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BOARD OF DIRECTORS MEETING

Date and Time: 2:00 PM on Wednesday, September 13, 2017

Location: Home Loan Building, 205 N. 4th Street, Grand Junction, CO 81501, in the Community Room on the Basement level

In attendance:

David Ludlam
Craig Springer
John Justman
Chris McAnany
Dusti Reimer
Gus Hendricks
Lance Stewart
Benita Phillips
Ty Minnick
Curtis Hainer
Maria Deuel
John Williams
Samantha Morgan
Kristin Trezise
Davis Farrar
Dane Van Loon
Roblee Talbott
Kristen Cole
Brandon Stan
Dan Sherrill

Meeting Minutes:

- I. Call to order at 2:00 p.m. by David Ludlam.
- II. General Public Comment.
 - a. No Comment. D. Ludlam closed public comment.
- III. Adoption of the August meeting minutes.
 - a. C. Springer motion to approve meeting minutes. D. Ludlam second. Voted. Approved.
- IV. Consent Agenda:
 - a. Dufford, Waldeck, Milburn, Krohn Invoice
 - b. Dusti Reimer Invoice

- c. 2016-SM-03 City of Fruita Final Payment
- d. 2016-ST-02 Clifton Sanitation District Final Payment
- e. C. Springer motion to approve. D. Ludlam second. Voted. Approved.

V. Staff Report.

- a. D. Reimer said social media updates were for the Stocker Stadium completed project time-lapse video that the City of Grand Junction Parks and Rec Department had posted on their Facebook page.
- b. D. Reimer said there was no media mentions during the past month.
- c. D. Reimer said the grant payments that were submitted for approval and just approved by the Board were for the City of Fruita for their final payment was \$19,025 and the Clifton Sanitation District final payment \$75,000.
- d. D. Reimer said the invoice for Dufford Waldeck was \$1,400 and the invoices for Dusti Reimer was \$2,807.69
- e. D. Reimer said the upcoming events are the fall grant awards and board meeting on October 11th.
- f. D. Ludlam wanted to show the plaque that was received from the City of Grand Junction for the grant award that allowed the Stocker Stadium project to be completed.
- g. S. Olsen said the finances for the Mineral Lease District are straightforward. The balance sheet shows \$1.6 million and some change with the grants payable, which are the grants awarded but not yet paid out, is a balance of \$1,067,925. For the profit and loss statement the grants paid year to date are \$353,000 with a small amount with a few grants that came in under budget which is the \$500 some odd dollars in money that was not used to projects. Outside services for accounting, legal and auditing and contract services and main operating expenses for insurances, supplies, operations, meals are the extent of the profit and loss. The cash tracker is an aging report which is a breakdown of the \$1,067,000 who it will be paid out to and when.
- h. C. Springer asked if we had received the check for this next year's grant cycle.
- i. S. Olsen said we should be getting it any time now. It was received last year at the end of September.
- j. C. McAnany said that the board has the revised RFP for the Investment Advisor. If the Board is ok with this, we can go ahead and publish. Second, we have the revised Investment Policy. If the Board has any further comment, let him know otherwise it has already been approved by the Board at the last meeting. He circulated a draft of a policy statement for the Board to look at for its terms for the creation of the permanent fund that you intend to create with the investment proceeds. If there needs to be any revisions or additions please let him know. Lastly, he had circulated a revised grant agreement for the extension for the Western Colorado Community College Lineworker facility grant and the request from CMU that the grant be extended based on the legislative contingency the Board has been apprised of.

