constituencies, both internal and external.
3. Responsible for editorial direction, design, and distribution of organization publications with departmental support.
4. Coordinate and represent media interests in Mountain Village and ensure consistent outreach with targeted media and an appropriate response to media requests.
5. Help coordinate the appearance of TMV's print and digital materials.
6. Develop, coordinate and oversee programs, technical assistance, and resource materials to assist in town-led activities through marketing, communications, public relations and social media.
7. Monitor trends and conduct relevant market research to ensure that TMV stays current with neighboring municipalities.
8. Lead projects as assigned, such as cause-related marketing and special events.

1.4 Budgeting and Planning

1. Responsible for the achievement of marketing, advertising, communications, public relations, business development, and financial objectives.
2. Develop short and long-term plans and budgets for marketing, advertising, communications, public relations, website development and management, and business development program(s) and its activities.
3. Develop, implement and monitor systems and procedures necessary for the function of marketing, communications, public relations, and business development.

1.5 Organization Strategy

1. Responsible for the achievement of the marketing, advertising, communications, public relations, business development, plaza use, and special event permitting aligned with the Town's mission, goals, and financial objectives.

The following list contains projects, programs, and events I have completed since January 2018:

1. Increased social media presence for the Town. To date, the town's four main social media profiles (Facebook, Instagram, Twitter, and LinkedIn) have garnered 639.5K impressions, 7,976 engagements and 4,944 click-throughs to town-related content.
 - a. Total social account followers have increased by 11.6% since January 1, 2018, with our largest growth from LinkedIn at 22.9%, Facebook at 12.5%, and Twitter at 8.7%
 - b. The town has sent 924 messages on these four channels and received 495 messages from the public.
2. Increased website traffic through enhanced SEO and direct marketing
 - a. Total website visits to date 39,917 with 121, 118 pageviews with an average of 1:23 minutes on our website.
3. Create new social media accounts to include a Police Facebook and Twitter page, a Park and Rec Facebook and Twitter Page with two more town related accounts pending for increased community and regional outreach (May to Present)
4. Mountain Village Wayfinding Phase 2 nearing completion; refer to July 2018 Wayfinding report (Ongoing)
5. Management and maintenance of wireless internet system with the recent installation of six new Meraki WiFi Units in the Village Center, and Sunset Plaza area. (Ongoing)
6. Design Review Board (DRB) Roofing and Design Themes Marketing and PR campaign (February)
7. Market on the Plaza Vendor Marketing, Advertising & PR (March & April)
8. Coffee with a Cop Marketing, Advertising & PR (Fall)
9. Ethics Open Seats Marketing, Advertising & PR (June & July)
10. Grant Program Open Seats Marketing, Advertising & PR (June & July)
11. Environmental Incentive Programs and Public Outreach (May)
12. Heat Trace Incentive Program (May; Ongoing)
13. Solar Energy Incentive Program (May; Ongoing)
14. Wildfire Mitigation Incentive Program & Forum (July & August; Ongoing)
15. Smart Water Controls Incentive Program (August; Ongoing)
16. Business Directory Improvements (Ongoing)
17. Public Works Outreach for Road and Bridge summer and fall work
18. New summer Hiking & Biking, Disc Golf and Bike Park Maps (May)
19. Gondola Fire Stickers (May)
20. Gondola Facts Stickers (July)
21. Construction Projects: Trail Closures/Detours, Gondola Maintenance (April; Ongoing)
22. Market on the Plaza (June-August)
23. FirstGrass Concert Marketing, Advertising & PR (June)
24. New Marketing and Business Development Position Marketing, Advertising & PR (May-July)
25. The Ride Festival Kick Off Party Marketing, Advertising & PR (July)
26. Community Grant Program (June & July)
27. National Night Out (August)
28. Cable & Internet Website Built (Ongoing)
29. Hired a Community Engagement and Business Development Coordinator (July)
30. Created TMV Communication Policies for Social Media, Filming, Photographer, Media, Wi-Fi and Email.
31. Wayfinding Phase 2 (Ongoing)
32. New Website Enhancements (January to present)
33. Fire Restrictions Collateral, marketing, PR, email, a social media campaign (May & June)
34. Emergency preparedness marketing, PR, email, social media campaign and webpage build (June & July)

35. Build Emergency Response, AED, Police, Fire, Search & Rescue, Code Red, Wildfire safety, current conditions, CSA Farm to Community, Composting Incentive Program webpages.

The following list contains projects, programs, and events projected through 2018

1. Wayfinding Phase II Completion and Implementation
2. Additional website built out for business development and business directory enhancements
3. New Email Marketing Client and Program Enhancements; new templates; new email marketing client pending
4. Collect and assimilate new email marketing contact lists for Town Communication
5. Restyle and format all website forms for plaza use and permitting
6. Create online forms for events, and plaza use with an electronic signature
7. Website Business Directory Enhancements & Categorization for all TMV business entities
8. Create Online Press Kit and Image Gallery
9. Business Development: Jump Start, Incentive Package, Resource Guide, and Strategic Plan
10. Launch newly designed Cable & Internet web pages
11. Build Animated/Interactive Website Maps
12. Create Web pages for Visit Telluride, Recreation, Media/Press, Building & Planning, Wayfinding, Business Directory, Residents, Emergency Response, and Code Red.
13. Create and Build a YouTube Video Channel for Archiving
14. Update Website Lead Generator Email Links (Seasonally)
15. Create new targeted email marketing newsletters
16. Create and Manage Online Photo Library for Departments and Media
17. Create online visitor photo galleries for showcasing Mountain Village accolades and events
18. Implement TMV Communication Policies to Include Social Media, Filming, Photographer, Media, Wi-Fi Use and Email Communications.
19. Manage Esse Design, Co-Creative, Wayfinding, and VentureWeb contracts
20. Improve and Manage Meraki WI-FI Collection Systems
21. Built our Meraki WiFi segmented email lists
22. Implement Future Targeted Email Marketing & Communication with collected WiFi emails
23. Audit and enhance Social Media accounts
24. Add and Improve Website Search (SEO) results to our website
25. Community Grant Program Committee Advertising and Marketing
26. Market on the Plaza Vendor Survey
27. Town of Mountain Village Brand Development + Style Guide
28. Hire a Marketing Coordinator
29. Create a plaza use and permitting database
30. Create a merchant business directory database
31. Create plaza use and permitting event reports
32. Create internal SOPs for departmental projects

GOAL	MEASUREMENT	COMMENT
1. Continued to build email marketing lists, outreach and communication for the Town of Mountain Village to our business, and community members	The growth of business, community and visitor email lists specially targeted to categorized interests to help drive business to our retail, lodging and restaurant community.	Continued email sign-up lists created and maintained at all town meetings, events, and through WiFi email collection services.
2. Create, implement and manage economic development incentive program and packages.	Develop a business incentive resource package for local, regional and national business outreach.	A business incentive package & Program can help drive new businesses with a tax, rental, and permitting incentives.
3. Continued to develop a strategic marketing, PR, communication and social media plan for the Town.	Increase communication through growth on all town platforms to include email marketing, website visitation, public relations outreach, messaging boards and increased social media presence on Facebook, Google+, Instagram, Twitter and LinkedIn.	Consistent awareness and interdepartmental communication are needed to achieve this goal. Create new and targeted social media channels.
4. Continue installation of signage and implementation of wayfinding for the Town of Mountain Village.	Finalized wayfinding strategic plan for Phase I, and execute Phase 2 for completion in 2018.	Phase I design is complete with update to be provided.

<p>5. Develop, create and implement digital and print marketing campaigns to promote town-related amenities, events, programs, public works, policies, and significant developments. Distribution will involve the use of all appropriate communication tools available to the town.</p>	<p>A list of projects is compiled for town-related amenities, events, programs, and policies. A list of tools used to promote town-related amenities, events, programs and procedures will be outlined in the director's fall biannual report.</p>	
<p>6. Continue to improve and built out Mountain Village's free Wi-Fi and email collection system in Mountain Village and Telluride (Oak Street Plaza area).</p>	<p>Enhancements of the platform with newly installed equipment has been concluded for more data-driven and business development capabilities.</p>	<p>The overall objective of this project is to put this improved collection capability to work for the benefit of the visitors, locals, and most importantly our business community.</p>
<p>7. Prepare and stay within the Marketing and Business Development Department's approved budget amount.</p>	<p>Marketing and business development director stay within the approved 2018 budget.</p>	<p>Director follows Town procurement procedures, looks for ways to save money wherever possible, and does not spend more than what is allocated in 2018.</p>

BUSINESS DEVELOPMENT HIGHLIGHTS

1. As a board member of the Small Business Resource Center Committee (SBRC) under Region 10, I have attended meetings, workshops and classes about the creation of a business curriculum for new and existing businesses seeking business assistance and consulting in the region. Also, SBRC staff will continue to build a presence in both Mountain Village and Telluride by holding business-related classes throughout the year. [Region 10](#) was established in 1972 and is a 501C3 non-profit organization offering public programs in support of 18 local communities and six counties in western Colorado. The organization's mission is to provide programs and services that meet the needs of the people in the region, are cost-effective, reduce the burden of the governments, leverage available resources, and support charitable status.
2. Mountain Village (and Telluride) funds the Colorado Small Business Development Center (SBDC) at \$2,500 annually through the Marketing & Business Development budget. An accessible and invaluable service offered by the SBDC is free to access to one-on-one business consulting and low-cost business training.
3. Attended Region 10 workshops in Montrose with other economic development community leaders. The point of these meetings was to share ideas on how to grow entrepreneurship in one's community through the use of a shared facility. Additionally, these meetings discussed their business tools and resources available to our business community.
4. The town recently partnered with Telluride Ski Resort providing enhanced guest services to the town for both summer and winter seasons. Additional improvements have been made to the Oak Street Plaza Guest Service kiosk with newly added imagery, wall hangings, and signage.
5. Our Department has provided one-on-one outreach to the local businesses for marketing and PR support to enhance their business promotion.
6. Our department has concluded a local business audit for an online, digital and social media footprint to help lead a town-led initiative to improve their digital & online presence.
7. Mountain Village Center Wayfinding business directories and online maps completed.
8. My department recently hired a Community Engagement (outreach) and Business Development Coordinator putting a strong emphasis on business development in the Village Center.
9. In partnership with TVA, the town secured a co-working space at Telluride Works Co-working space to foster relationships and ideas for bringing a co-working space to Mountain Village.
10. Attended the Telluride Venture Accelerator's (TVA) "Startup Weekend" in Telluride and the annual Demo Day, where graduating companies present their businesses to the community. Each company presented their business in a seven-minute pitch with five minutes of Q&A

