



P.O. Box 3039 • Grand Junction, CO 81502
E-Mail: info@mesaFML.org Web: www.mesaFML.org

BOARD OF DIRECTORS MEETING

Date and Time: 2:00 PM on Wednesday, October 23, 2019

Location: Home Loan State Bank Community Room, 205 N. 4th Street, Grand Junction, CO 81501

Attendees:

Dusti Reimer
Benita Phillips
Nancy Harward
John Justman
Quint Shear
Chris McAnany

Agenda:

- I. Call to Order by Quint Shear.
- II. General Public Comment.
 - a. No comment.
- III. Adoption of the September Meeting Minutes.
 - a. J. Justman made motion to approve meeting minutes. Q. Shear second. Voted. Approved.
- IV. Consent Agenda:
 - a. Dufford, Waldeck, Milburn, & Krohn Invoice
 - b. Dusti Reimer Invoice
 - c. Eide Bailly Invoice
 - d. US Post Office Box Renewal Invoice
 - e. J. Justman made motion to approve consent agenda. Q. Shear second. Voted. Approved.
- V. Staff Report.
 - a. D. Reimer posted to social media pages about that the previous months meeting minutes had been posted, the current meeting agenda had been posted, and that the MCFMLD was seeking public comment on the proposed 2020 budget.
 - b. D. Reimer said the media we had was from the posted legal notice for the budget in the Daily Sentinel. The notice was public on September 25, 2019.

- c. D. Reimer said there are no grants requesting payment at this time, but there are two that are due at the end of October. East Orchard Mesa Fire Protection District is in the process of submitting their final grant payment request along with Western Colorado Community College for the Electric Linework Building for \$289,000.
- d. D. Reimer said the invoices for the month are for Dufford, Waldeck, Milburn, & Krohn Invoice #165659 for \$160, Dusti Reimer Invoice #139 for services and supplies for \$3,821.54, Eide Bailly Invoice #E100689173 for services for \$2,001.51, and the US Post Office Yearly Registration Fee for PO Box \$204.
- e. D. Reimer said for upcoming events we have the November Board meeting scheduled for November 20, 2019, which is the week before Thanksgiving. I just want to make sure that date still works for everyone.
- f. Q. Shear and J. Justman said the dates work for them.
- g. D. Reimer said she will leave the date unless she hears something different.

VI. Review of Financials.

- a. N. Harward said the fund balance at the end of September was \$1,286,635.39. The permanent fund account balance at the end of September was \$1,480,544.05. N. Harward said the outstanding grants payable was still \$493,395.35, and for the P & L we received a grant for \$925,022.53. She said on the expenses, all the expenses cleared the bank and that we had an unrealized gain in September. N. Harward said overall for the year for the permanent fund we are up \$130,180.59n for the unrealized gains. We have realized about \$4,000 of gains and some interest. Our dividends for the year are \$25,223.57. We have paid out roughly \$8,000 in investment fees. We have also paid out the full \$1.824 million dollars to the county for the finalizing of that contract.
- b. N. Harward said the next page shows four grants still outstanding. As Dusti said, we show the two grants that are due-the Western Colorado Community College grant and East Orchard Mesa.
- c. N. Harward said she also included, and wanted to see if the Board likes it, is the Budget to Actual sheet. This show you year to date through September, and I've been comparing it to what the budget was for 2019. You can kind of see where we are at for the year and make sure we aren't going over or bumping too close to those numbers. On the budget, the reason we have blank lines under legal fees, contract services, the budget isn't broken out that way. It's classified as outside services, which is why you see that line for administrative expense. We are below the budget. About \$1200 for administrative costs.
- d. Q. Shear said it would be nice to see that with the Board packet.
- e. N. Harward asked Chris McAnany if it should be part of the financials or kind of an appendix?
- f. C. McAnany said to just put it into your financials.
- g. Q. Shear said other boards do it that way.

- h. C. McAnany said they do it that way all the time. I think about my own business and we do this. The one thing I'm always worried about is making sure our administrative expenses don't exceed our statutory cap.
- i. Q. Shear asked what the limit was for that.
- j. C. McAnany said it's 10%.
- k. N. Harward asked Chris to email her to statutory caps that outlines the 10%.
- l. C. McAnany said he would email them to her.
- m. Q. Shear asked about the forfeited grant money column with \$51,000.
- n. N. Harward said that we don't typically budget that in. But when grants are awarded, and these monies are unused, this money comes back to us.
- o. Q. Shear asked Chris if we have to eventually take action on those to make them available again?
- p. C. McAnany said no it just comes back into the fund and you can grant it out to someone else in the next cycle or not.
- q. Q. Shear said we don't have to recognize them back in or do anything like that?
- r. C. McAnany said I don't think so, but I'm glad they are being tracked there. IT doesn't happen that often. I'm sure if you drill down into the detail you can find out which ones they came from.
- s. N. Harward said yes, the details were in there.
- t. D. Reimer said that one was from the Mesa County Library.
- u. C. McAnany said Dusti and I were just talking about it before the meeting, but sometimes you make a grant award on a traditional grant or a large grant, but there will be a 30% match requirement. Then what happens the budget changes-they get the bids back and it's lower. What I want to do for our contracts is to say you still have to meet that 30% requirement. If the size of your project contracts, that could mean the money coming from the District is less than the full amount. Having a buy in by the public entities is important. At least that's been what the Board has wanted to encourage. Other wise you have that risk that someone has this really large project and you award that grant assuming there is this 30% match, and then all of a sudden, the project isn't so big anymore and the 30% isn't being kicked in.
- v. J. Justman asked why we didn't have that provision before.
- w. D. Reimer said it's never really come up in this scope before. The Grand Junction Fire Department just emailed me and said their award they had asked for originally was estimated to be \$260,000 for the fire pad with the cement. The department said they were late getting bids out for the project, but the bid they had gotten was significantly under budget. If it gets approved by the city council is looking to be \$191,000. It's hasn't gone through full approval, but they wanted to make sure it wasn't going to affect the grant that we had awarded them because of the change in price. This was special circumstances too, because we didn't award them the full \$185,000 that they were asking. We awarded them what was left over from the cycle, which was less than that