- k. D. Ludlam stated that we do not need to take additional action on the Investment Policy because it was approved with the changes at the last meeting. Is there any other items we need to action on from your report?
- l. C. McAnany said I don't think so. You previously gave us direction for the changes you wanted on the WCCC grant agreement. I sent that over to them to review and I have not gotten any comments back.
- m. C. Springer asked C. McAnany if the Board needed to approve the permanent fund resolution.
- n. C. McAnany said yes, that's in a draft form. If you want to approve it as written, you can. But, if we didn't have it formally on the agenda, we might want to wait until next meeting.
- o. D. Reimer said it was not, because it was just received yesterday.
- p. D. Ludlam said let's defer until J. Justman can vote. Does not acting on the permanent fund resolution defer us from taking action with the Investment Policy, even though the Board approved that?
- q. C. McAnany said as he understood the Board intended for the permanent fund resolution to be a guide for future board to explain the intent and why the district is doing this now. This was to be a guidance tool to inform future decision why they might come. We can act next meeting.
- r. C. Springer said he feels this resolution does just that. This explains well what our mind set was and why we were headed in this direction. So, good work Chris.
- s. C. Springer said with this, we cannot move forward with the RFP without it being approved today.
- t. C. McAnany said you already have. You approved it last meeting. You gave me a few minor changes you wanted to make. You can always hold off on that, you can tinker with it. The timing is the only concern to get it published and get responses from the investment community.
- u. C. Springer said the intent was always to get this up and going in 2017. I feel we need to, we've been talking about this all year.
- v. D. Ludlam said to J. Justman that they were just talking about the investment policy that was adopted last meeting and supplementary documents of the narrative resolution that outlined the initial intent of the permanent fund. Have you had a chance to review those and have any changes to suggest?
- w. J. Justman said he reviewed them and did not have any changes.
- x. D. Ludlam said now with all three board members present would you feel comfortable adopting this today.
- y. C. Springer made a move to approve the permanent fund resolution as drafted by the attorney. J. Justman second.
- z. D. Ludlam asked for a further discussion and asked Chris if the Board had fulfilled the public review.

- aa. C. McAnany said with one caveat that we have previously circulated the draft of the RFP and the Investment Policy that has been debated and discussed at two or three board meetings and has been changed at that time. It was approved at the last meeting with the suggested changes, that I made. The resolution has not been approved and was not on the agenda today, I recommend that you defer action until next meeting and then we can have staff make sure it was on the agenda.
 - bb. C. Springer asked if we can move forward with the RFP.
 - cc. C. McAnany said yes.
 - dd. C. Springer made a motion to approve the RFP. J. Justman second. Voted. Approved.
 - ee. D. Ludlam asked staff to circulate RFP with Investment Policy to the investment advisors in town.
 - ff. D. Ludlam said that concludes the staff report. Any questions from the Board or staff. Staff report closed.
- VI. 2016-FM-02 City of Grand Junction Salt Shed Contract Extension Request.
- a. D. Reimer reviewed the letter from the City of Grand Junction stating unforeseen circumstances occurring near the project site that created a delay in the bid process for the salt shed. They are now ready to proceed and it is possible to have the grant project completed by the October date, but they are looking for an extension of December 31, 2017 to make sure there is sufficient time for completion and reporting.
 - b. D. Ludlam asked D. Reimer if this seemed in line with any other requests they had received.
 - c. D. Reimer said it was in line with other extensions we had received in the past.
 - d. J. Justman made a motion to approve. C. Springer second. Voted. Approved.
 - e. D. Ludlam said the extension has been approved and to please have staff let them know.
- VII. 2016-FT-03 Western Colorado College Grant Contract Revision.
- a. D. Reimer said the Western Colorado College Grant Contract request was for a change due to unforeseen changes by their state funding, the need to change locations due to it causing a complication with the forensics body farm in Whitewater to relocate it to the current property on 29 Rd., and a year extension due to the delay.
 - b. C. McAnany said to add to that the change was for the contingency that if the legislation contingency that would match the districts grant does not come to pass that CMU with either match the funds with other funds or if for some reason the project cannot proceed at all, the grant would have to come back to the district.
 - c. D. Ludlam asked if the Board had any questions.
 - d. C. Springer said to be clear if the unforeseen funding circumstances that was referred to, is that they applied for matching funds and didn't get them.
 - e. D. Reimer said correct.
 - f. D. Ludlam asked if it was from the DOLA.