BUSINESS DEVELOPMENT GOALS

1. Implement community engagement events and initiatives that leverage town-led business programming, and digital content to strengthen the Town of Mountain Village as a community and business-friendly institution.
2. Cultivate community partnerships with key organizations and become the town's subject-matter expert on their goals and missions, to develop new business opportunities within the community.
3. With the new hiring, our department looks to build out and connect business owners to SBDC for consulting services and sessions. According to Region 10, most of the past requests have come from individuals with businesses in Mountain Village and Telluride.
4. Develop a town-led business & economic development incentive program.
5. Create a comprehensive business driven email and social media marketing campaign to promote all local business entities through targeted promotions. Emails collected through our free Wi-Fi systems will be the pillar of this outreach.
6. Projects to plan and development in 2018 include:
 - a. Help TMVOA promote their Mountain Village Merchant meetings to allow more business engagement across the community as a resource for local businesses.
 - b. Create and lead local business resources with Region 10's support for *social media 101* and best practices, *Google My Business* set-up and maintenance for an online digital business footprint. The goal of these classes is to provide resources, but more importantly give the keys to local businesses to garner more exposure to their businesses, and to attract other companies.
 - c. Create a biannual ascertainment group meeting for non-profits in the region to showcase their work and mission as a presentation to our community members and local and regional media.
7. Develop and present for Town Council Approval, a marketing and social media support program through the town by a third-party vendor. If the town could offer this marketing service as a paid business development initiative, we could help amplifier our local businesses to better promote our community and prospective companies.
8. I am working to create a potential Digital Marketing Summit for our business community to outline marketing, advertising and social media opportunities strategies to have bolster their business. This would be in partnership with Google, digital marketers, and social media representatives to help create a Marketing & Business Development Incentive Program for our local businesses.



**TOWN OF MOUNTAIN VILLAGE
TOWN MANAGER
CURRENT ISSUES AND STATUS REPORT
JULY 2018**

1. Great Services Award Program

▪ **Great Services Award – June**

- Laila Benitez, nominated by water and police departments. Laila was the only person to call in a main line water leak on Adams Ranch Road. Without her quick action, the leak may have been undetected all night!! Staff appreciated the mayor's support. This shows her level of involvement in our town.
- **Finn Kjome, water department and all of his employees, nominated by Laila and Kim. They got a call at 9:00 p.m. on Tuesday night regarding a water break on Adam's Ranch Road. The entire team stayed through the night until 5:00 a.m. to fix the leak to ensure that when residents woke in the morning they would have water to their homes. This is the definition of "great services". This is also standard operating procedure for this team and they always go the extra mile to provide an exceptional level of service for our constituents! – WINNER FOR JUNE**
- Chris Broady & MVPD, nominate by Cath Jett. I just wanted to drop you a quick note to give your staff a HUGE "Thank you" for helping find the lost dog that I was sitting yesterday. Everyone was incredibly helpful from the very first call all the way to the officer who came to Country Club and helped us look around in the dark. (Sorry! I didn't get his name, but please, please thank him for me.) Our furry friend came home at about 4:30 this morning unharmed, but we couldn't have done it without the eyeballs on the ground. I have always loved living in a small town, but having you and your staff watching out for all of us is wonderful!
- Erhard Orban & George Davis, nominated by the Administration Dept. for an amazing job on the file room remodel!
- Susan Johnston, nominated by Jane Marinoff. For going beyond the call of duty by jumping in to clean public bathrooms whenever there is a mess. Thank you, Susan!

▪ **Employee nominated awards given at our annual employee appreciation picnic:**

EMPLOYEE NOMINATED AWARDS (nominated by their peers)

Team of the year: Plaza Services

Environmental Award: Michelle Haynes

Safety champion award: James Owens

Safety manager award: JD Wise

MVP (for overall attitude, teamwork, dedication, sportsmanship, and contributions to the team): Jessica Quinn

Leader of the year: Cecilia Curry

Customer Service: Luke Adamson & Jane Marinoff

Employee with the best laugh: Susan Johnston

Calmer of the Storms Award: Steven Lehane

Exceeding Everest Award: Mountain Munchkins
 Beyond the Call of Duty Award: MVPD
 Immaculate Attendance Award: Chris Broady
 Rockstar Rookie Award: Melissa Spor & Erhard Orban
 Future is Bright: Dawn Katz
 Going Out on Top Award: James Lynch
 Constant Contributor Award (for staying until the job is done): Hector Delgado
 The Extra Mile Award: Bill Kight
 Duct Tape Award (being able to fix just about anything): George Davis
 Single File Award (for keeping everyone in line): Kate Burns
 Head Cheerleader Award (For the most school spirit): Liz Forsythe
 Running with the Bulls Award (biggest risk taker): Cale Cramer
 Little Miss Sunshine (brightest smile): Christina Lambert
 First Responder Award (always being ready to go when needed): Brooke Napier
 Point Guard Award: Shop Mechanics
 Swiss Army Knife Award (most indispensable): Nick Allen
 Champagne Award (for most sparkling personality): Chambers Squier

Other Award

Heather Dostaler, for her countless hours of dedication spent modernizing the Horticulturalist Position for the Town. Updating all records, folders, binders, maps and information sheets regarding care and maintenance to all gardens and décor pots and baskets individually. Compiled years of paper documentation to computer files, helping to further modernize the plazas services dept. records and ensure efficient possibilities for future employees

2. Black Hills Energy Gas Line Update

- A new gas line from the Meadows Ski Run/Driving Range up Double Cabins Ski Run to the Town Hall Subarea and Mountain Village Blvd. is scheduled to begin mid-August of this year
- They are working with TSG to finalize an easement agreement by July 13th
- They have begun the permitting process with the Town for a structure to house their equipment in the road right of way near the intersection of San Juan and Mountain Village Blvd. on Town land. This approval will be completed prior to construction in mid-August
- They will also be installing a supply line to VCA as part of this expansion and it will be stubbed out to provide service to the new buildings for VCA expansion
- The supply line increases the pressure and will accommodate future Town Hall subarea improvements

3. Miscellaneous

- Began rollout and training on new budget software OpenGov that is being implemented for this year's budget process
- Mayor Benitez and I met with Bill Jensen and Jeff Proteau to discuss the Town's acknowledgement of public benefits received by the Town from TSG. Followed up with a meeting with Jeff Proteau and legal is drafting a memorandum of understanding which will be presented to Council at their August meeting

- Working with Chief Broady and Jim Loebe to begin contract discussions for festival services including parking, gondola, DAR extra staffing, etc. with direction from the Mayor as to parameters for those negotiations
- Met with Amy Levek to discuss the new non-profit Housing Trust being formed to also address workforce housing issues
- Attended the TTB Annual Meeting at the Sheridan Opera House
- Attended and had a great time at our Annual Employee Appreciation Picnic
- Met with Eco Action Partners, representatives from Town of Telluride, San Miguel County, TSG and Town of Mountain Village to agree upon the underlying assumptions used for calculating Green House Gas emissions (i.e. waste water treatment plant GHG is attributed to TOT, Gondola is attributed to TMV, etc.). The group came to agree on how to allocate these regional amenities and also identified areas where there are gaps in data that deserve further study and information



**PLANNING AND DEVELOPMENT SERVICES
DEPARTMENT**

455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 369-8250

Agenda Item No. 17.C(i)

TO: Town Council

FROM: Michelle Haynes, Planning and Development Services Director
& Kim Montgomery, Town Manager

FOR: Meeting of July 19, 2018

DATE: July 11, 2018

RE: Direction from Town Council regarding short and long-term options to administer forest health and fire mitigation in the Mountain Village (and related programs)

INTRODUCTION

The Town of Mountain Village proactively stewards forest health and wildfire management programs since adoption of the *San Miguel County Community Wildfire Protection Plan* (County Plan) in 2008. In 2010 the Town of Mountain Village adopted two recommendations from the County Plan which was to prohibit shake shingle roofs and create adequate defensible space around homes and structures. In 2016 the town implemented a robust Defensible Space Initiative Program in cooperation with TMVOA. In 2017 the town implemented a cedar shake incentive program. The general philosophy regarding fire mitigation and forest management remain to encourage compliance rather than penalize.

ADMINISTRATION OF THE DEFENSIBLE SPACE INCENTIVE PROGRAM

Administration of defensible space per the environmental regulations in the CDC was solely performed by the town forester, who in 2017 was promoted to senior planner. As a general reminder, please see the following link to read about the Defensible Space Rebate Program at <https://townofmountainvillage.com/green-living/incentive-programs/wildfire-mitigation/>.

Administration of the Defensible Space Incentive Program occurred solely by our town forester/senior planner who left employment with the town on July 5, 2018. Between July 5th and July 10th my department has received four requests for site walks and nine properties have been marked for tree removal but not yet completed. Participation in this program this summer remains high for the following reasons:

- fire danger conditions and heightened defensible space awareness.
- The availability of an on-staff person which is a free consultation service for the homeowner in addition to the reimbursement of up to \$5,000 or ½ of the full cost to remove/manage trees on properties.
- July is the busiest month for owner visits and ideal conditions for tree removal and management.

Staff immediately requested a bid waiver on an as needed basis contract with Tyler Schultz with Arborist Services to perform the mandatory site walk and mark trees to be removed to continue

this public service during this transition. Tyler Schultz and Arborist Services are prohibited from actually performing the work to implement the tree removal on projects that they have provided the above services to the town in order to maintain impartiality. With Council direction, staff is prepared to send a Request for Proposal (RFP) for services for this work which would still be viewed as temporary until such time the town and Council better understand the priority, necessity or level of service desired for the community regarding forest management and wildfire management issues.

REQUEST

Staff is requesting direction to place a RFP for services to administer the Defensible Space Incentive Program and additional forestry/arborist services when warranted.

DISCUSSION

I received negative feedback via telephone from two licensed tree contractors regarding the town's interim decision. I also proactively reached out to an additional arborist with positive feedback. I have also send this memo to all licensed tree removal/arborist/forestry services in the Mountain Village to make them aware of our transition plan. The town has three possible alternatives moving forward:

- 1) Work with Arborist Services until we award a contract based upon the RFP.
- 2) Suspend the defensible space program until such time an RFP is awarded.
- 3) Require the owners to secure a 3rd party certified forester to propose a plan to the town in which the town would then review and approve the defensible space plan.

