

- Can the Village contribute towards programs intended to improve access to TSV, by air or ground, and if so, from what source of funds?

It is in the best interest of the Village and TSVI to use conservative assumptions, he said. Only development by TSVI is included in the analysis. The analysis assumes zero construction/development by any other landowner in the Village for the next 25 years. Any non-TSVI development that does occur will be considered ‘gravy’ to the financial results of the analysis.

Upon review of the past two annual Village operating budgets and obtaining an understanding of the constraints on certain cash flows the Village receives, he segregated the model into the following three sections:

1. Governments Operations – fire, EMS, police, roads and general activities
2. Public Works – includes the wastewater treatments plant and Kachina Water Tank
3. Lodgers Tax – projects future lodgers tax revenues and proposes potential uses of those funds

Within the Governments Operations section certain revenues are restricted for specific uses. The section includes all revenues and expenses for each of the areas mentioned above and assumes any shortcoming in any one area (e.g. roads) can be subsidized by the general fund.

Overall, the analysis addressed the questions listed above regarding the future liquidity of the Village. Individually, each section of the analysis shows the current reserve balance growing over the next twenty-five years while meeting its operating or debt obligations. In the event the assumptions of growth are not lived-up to, revenues will not grow as much as projected, but neither will expenses.

The original Plan of Finance created during the time of TIDD formation assumed a \$4 million contribution to the principal balance of certain public improvements. Since there is considerable concern regarding the formation of a PID from the public, this plan assumes a PID is not formed.

Mr. Brad Angst, with G.K. Baum & Company, representing the Village, noted that the finance plan presented was a very useful tool for the Village, with lots of information. However, he recommended giving the plan a “stress test” to make sure that the plan could handle higher costs, and less revenue, than projected.

The original MDA had language that said any new taxes would not go towards the TIDD; however, this plan of finance accounts for the TIDD getting 50% of the additional tax monies from the Hold Harmless gross receipts tax.

Mr. Rockey said that this is necessary because of higher costs to TSVI on new construction projects where it will have to pay the higher tax rate. Additionally, the original finance plan for the infrastructure projects provided for the collection of \$4 million in revenue through a PID. Since the PID is not being formed, certain projects need funding from another source.

More discussion took place on the funding for various projects listed in the plan, such as Ernie Blake Road improvements, natural gas line extensions throughout the Village, and many others. Since TSVI is planning to make many changes on the Strawberry Hill gradient, the Village’s water and sewer lines running across the hill will need to be moved to a more reasonable depth so as not to be buried so far underground as to be unreachable. Any PVC pipe would be upgraded to ductile iron at that time. Mr. Rockey said that this project could be eligible for TIDD funding. Some of the infrastructure projects listed in the original TIDD plan may need to be removed, as most project costs are higher than anticipated. Both the Village and TSVI will need to prioritize their projects, and work together to create the world-class ski resort community that is desired.

Mr. Rockey will work with the Village to pursue avenues to correct the collection and distribution of the incremental tax revenues, both to the Village and to the TIDD, which seem to not be distributed correctly.

Representatives from the North Central Rural Transit District were in attendance to discuss the possibility of Taos Ski Valley creating a transit district for increased bus service, year-round, at a better cost.

5. ADJOURNMENT

MOTION: To Adjourn.

Motion: Councilor Wittman

Second: Councilor Stagg

Passed: 4-0

The workshop was adjourned at 10:45 a.m.

Neal King, Mayor

ATTEST: _____
Ann M. Wooldridge, Village Clerk