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## BOARD OF DIRECTORS MEETING

**Date and Time:** 2:00 PM on Wednesday, June 20, 2018

**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

Nancy Howard

Ethan Corman

Matt Rosenberg

Benita Phillips

Karen Kllanxhja

Gus Hendricks (City of Grand Junction Fire Department)

Brandi Menuppella (City of Grand Junction Fire Department)

### Meeting Minutes:

- I. Call to order at 2:00 p.m. by David Ludlam.
- II. General public comment.
  - a. No public comment.
- III. Adoption of the May meeting minutes.
  - a. C. Springer made motion to approve minutes. J. Justman second. Voted. Approved.
- IV. Consent Agenda:
  - a. Dufford, Waldeck, Milburn, & Krohn - \$1,015 for legal services for May.
  - b. Dusti Reimer - \$2,656.23 for services, advertising and supplies for May;
  - c. Buds Signs - \$55 for signage for De Beque grant
  - d. 2017-FM-02 City of Grand Junction Fire Department Hazmat ID Chemical Identifier Final Grant Payment of \$50,000
  - e. 2017-FM-08 Caprock Academy Classroom Locks Final Grant Payment of \$12,169.67
  - f. C. Springer made motion to approve consent agenda. J. Justman second. Voted. Approved.

V. Staff Report.

- a. D. Reimer said social media postings for the month were about:
  - a. RFP for Audit Services
  - b. Monthly Board Meeting Date
  - c. Presentations in the Community
  - d. Anvil Points Investment (Sponsored Post)
    1. KREX Forever Fund Story
    2. \$100 Sponsored Ad
    3. 5,325 People Were Reached With the Ad
    4. 250 Post Engagements
    5. 3 Comments
    6. 187 Story Clicks
    7. 4 Pages Likes
    8. 10 Shares
    9. 41.5% Women/58.5% Men (Ages 18-65+)
- b. Sent Media Release to local news outlets about Anvil Points Investment, and all three media outlets picked it up-The Daily Sentinel, KKCO and KREX.
- c. Grants Requesting Payments:
  - a. 2017-FM-08 Caprock Academy Classroom Locks
    1. Final Grant Payment of \$12,169.67
  - b. 2017-FM-02 City of Grand Junction Fire Department
    1. Final Grant Payment request of \$50,000
- d. Invoices for payment are:
  - a. Dufford, Waldeck, Milburn, & Krohn - \$1,015 for legal services for May
  - b. Dusti Reimer - \$2,539.45 for services, advertising and supplies for May
  - c. Buds Signs - \$55 signage for De Beque Grant
- e. RFP for Audit Services:
  - a. Published on the website, social media, and Daily Sentinel (print and online ad), and Personally reached out to:
    1. Dalby, Wendland – Jeff Wilson (not at the current rate we have)
    2. Soronen Donley Patterson – Dave said they wanted to submit, but then emailed on deadline and said they couldn't.
    3. Morris – Tonsfeldt – Spoke with Lisa and she never submitted.

4. Premier Tax Pro Services – Emailed.
  5. Mid Mountain Audits – Left Voicemail, no response back.
  6. Grisier, Bussey and Kaper CPAs, LLC – They do not do audits.
  7. Chadwick, Steinkirchner, Davis & Co – Current Audit Provider and Provided Audit.
- f. Upcoming Events:
- a. June 28 – Mesa County Library Board Presentation
  - b. July 12 – Kiwanis Presentation
  - c. July 18 – Monthly Board Meeting
  - d. 28 – Mesa County Library Board Presentation
- g. Grand Junction Fire Department Hazmat Team brought the Chemical ID equipment to look at and review. They are currently doing training with the department this week with the equipment.
  - h. D. Ludlam said he had done two presentations together, but that D. Reimer had done quite a few Board presentations and wanted to know how far they had gotten with the list of Special District Boards.
  - i. D. Reimer said they had done the bulk of the Special Districts in Mesa County. D. Reimer said she had printed out the Special Districts of Mesa County and had been going through the list. The list is kind of confusing, because a lot of the contact information for these districts are listed in Denver and other areas in Colorado, not Mesa County.
  - j. D. Ludlam said we are looking for active Boards. He said the presentations we have done have been good and were well received.

## VI. Review of Financials.

- a. Nancy Howard has taken over the Eide Bailly position from Scott Olsen, who has taken a position with another organization.
- b. May had money transferred to the permanent fund, there were two grants paid out, no income coming in. There were legal, accounting, and contract fees that were deducted.
- c. The permanent fund went up with dividends, interest and market fluctuations.
- d. M. Rosenberg said they received the Anvil Points contribution and invested the funds. The return has a negative right now, but you have a gain in your account. Your account is up in value. Time waited rate of return for reporting invested since its inception. We dollar cost average, the return you are seeing is from that first dollar invested. We have actually withheld cash, and conservatively invested. Over time, we will have it fully invested, which is why you show an account gain. They didn't invest all the funds right away. The market is down right now, so they held back cash into the account, which is why they show the account is up. This is an interesting case study. Eventually we will have all the cash invested. You can see the asset allocation in the reports. The chart that shows the risk vs return, is one of the most important parts. Over a longer period of time

you'll see these lines line up. These might take a few years, but you'll start to see the trends.