ANALYSIS

To the greatest extent possible providing business as usual service to our community members is my primary objective during this time of transition. Although imperfect to some forestry/arborist peers and professionals per some feedback I received, assuring a knowledgeable and known professional to provide this service immediately is more helpful to the community than suspending service or asking less knowledgeable planners to perform the task. The value of a third party that is not hired by the owner is that impartiality remains intact, and the homeowner does not pay for the consultation. The contract with Arborist Services is in place until such time the RFP contract can be awarded. Response time will continue to be within one week for site walks and tree markings to remain sensitive to owner travel schedules.

RECOMMENDATION

Direct staff to proceed with the interim contract with Arborist Services and to issue an RFP for services to administer the Defensible Space Incentive Program and additional forestry/arborist services when warranted. Staff is willing to report out on statistics and data in October for Council to better evaluate the long-term direction.

/mbh

TOWN OF MOUNTAIN VILLAGE
Town Council Meeting
July 19, 2018
8:30 a.m.

During Mountain Village government meetings and forums, there will be an opportunity for the public to speak. If you would like to address the board(s), we ask that you approach the podium, state your name and affiliation, and speak into the microphone. Meetings are filmed and archived and the audio is recorded, so it is necessary to speak loud and clear for the listening audience. If you provide your email address below, we will add you to our distribution list ensuring you will receive timely and important news and information about the Town of Mountain Village. Thank you for your cooperation.

NAME: (PLEASE PRINT!!)

Kim Montgomery	EMAIL:
David Reed	EMAIL:
Jim Mahoney	EMAIL:
Dan Jansen	EMAIL:
Jack Gilbride	EMAIL:
Laila Benitez	EMAIL:
Dan Caton	EMAIL:
Bruce Macintire	EMAIL:
Natalie Binder	EMAIL:
Jackie Kennefick	EMAIL:
Susan Johnson	EMAIL:
Christina Lambert	EMAIL:
Tim Johnson	EMAIL:
Michelle Haynes	EMAIL:
Kevin Swain	EMAIL:
Sam Starr	EMAIL:
Jonathan Green	EMAIL:
Carly Shaw	EMAIL:
Chris Hawkins	EMAIL:
Richard Child	EMAIL:
Greg Pope	EMAIL:
Anton Benitez	EMAIL:
Sophie Stuber	EMAIL:
Lisa Hemann	EMAIL:
Julie Vergari	EMAIL:
CATH JETT	EMAIL:



To: Town Council

From: Bill Kight, marketing and business development director

For: Wayfinding Project Update

Date: July 18, 2018

Re: Biannual Wayfinding Progress Report

The following progress report reflects the completed, ongoing and projected Town of Mountain Village Wayfinding projects for calendar year 2018.

1. Wayfinding Project Update

1.1 Phase 2: Completed Projects

- 1.1.1 Design, fabrication and installation of Town entrance, Market Plaza (formerly Town Hall Plaza) and Village Center map and directories.
- 1.1.2 Mountain Village Entrance Street Sign Monument & Map (Mountain Village Blvd)
- 1.1.3 Vehicular signs along Mountain Village Blvd and other roadways in route to Meadows Parking Lot directing drivers to various parking options and amenities
- 1.1.4 Gondola Parking Garage exterior building façade signs
- 1.1.5 Stone plaza monuments constructed to include seasonal directional maps, a business directory, and individual breadcrumb/informational icons highlighting amenities, businesses, and services (Village Center)
- 1.1.6 Winter 2017-2018 business directories erected throughout Mountain Village Center, Market Plaza and Oak Street Plaza
- 1.1.7 Summer 2018 business directories erected throughout Mountain Village Center, Market Plaza and Oak Street Plaza
- 1.1.8 Oak Street Plaza four-sided kiosk installed (a collaboration with the Town of Telluride) adorned with information and directions to amenities and services
- 1.1.9 Oak Street Plaza three-sided kiosk installed with trail information, a Town directory and Regional Marketing Panel
- 1.1.10 Gondola Plaza three-sided kiosk installed with trail information, a Town directory and Gondola Facts and Information Marketing Panel
- 1.1.11 Village Center "breadcrumb" monuments
 - 1.1.11.1 Lighting added
- 1.1.12 Meadows Parking exterior monument
- 1.1.13 Heritage Parking Garage exterior monument

WAYFINDING PROGRESS REPORT

July 2018

- 1.1.14 Oak Street Plaza and Gondola Plaza three-sided mountain kiosk adorned with Mountain Village Center and Market Plaza maps and directories, ski resort trail map, destination marketing, and gondola information
- 1.1.15 Village Center Gondola Station vinyl window signs (Stations 4 & 5)
- 1.1.16 Market Plaza (formerly Town Hall) Address Monument constructed
- 1.1.17 Village Center (formerly Conference Center Plaza) summer marketing banners
- 1.1.18 Village Center (formerly Conference Center Plaza) winter marketing banners
- 1.1.19 Slow Bike Zone + Leash Dog signs
- 1.1.20 Village Center Light Pole Plaza Signs
- 1.1.21 Bus Stop Signs
- 1.1.22 New Gondola Facts Sticker
- 1.1.23 Summer directories
- 1.1.24 Guest Service Information Icons and Signs

1.2 Phase 2: Design Adjustments, Fabrication, Implementation and Installation (in progress)

- 1.2.1 Design, fabrication and installation of dog poop bag boxes matching metal branding
- 1.2.2 Icon installation totaling 126 icons for Village Center "breadcrumb" monuments with directional icons
- 1.2.3 Market Plaza Address Monument Letter, Icons & Lighting Order
- 1.2.4 Bathroom Signs, Hanging Only Install
- 1.2.5 Town Hall, Municipal Window Pane Sign Design
- 1.2.6 Estimates: Gondola Stations, GPG & HPG Island
- 1.2.7 Orders for GPG & HPG Round Plates Replacement (No Parking Levels 6 & 7, EV, No RVs), South Village Center No Overnight Parking
- 1.2.8 Winter directory discussions

1.3 Phase 2 & 3: Future Wayfinding Projects (Fall and Winter Design, Fabrication, Implementation and Installation)

- 1.3.1 Parks & Rec Wayfinding Trailhead Signage and Icons design plan
- 1.3.2 Gondola closure signs
- 1.3.3 Gus's Plaza at Oak Street will be a plaque in the pavers celebrating Gus's achievements.
- 1.3.4 Gondola Parking Garage Signage
- 1.3.5 Additional Heritage Parking Garage Signage
- 1.3.6 Municipal Building and Village Court Apartments address monument
- 1.3.7 Additional Rules and regulations signage
- 1.3.8 Author and adopt a public art policy, process and budget
- 1.3.9 White Board Signs Design Standards
- 1.3.10 Gondola Closure Signs, Winter Trails Parking Signs



June 27, 2018

To the Town Council
Town of Mountain Village, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the Town of Mountain Village for the year ended December 31, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 10, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of Mountain Village, Colorado are described in Note 1 to the financial statements. There were no changes in accounting policies during 2017. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were:

The net pension liability is an estimate based on the Town's proportionate share of PERA's net pension liability. The Town uses PERA's audited information to record and report the pension liability, deferred inflows, deferred outflows and pension expense related to the change in liability during the current year. The Town has allocated its share of the net pension liability between governmental activities and the proprietary funds in which employees are earning PERA benefits. This allocation is an estimate based on the salary expenses in each of these funds during the year. We reviewed the information provided by PERA and the allocation information provided by management in determining that the estimated net pension liability appears reasonable.

Management's estimate of the depreciation expenses and related accumulated depreciation is based on the estimated useful lives of the assets being depreciated. We evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The only significant adjustment was to remove the large note receivable for the parking buyout in the capital projects fund. The receivable for \$753,365 was offset by deferred revenues on the balances sheet and the adjustment had no effect on fund balance at December 31, 2017. These adjustments were derived from information provided by management. Management was aware of the status of the note receivable and verified its lack of collectability during fieldwork.



To the Town Council
Town of Mountain Village, Colorado
Page Two

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 27, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Post-Employment Benefits Reporting

The provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* will be effective for the Town of Mountain Village at December 31, 2018. This standard requires additional reporting and disclosure of the Town's post-employment benefits and its associated liability for the Town's proportionate share of the Health Care Trust Fund administered through PERA. We encourage members of the accounting team to become familiar with the reporting requirements related to this new standard and will gladly answer questions and share available resources as they work through this new pronouncement.

Very truly yours,

A handwritten signature in black ink that reads "Chadwick, Steinkirchner, Davis & Co., P.C." The signature is written in a cursive, flowing style.

Chadwick, Steinkirchner, Davis & Co., P.C.

ECOACTION PARTNERS



Mission Statement:

EcoAction Partners tracks regional greenhouse gas emissions and coordinates programs that reduce energy and waste.