- g. C. McAnany said it was appropriation from the 2017 legislative session that didn't happen.
- h. D. Ludlam said the conditions for approval that we previously talked about was they have to put the money up whether they get it or not.
- i. C. McAnany said that's correct. And in the event that a hypothetical is that they cannot get the appropriation from the legislation in 2018 and the institution doesn't come up with other funds to complete the project, the funds come back to the district.
- j. C. Springer said he had a question. We approve this amendment today, they get a partial funding of 50%-with the understanding that if their funding request in 2018 is declined, they have to return the funds to us. Or reimburse us or whatever. If they have the money to reimburse us, why are they asking us for the 50%? Why don't we just wait until they get their 50%and then get their money.
- k. C. McAnany said it's a fair question. This grant was awarded on the belief they had all of their funds secured and committed. For whatever reason, we learned after the fact that it wasn't the case.
- l. C. Springer said there wasn't anything in our application that was done incorrectly. The application allows for this type of thing to happen, we have just never had it happen before. That was our old application-we've made a revision since then.
- m. C. McAnany said not to throw stones, the Board asked the question about funds available and they were accurate in what they disclosed. For whatever reason there was a change in circumstances at the legislature. The additional terms we inserted in to the new agreement addresses this. The main thing is this project isn't going to happen as soon as they intended, which was what they are saying.
- n. C. Springer said his concern in the precedent. I was here when the FML District was formed and I've been part of every grant cycle so you can't say it happens with frequency. My concern is, when talking with most of our grant applications, many of them have to apply for the other side of the funding from another agency-it's the chicken and the egg thing. Who's funding comes first. If you image if every one of our grant applications is hung up, the funding is denied and they want partial funding and will figure out a way to pay them back. This doesn't seem like what we do.
- o. C. McAnany said if the board wanted to take a hard line, we can say we are only going to fund shovel ready projects, and we could have done. But, given the past discussion the Board has had, we had talked about giving them this extension and see if this comes to pass. It's a fair concern you want to fund projects that are ready to go.
- p. J. Justman said he doesn't like this slippery slope.
- q. C. Springer said he remembers scoring this high. It's good for the community and he likes the project, but he doesn't like where its at.
- r. D. Ludlam asked if he had a proposed action.
- s. C. Springer said his preference would be to amend the agreement to pursue the matching funds in 2018 and when those funds are received, we will put ours in and fund that grant. I am not comfortable with giving them money now, and waiting to see what happens. I just do not think that is the right thing to do.

- t. J. Justman said he agreed with what C. Springer said.
 - u. D. Ludlam said the motion would be to sustain the grant award contract, but defer distribution of funds until they have state funds or proof of alternate funds.
 - v. C. Springer said if they have alternate funds to match we would be good to go with this grant whenever that happens.
 - w. D. Ludlam said presentation of a motion.
 - x. C. Springer said what D. Ludlam stated is his motion.
 - y. C. McAnany said he would have it state that the funds would not come out of the district until the funding sources have been satisfied. Currently it allows for the regular contract of a 50% grant payment. I will make the change assuming that's what you want to do.
 - z. J. Justman said he seconded C. Springers motion.
 - aa. D. Ludlam said this conversation is coming back, he thought they had discussed having them provide documentation they had funds available by either the Board of Trustees providing something written saying they would fund it.
 - bb. C. McAnany said this is what this new draft says. That if they do not get state funding, they would proceed with the project with other funds. What I heard you just say is that you want them to require them to have an iron clad commitment to fund the balance of the project before any funds come from the district.
 - cc. D. Ludlam asked if there was any further discussion. Voted. Approved.
 - dd. C. McAnany said he would make those changes and circulate that to them.
- VIII. Motion to adjourn from C. Springer, second by J. Justman. Voted. Approved.

Adjourned at 2:26 p.m.