- e. B. Phillips asked when this would be available on the website. People would love to see this information. The timely manner people see this, is important.
- f. D. Reimer said that the reports are due quarterly, and this is the second one. They are on the website and the website is and has been updated on the day they are presented to the Board.
- g. B. Phillips said she is concerned that she couldn't find it on the website. She said people call her and want to know what is going on with the information and what Rosecap presents is really pretty. She wants to be able to just tell people to go to the website.
- h. M. Rosenberg said he wanted to know if the Board wanted them to present the spend policy. We customize the rules to reach what your goals are. We try to come up with a spend policy that will fit your long-term goals as a district.
- i. C. Springer said he believes it would be a useful policy tool.
- j. M. Rosenberg said that this one is really more of a demo-that these are just guess estimates. That's why it has DRAFT written largely over the top of it. But, this can help give you and future Board an idea of how much money would be available to spend for your future grant cycles, based on estimated deposits, and the spending, to help give the Board guidance for the future.
- k. D. Ludlam asked how much effort it would take to make this a helpful tool?
- l. M. Rosenberg said the Board did a great job in the start of this. That essentially your Investment Policy outlines exactly what we need to manage the assets. This just helps for goal setting. Upon transition of new Board members and will be able to know from year to year, from this Policy, that will show them how much will be available to come.
- m. D. Ludlam said that it would do the same in reverse, if they wanted to drain a large amount from the permanent fund, how long it would take to rebuild those funds.
- n. M. Rosenberg said it doesn't have to be decided today. You also may want some flexibility to not have a structured policy.
- o. C. Springer said he would like to see Rosecap run a model to show how long it would take to generate a million-dollars a year from the permanent fund.
- p. M. Rosenberg said given assumptions from the permanent fund, we basically took the last seven years of data to show receipts and regressed it to the oil and gas index and then back dated that going back 30 years to forecast future contributions. There wasn't another Anvil Points type contribution.
- q. C. Springer said the assumptions are about right on. He thinks they are pretty close and to use these.
- r. M. Rosenberg said to use these and then moving forward, the \$250,00 was an estimate until you get to your goal.
- s. C. Springer said if we do it right it could be a useful tool on our website to show people the path. There is nothing in stone, but this could show people where this could go.

- t. M. Rosenberg said in the paperwork there is an example of a spend rule. Some fixed amount you can spend each year, no matter what happens in the portfolio and then you can calculate a variable portion of that based on performance. We could work in a utility function that says perceived value for giving out. That's what the policy could look like. Year to year, you're going to do this. And this is all part of our advisory fee.

VII. Review and Approval of 2017 Audit.

- a. D. Reimer submitted the audit for Board review. The Board said they had, had a chance to review it. The District needs to have their letter signed that states they have complied and supplied the auditors with all the requested documents.
- b. N. Howard said it is like your sign off that says you agree with it.
- c. C. Springer made motion to approve the submitted audit. J. Justman second. Voted. Approved.
- d. D. Ludlam will sign the letter for the auditor.

VIII. Review and Selection of Audit Services from RFPs.

- a. D. Reimer said we received one RFP from our same auditor, Chadwick, Steinkirchner, Davis & Co, after contacting all the audit services in Mesa County. They submitted a proposal that actually drops the rate for the next four years. We will be paying less for audit services moving forward.
- b. C. Springer made motion to approve the Chadwick, Steinkirchner, Davis & Co RFP for Audit Services. J. Justman second. Voted. Approved.

IX. Unscheduled business.

- a. C. Springer asked if we had discussed doing an RFP at the last meeting for bank accounts.
- b. D. Reimer said yes, S. Olsen was going to get all the final numbers together and then put together the RFP.
- c. C. McAnany said you may want to look at a fund depository trust for local governments. Because they have a lot of cash on hand, and you could earn a better rate. I think I sent some information out on that. They just handle government agency deposits and they know how to handle public deposits.
- d. C. Springer said that if we evaluated them verses and RFP, we would be doing the right thing wouldn't we?
- e. C. McAnany said yes. You want to look at the cost of services, and what factors are important to the Board.
- f. C. Springer said it is simple, we don't have that many transactions.
- g. C. McAnany said that's right, it's rate of return that we are looking for.
- h. D. Ludlam asked what the timing would be for the RFP.
- i. D. Reimer and C. McAnany said we could have it for the next meeting.
- j. D. Reimer said that Lightbulb Media sent over a contract to work on another video on how we get funding and the grant process. It would be a shortened video of what we do.

- k. C. Springer asked what the shelf life of something like this?
- l. D. Reimer said this would be a video brochure for the website, Facebook, and presentations and email it out to prospects.
- m. C. Springer asked how much?
- n. D. Reimer said \$2,300 for a 120-second video.
- o. C. Springer said it would be cheaper than a sign.
- p. D. Ludlam said that we liked the last one and the more we can show it is being used, we can justify the expense.
- q. D. Ludlam said two more items-the bylaws updates, when can we expect them?
- r. C. McAnany said by August. We did the minor revision for the meetings, but the
- s. D. Ludlam said the extra time for doing nights and public presentations. Are you keeping your time and billing for hours. How are we on the retainer?
- t. D. Reimer said she has seen about 2 hours per meeting. She hasn't been charging extra hours, because it was decided that in July the Board would review the hours and look at the retainer.

X. Motion to adjourn from J. Justman, second by C. Springer. Voted. Approved.

Meeting Adjourned at 2:41 p.m.