ECOACTION PARTNERS



We thank the following funding partners:

Town of Mountain Village

Town of Telluride

San Miguel County

Town of Ridgway

Ouray County

City of Ouray

Town of Norwood

Town of Ophir

Energy Outreach Colorado

San Miguel Power Association

Telluride Foundation

www.ecoactionpartners.org



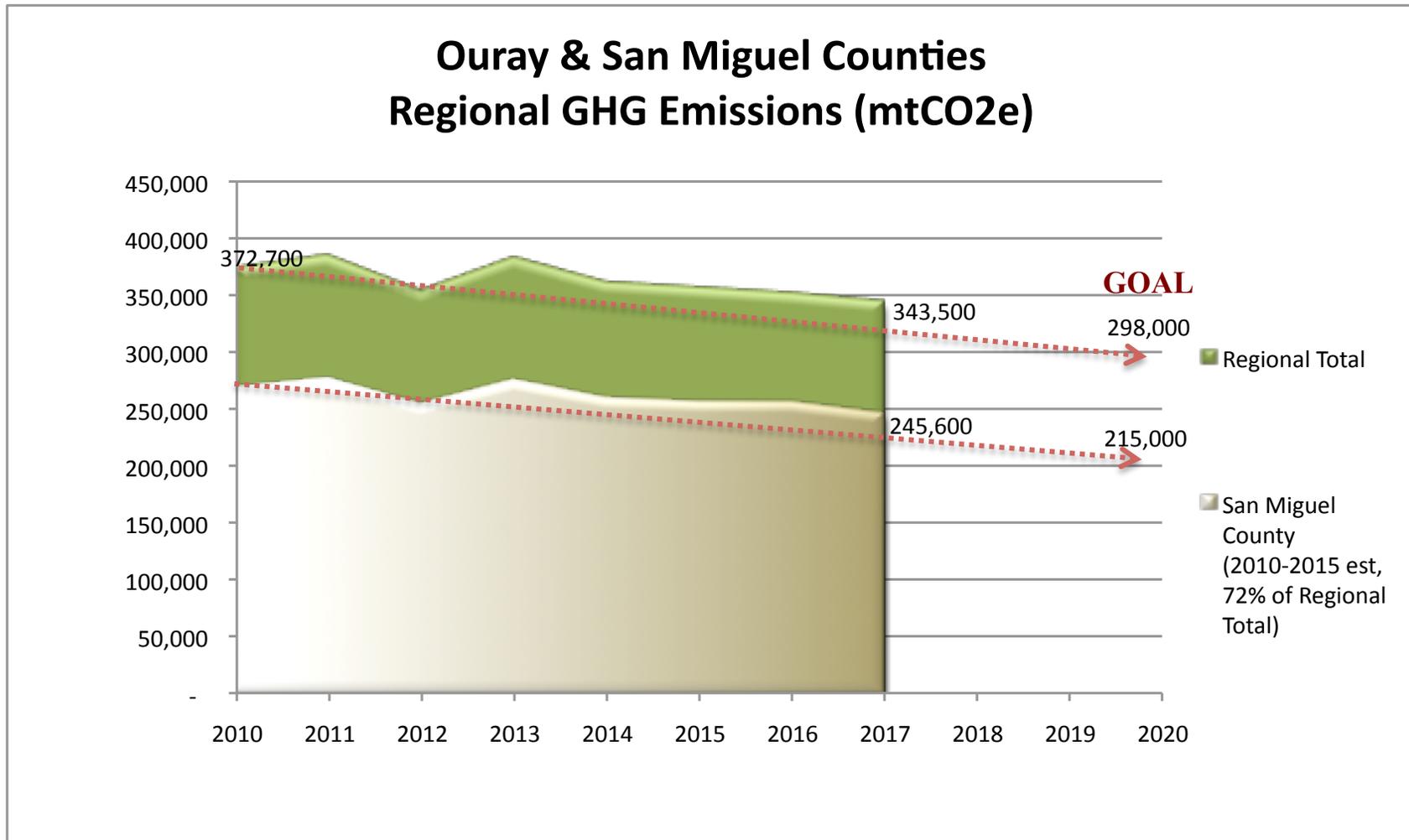
- ◆ Develop partnerships to engage all aspects of our community & Collaborate with the community to:
 - reduce energy
 - increase renewable energy
 - reduce and divert waste through recycling & composting
 - encourage other sustainable practices
- ◆ Track progress toward regional GHG goals
- ◆ Program outcomes: specific, tangible, visible & measurable

2018 Update



- ◆ 2017 Regional GHG Inventory
- ◆ 2017 Mountain Village Community Energy Use
- ◆ Suggestions:
 - ◆ Update Building Energy Codes
 - ◆ Smart Building Program Update
 - ◆ Others
- ◆ Highlighted Programs:
 - ◆ CARE / SMPA Income Qualified Weatherization Program
 - ◆ Greenlights
 - ◆ SMC Commercial PACE
 - ◆ Truth or Dare
 - ◆ Composting
- ◆ 2017 Mountain Village Government Energy Use

Total GHG Emissions



GHG Emissions Categories

Materials, Food & Waste 23%



Transportation
*Vehicles & Airplanes
27%

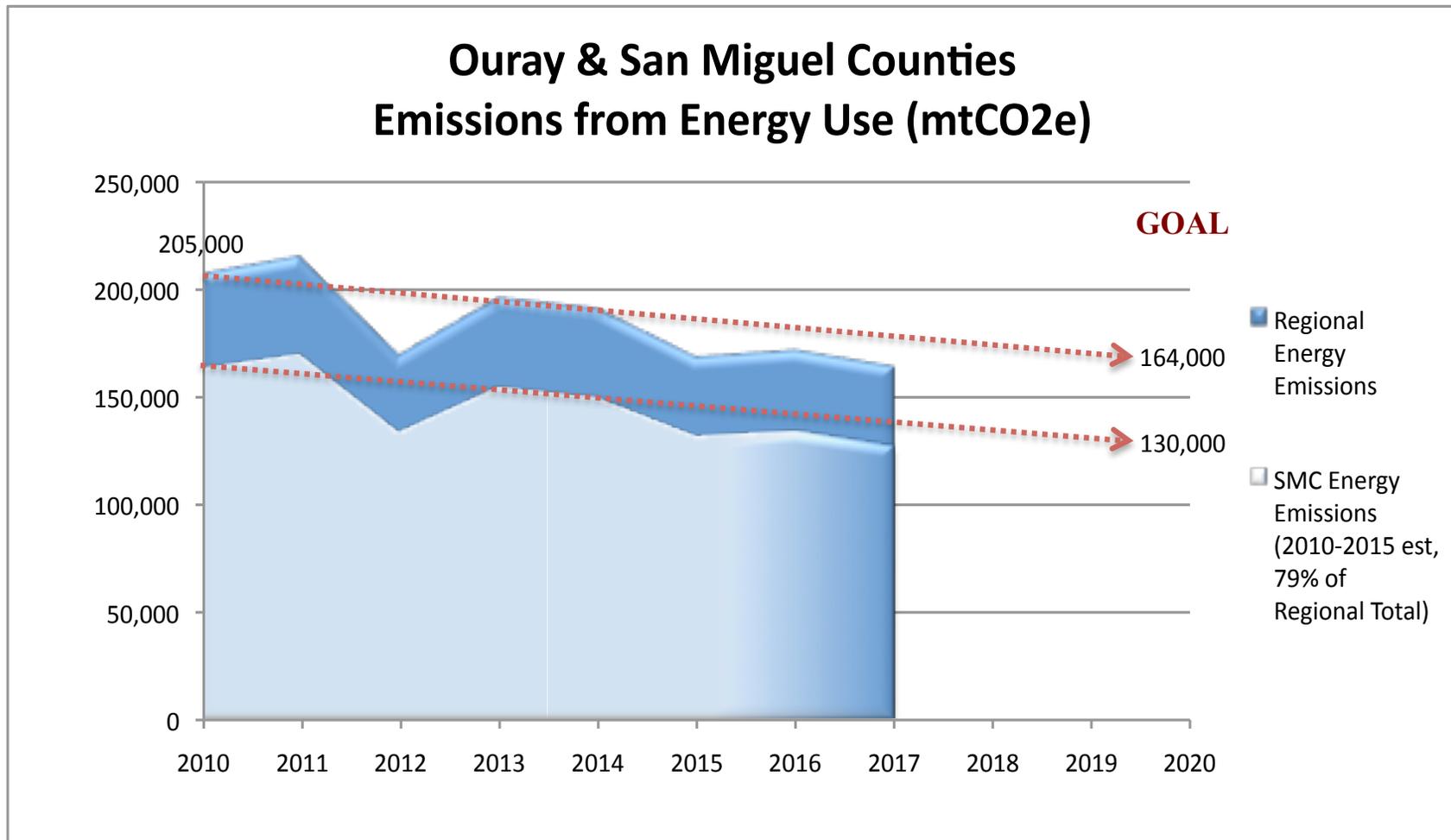


50%

Electricity & Natural Gas

*mostly Building energy use

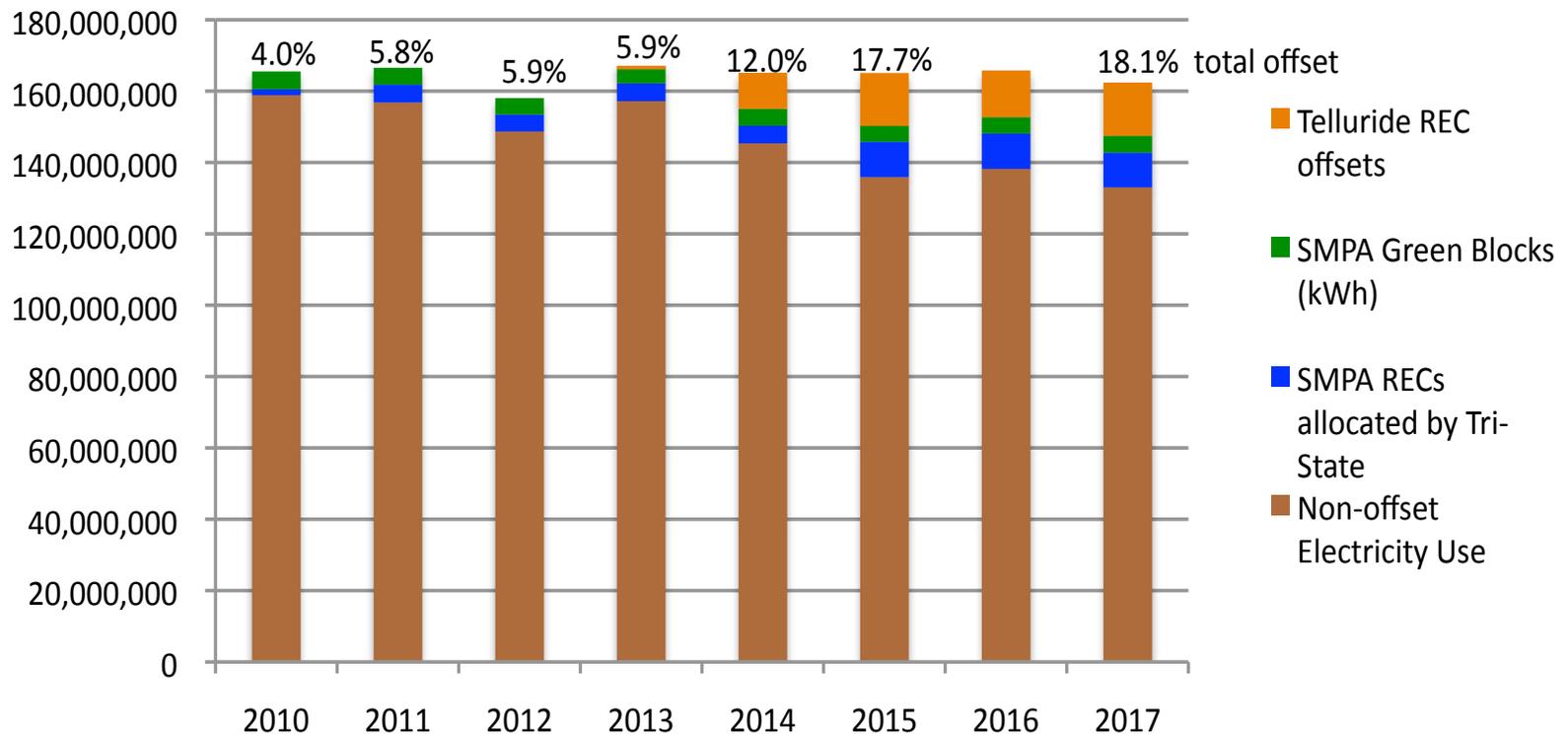
Energy Use Emissions



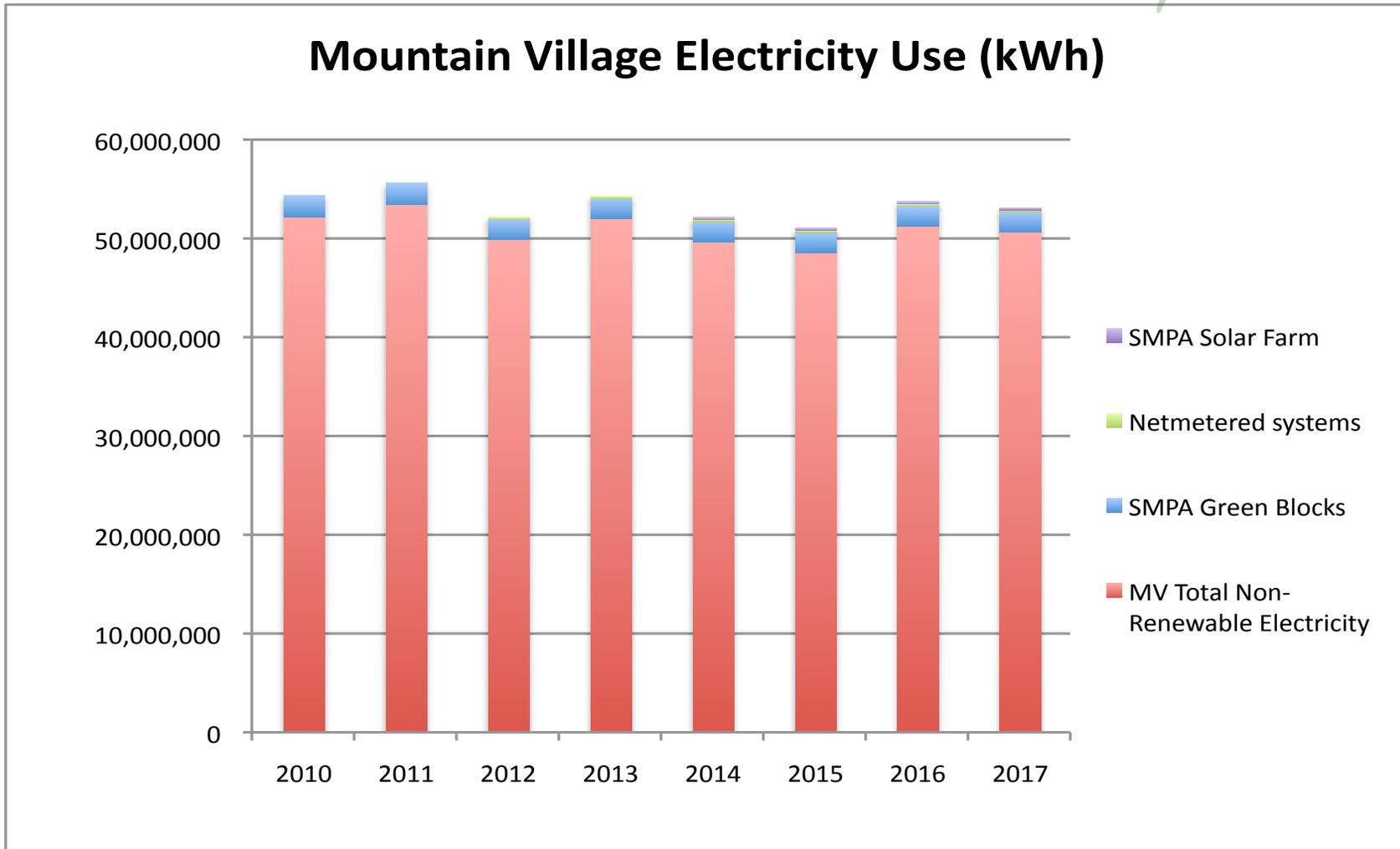
Regional Electricity



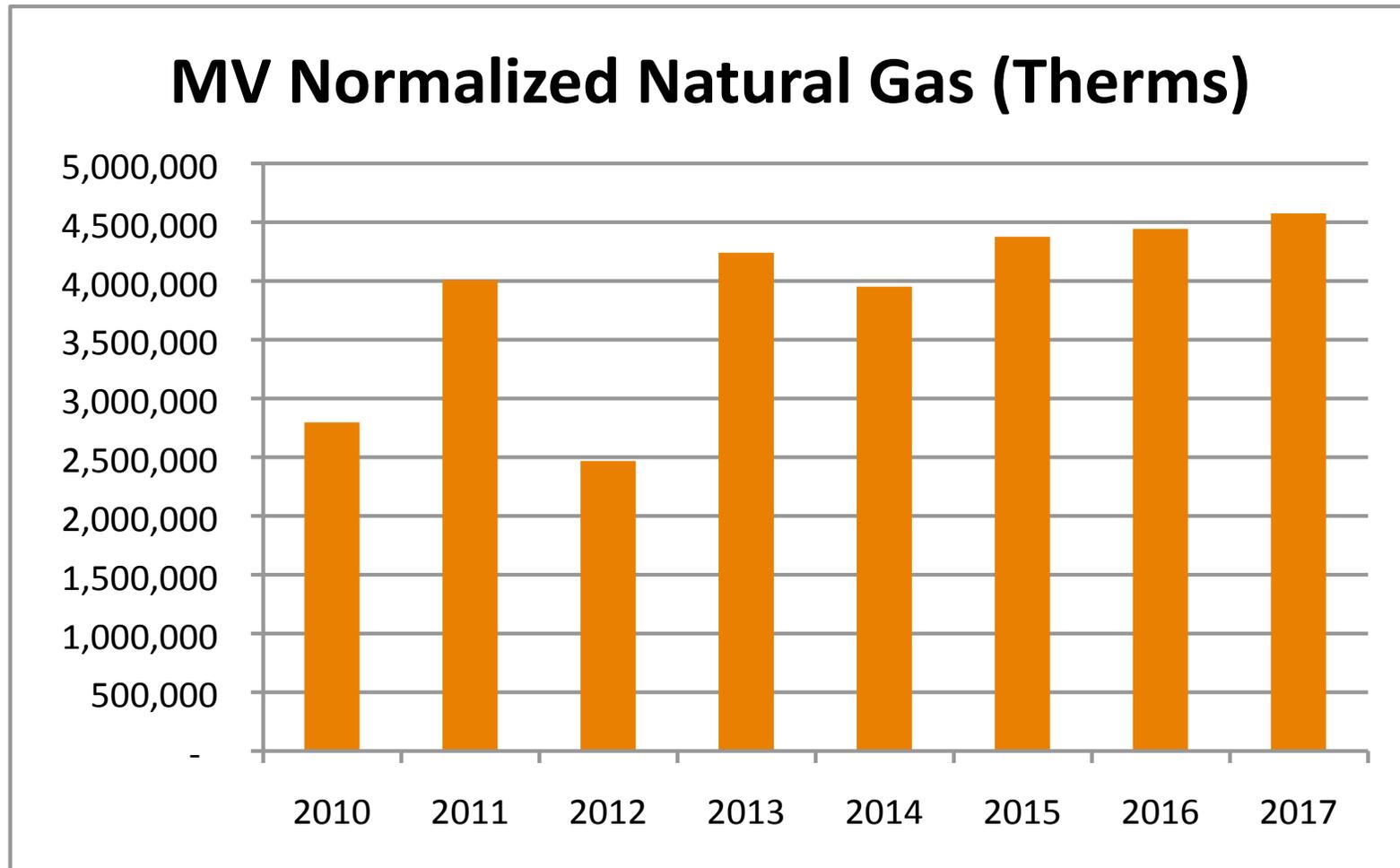
Regional Electricity Use (kWh) with Renewable Energy Credit Offsets



MV Electricity



MV Natural Gas

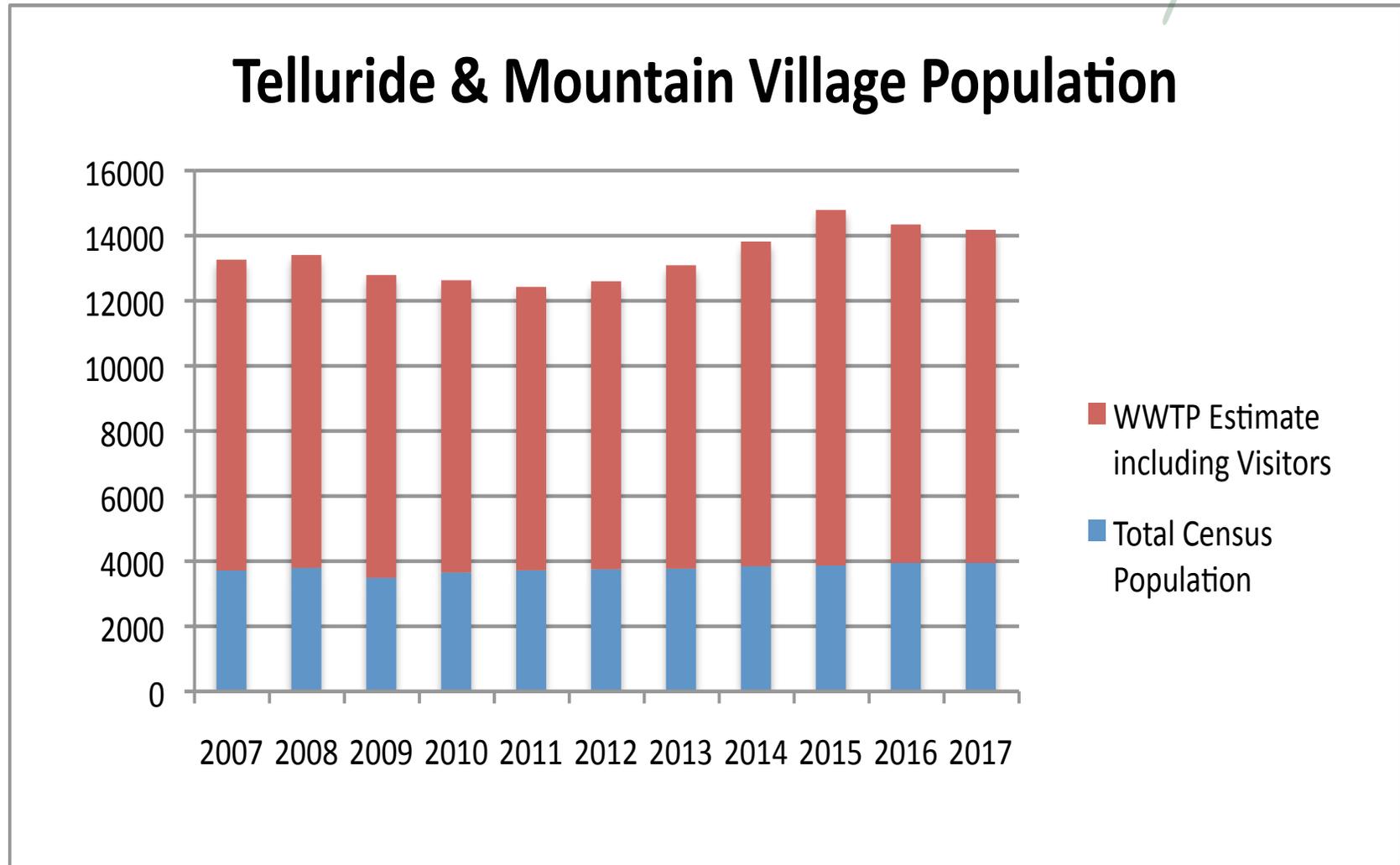


Energy Use Variables:

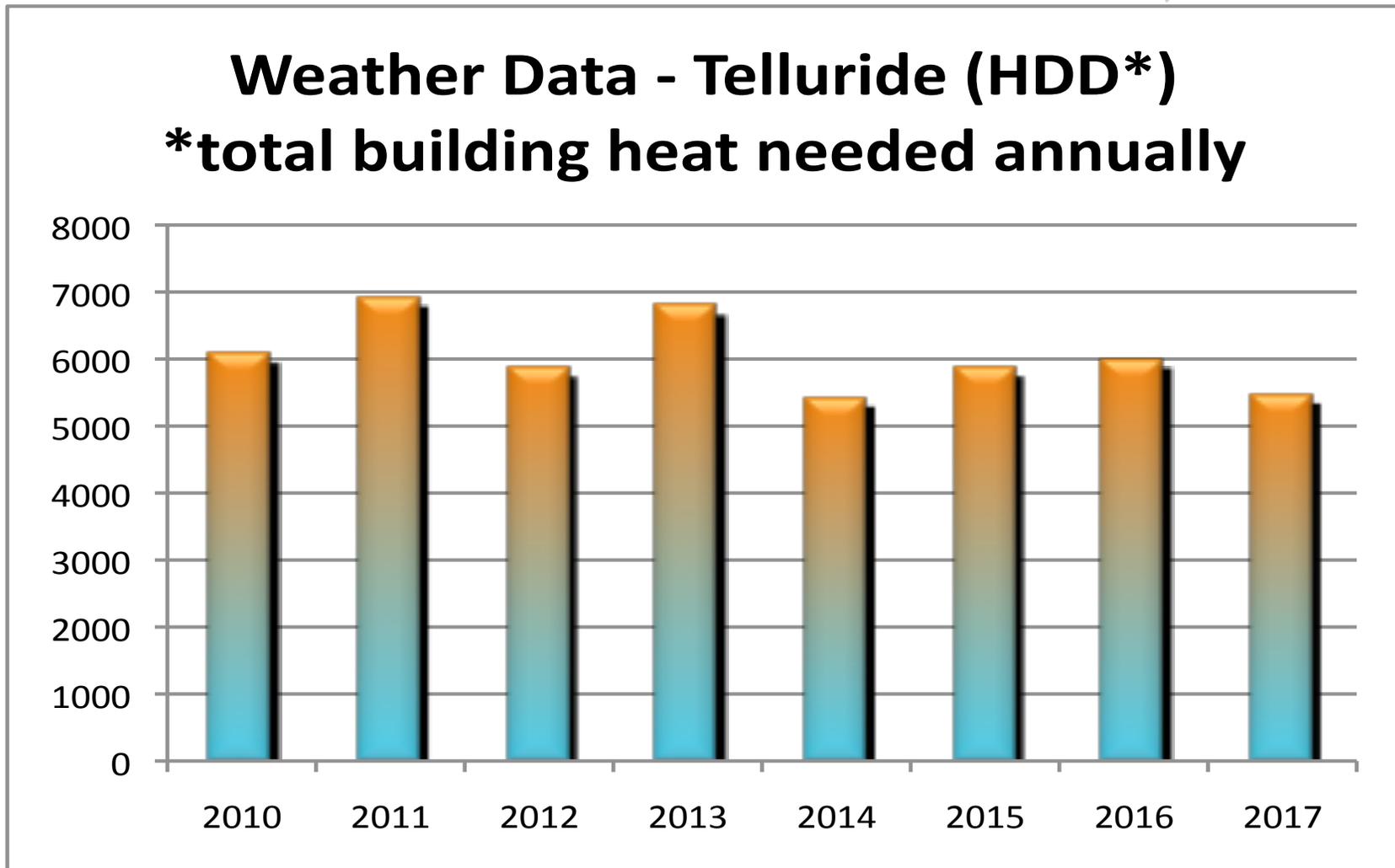


- ◆ Population – Census & Visitors
- ◆ Weather:
 - ◆ Winter (& Summer) Temperatures
 - ◆ Snowfall
- ◆ Economy:
 - ◆ New Construction
 - ◆ Hotel Occupancy
 - ◆ Restaurants & Businesses

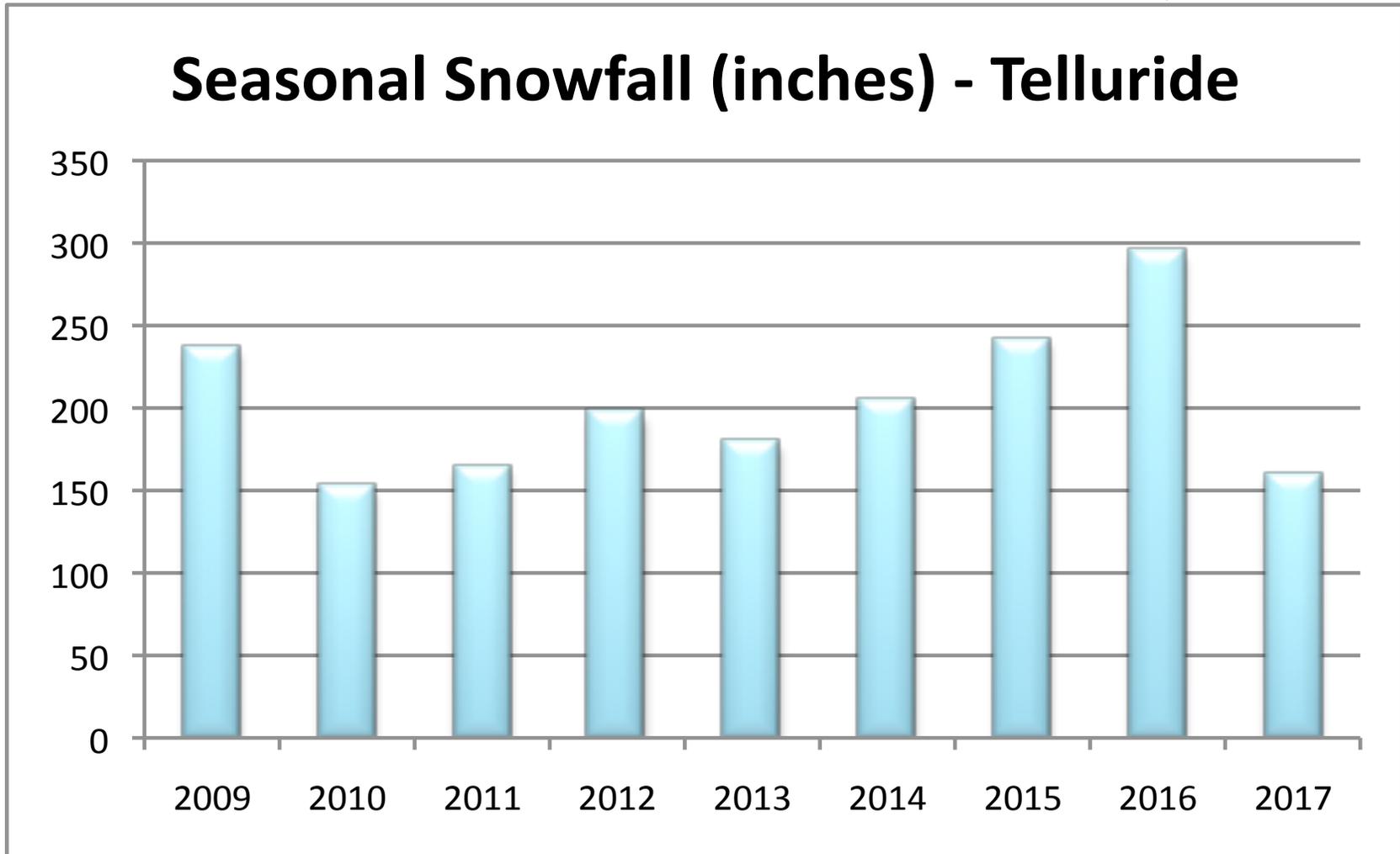
Population



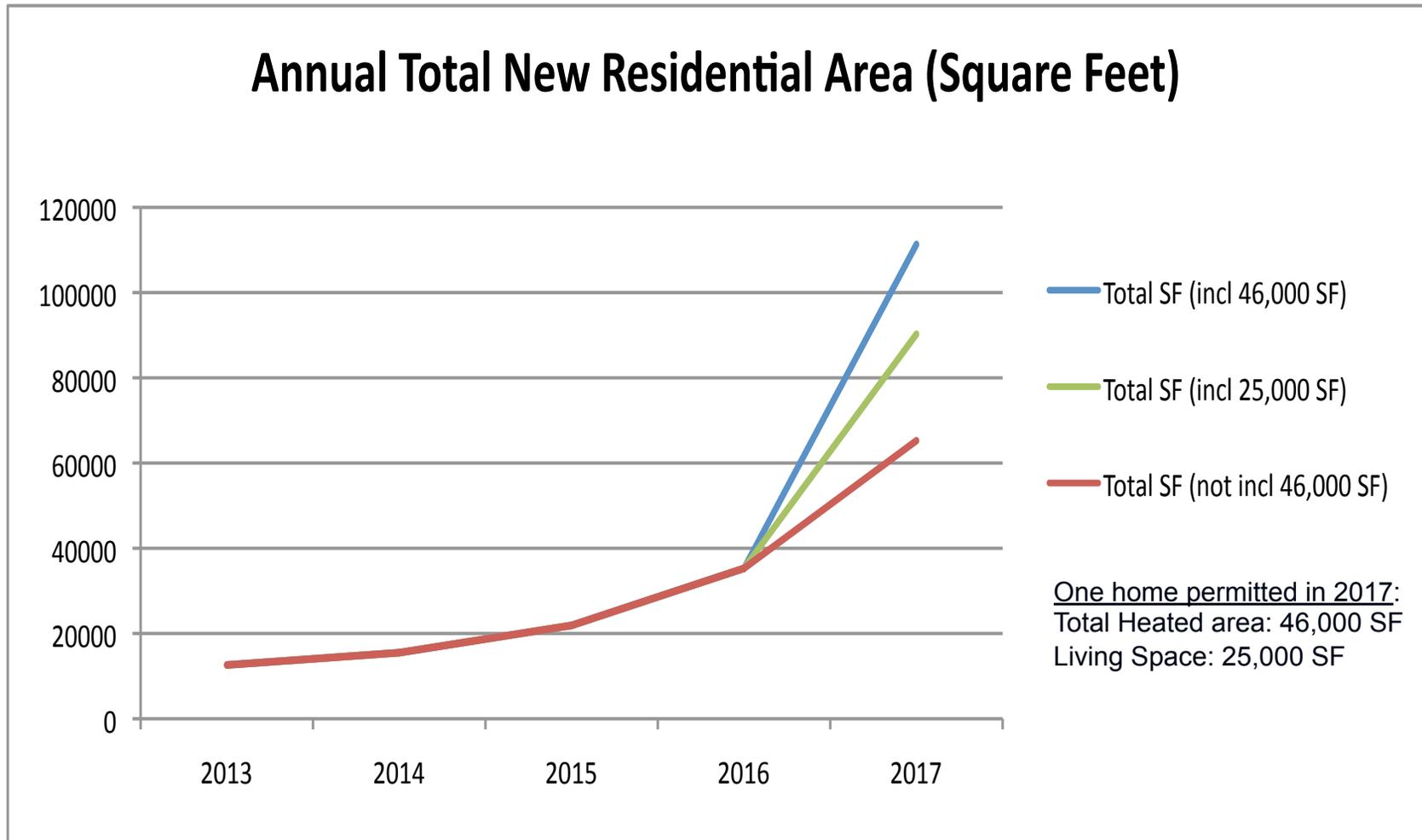
Weather: Temperature



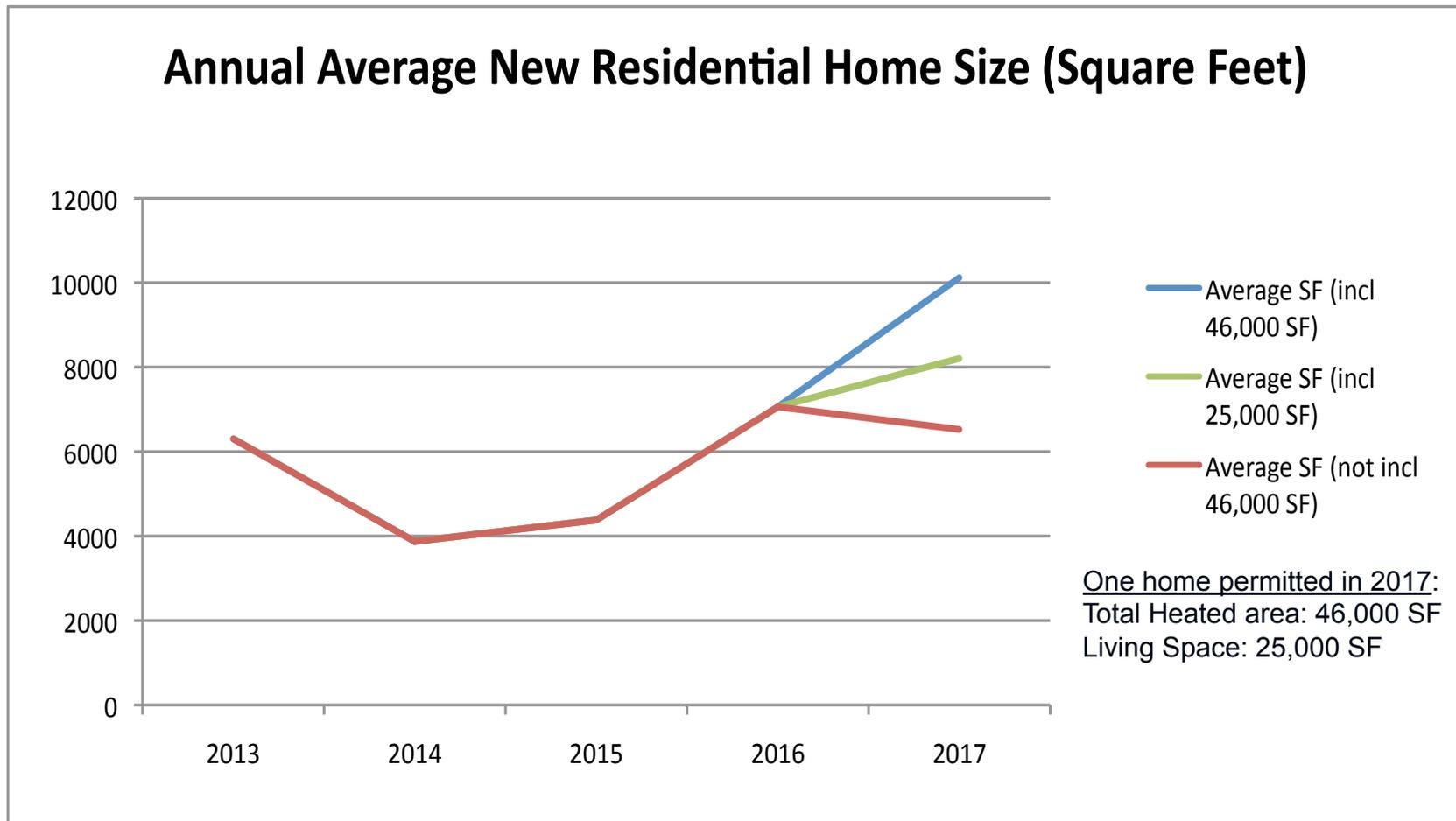
Weather: Temperature



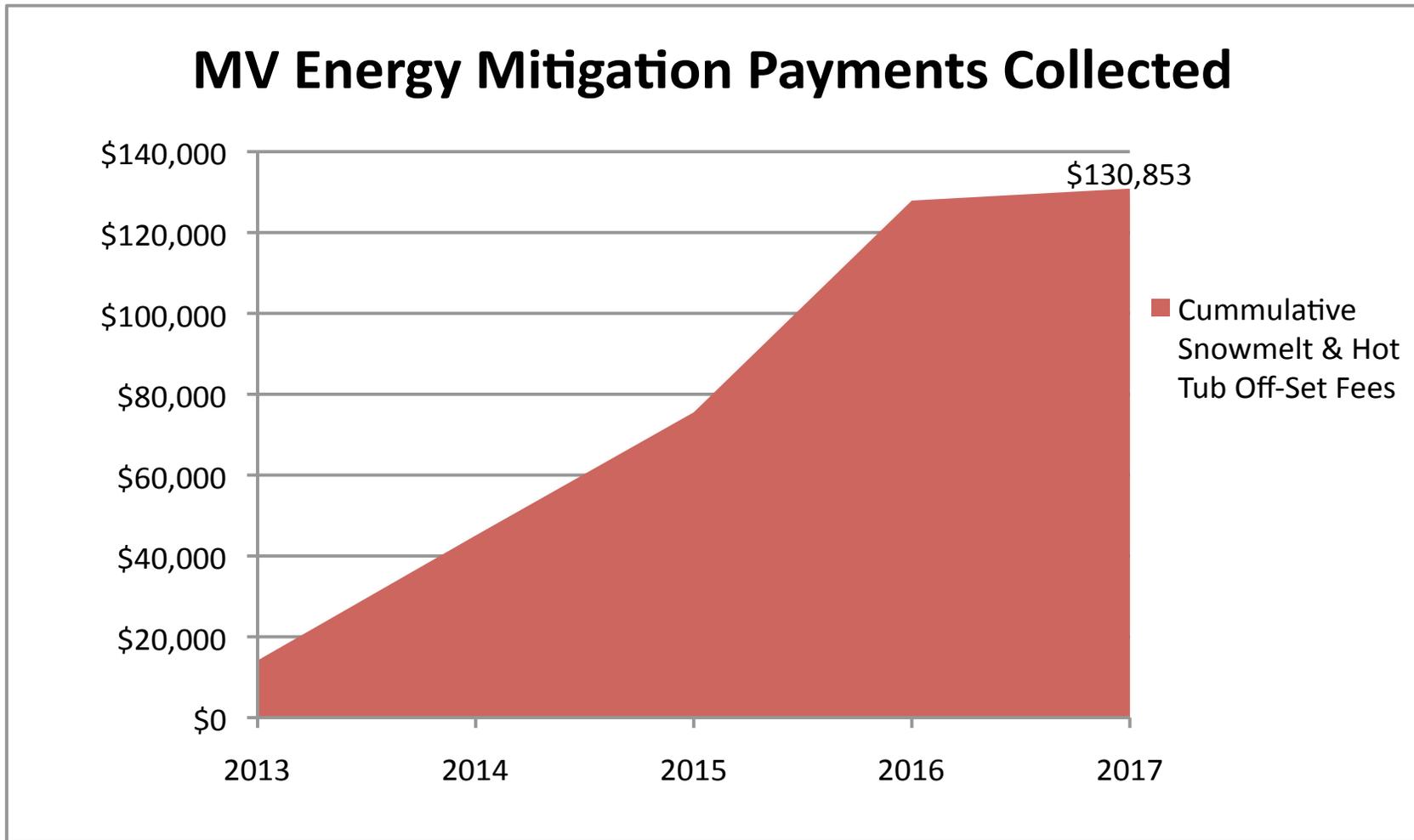
MV Construction:



MV Construction:



MV Construction:



Building Energy Code is an Opportunity!



- ◆ Best time to reduce building energy use is prior to & during construction
- ◆ Once home is built & systems installed, more difficult to improve efficiency
- ◆ MV current energy code is progressive, but there is still opportunity for reducing home energy use
- ◆ Current code allows for 1000 SF of unmitigated snowmelt per home
- ◆ Energy use of recently permitted buildings is not yet impacting GHG Inventory

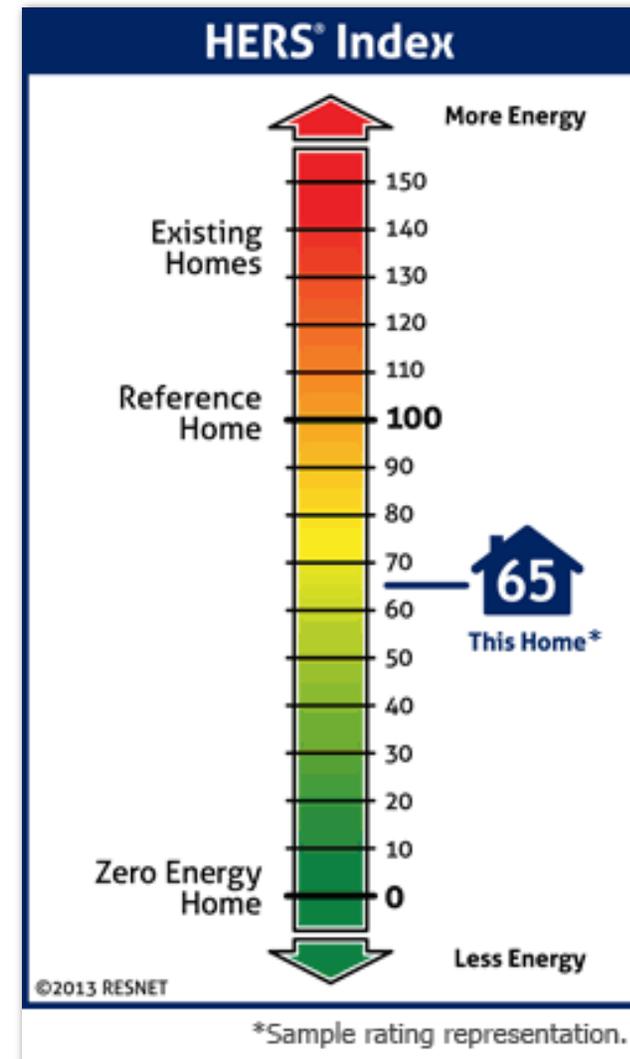
Suggestions for Mountain Village to reduce Emissions



- ◆ Building Energy Code Adoption: 2018 IECC with amendments that progress energy efficiency
 - ◆ Improves energy efficiency of residential & commercial buildings
 - ◆ Maximum ERI (HERS) score for our climate zone is 61
 - ◆ Reconsider size categories & HERS scores
 - ◆ Begin with homes smaller than 7000 SF
 - ◆ Scale toward Net Zero home as size increases
 - ◆ Require house electricity offset of 100%, through Green Blocks, on-site renewable energy, or other equivalent
 - ◆ Consider natural gas offset requirement, Green Blocks or equivalent
 - ◆ Incentivize small homes < 3000 SF & net-zero, passive home construction through financial or expedited process
 - ◆ Require solar panels on all new construction, utilizing available financing incentives to make it worthwhile

Home Energy Rating System (HERS)

- ◆ Energy Analysis for total home
- ◆ Building Thermal Envelope, Mechanical systems, Appliances & Lighting
- ◆ Based on 2003 IECC
- ◆ 100% = baseline code home
- ◆ Score 65 = 35% better than 2003 IECC code home



Suggestions for Mountain Village to reduce Emissions



- ◆ Renewable Energy Mitigation Program (REMP):
 - ◆ Eliminate or reduce free 1000 SF of snowmelt allowed
 - ◆ Address outdoor fireplaces and infrared heaters
 - ◆ Continue double-incentive for on-site renewable energy mitigation

- ◆ REMP Funds:
 - ◆ EcoAction Partners to update calculation methodology
 - ◆ Modify verbage to allow use of funds for “greenhouse gas (GHG) ” and energy reducing projects & programs
 - ◆ Consider using REMP funds for community grant program
 - ◆ Collaborate with SMPA, EcoAP & others to support new Community Solar Farm development & include as a REMP option

Suggestions for Mountain Village to reduce Emissions



- ◆ Promote SMPA Green Blocks & efficiency programs along with MV Incentives
- ◆ Franchise fees for electricity & natural gas
 - ◆ Develop agreements with utilities & use funds for GHG-reduction projects / programs
- ◆ Community Programs
 - ◆ Continued MV program development & implementation
 - ◆ Continued participation in regional programs



CARE/SMPA IQ Program

Assisting lower income families with energy efficiency improvements to their residences

Free energy assessment that prioritizes cost effective energy efficiency improvements (up to \$3000) for qualified residents, which are then implemented at no cost.

End of 2017: 58 residents had qualified; 49 served

Improvement examples: Air sealing, insulation, and new refrigerators and boilers.

Equates to approximately **1,300 therms** saved and **6.95 metric tons of carbon** reduced.

www.ecoactionpartners.org



CARE/SMPA IQ Program

Assisting lower income families with energy efficiency improvements to their residences

Mountain Village:

13 Mountain Village residences served
(includes **12** Village Court units)

As requested by Energy Outreach Colorado, thank you to Mountain Village for partial contribution toward the purchase of new refrigerators for the Income Qualified individuals/families in VCA.



GREENLIGHTS

**Thank you to San Miguel Power
Association, participating
governments & the Telluride
Foundation**

**2018 PROGRAM UNDERWAY;
EXTENDED UNTIL JULY 31**



GREENLIGHTS

2018 Great Regional Participation!

Towns of: Mountain Village, Telluride, Ridgway, Ouray,
Nucla, Naturita, Rico

Counties: San Miguel, Ouray, Montrose, Montezuma

- 2017 Total bulbs purchased: 2,603
- Annual kWh saved: 47,910
- Annual mTCO_{2e} saved: 40.65



GREENLIGHTS

2017 Mountain Village Results

- 2017 LED bulbs purchased: 517
- Annual kWh saved: 9,277
- Annual mTCO_{2e} saved: 7.87

SMPA Rebates: \$3062

Mountain Village Contribution: \$1531

C-PACE for San Miguel County: (Commercial Property Assessed Clean Energy)

What is C-PACE?

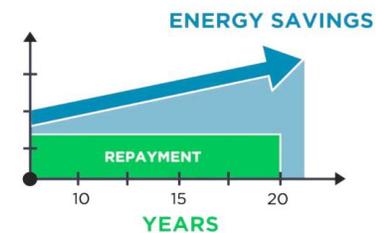
- **New Way financing that provides C&I building owners a smarter way to modernize their buildings:**
 - 100% financing (no out-of-pocket expense, i.e. includes soft & hard costs)
 - Long term (up to 20 years, not to exceed the weighted EUL of eligible improvements)
 - Lower energy costs
 - Cash flow positive projects
 - No personal guarantees
 - Special purpose assessment (akin to sewer assessment)



How C-PACE Works

C-PACE is a voluntary tax assessment-based, private financing program

- Building owners choose to install eligible EE, water efficiency and RE improvements
- Costs are spread over periods up to 20 years
- Repayment via a new charge (“Assessment”) on the owner’s property tax bill from the County
- Goal: energy savings \$\$ > the PACE payments, creating cash flow positive projects
- Repayment obligation can transfer to new owner upon sale



Truth or Dare!

Engaging Students in Sustainability

ECOACTION PARTNERS



2018 Schools: Telluride Intermediate School, Telluride Mountain School, Norwood, Ridgway & Ouray; Nucla & Naturita (fall)

Truth or Dare!

Engaging Students in Sustainability 2018 RESULTS



- STUDENTS take on sustainability DARES for 1 week
- Elective program with prizes sponsored by SMPA
- THROUGH carpooling, closing curtains, unplugging gadgets, & using reusable containers, students reduced carbon footprint by **over 28,000** pounds in weeklong program
- **2018 Ouray students chose to create a booklet to teach others ways to reduce their carbon footprint.**

Community Composting



RREO Mini-Grant received to purchase equipment & educational materials for a Community Composting in Ophir

- Approximately 30-35% of household waste can be composted
- Ophir up and running in early April 2018
- Waste diverted in first 3 months: 1,830 pounds
- Widely embraced by the Ophir community >75% participation
- Learning experience for all!
- Looking for other locations for composting sites in region for next Mini-Grant cycle.



www.ecoactionpartners.org





www.ecoactionpartners.org

Community Composting



Mountain Village offers a community composting incentive:

- ◆ Up to \$5K for composting equipment for MV residents or businesses.
- ◆ EcoAction Partners available to assist prospective applicants with siting location, equipment selection & analysis of food waste diverted & GHG emissions saved.
- ◆ Collaborate on RREO Mini-Grant if equipment costs are higher than the \$5K.
- ◆ Share our educational materials created

Upcoming Presentation



September / October

- ◆ Agreement with each government to clarify services provided with the funding amount
- ◆ EcoAP will work with MV staff to develop this agreement & then present it to you

ECOACTION PARTNERS



Heather Knox, Executive Director

heather@ecoactionpartners.org

Kim Wheels, Energy Specialist

kim@ecoactionpartners.org

www.ecoactionpartners.org

970-728-1340