70% anyway. I emailed Chris to double check, because I re-read through the contract and didn't sound like they were going to change the scope of the project for what was requested with the money was going to be used for, but they just didn't want to lose that amount that had been awarded. Chris also checked my math-we both double checked our math numbers, but we didn't give them that 70% and they are still required to contribute that 30%, and they would still be contributing more than 30% for this grant. And if we were to give them 70% of the grant, it would have been \$133,000 and the full grant award we gave them was only \$126,000. It's a win-win in this case, but the question was then presented if we grant out \$100,000, and things change, are they still going to be able to keep all our money-or do we reduce the grant amount and make them still pay that 30%?

- x. C. McAnany said the other thing that could happen, and this has happened, is the scope of work changes. Where the applicant has received a grant and solicited bids and the project changes, they can always come back and request an amended grant agreement. Traditionally the board has always approved that if it's been a good idea. Like the airport. Their project contracted and they came back and asked for some additional stuff, and they board said yes that was ok.
 - y. J. Justman said what if it went the other way? Say they ask for \$100,000 and the project comes in at \$80,000, wouldn't they still need to pay that 30%?
 - z. C. McAnany and D. Reimer both said yes, that's what we wanted to make clear.
 - aa. Benita Phillips asked if that meant we would be changing the contract to be proportionally.
 - bb. C. McAnany said yes.
 - cc. D. Reimer said no matter what, they still have to make that 30%.
 - dd. Q. Shear said I've heard that some of these public projects they do overestimate them to give themselves some room.
 - ee. C. McAnany said that's correct. They figure they won't get 100% of what they're asking for. I think that we should, being steward of public money, we should have some buy in with the grantee.
 - ff. J. Justman said so it doesn't matter what the number ends up being, they still need to contribute at least 30%.
 - gg. C. McAnany said correct.
 - hh. B. Phillips asked if they needed to vote to change that on the contract.
 - ii. C. McAnany said no. We'll talk about that at the next grant cycle. This just came up yesterday. It usually doesn't happen. Usually it goes the other way, that the project goes over.
- VII. Review and Approval of Proposed 2020 Budget.
- a. D. Reimer said she published the legal notice in the newspaper. The actual copy of the notice was included in your Board packet, the notice has also been on our website and our social media that we were seeking public comments and we received none.

- b. Q. Shear said we pretty much were in agreement on it and had no other issues with it.
 - c. D. Reimer said unless our current public has a comment on it.
 - d. B. Phillips said no.
 - e. Q. Shear asked if John was comfortable with the budget.
 - f. J. Justman said he was.
 - g. J. Justman made a motion to approve the 2020 Budget. Q. Shear second. Voted. Approved.
 - h. C. McNany said he will get a resolution for them next time to sign.
 - i. D. Reimer said they need the approved meeting minutes to go with it ready for the packet.
- VIII. Approval of \$100,000 Permanent Fund Contribution for 2019.
- a. N. Harward said this was on the 2019 Amended Budget.
 - b. D. Reimer said we didn't have any formal action. We had it listed on this agenda and wanted to see if you still wanted to move forward with making this contribution, this is why it's on here.
 - c. Q. Shear asked if we needed to take action on it, even if it was on the budget.
 - d. D. Reimer said yes.
 - e. N. Harward asked what would be the best vehicle for the deposit? Just write a \$100,000 check to RoseCap.
 - f. D. Reimer said yes, because we don't have electronic transfer.
 - g. J. Justman made a motion to contribute \$100,000 to the permanent fund. Q. Shear second. Voted. Approved.
- IX. Review of Investment Account.
- a. D. Reimer said no one on the Board had any question to ask Matt in the email. Matt wasn't going to be able to be here today. Number 10 on the agenda, I said I Would continue to put it on the agenda until someone tells me not to put it on there. At this point the account is pretty straight forward. The statement is for the end of September and these are the same numbers and financials that Nancy already gave. This statement just shows the accounts they are in.
 - b. C. McNany asked if the unrealized gains were \$150,000?
 - c. D. Reimer said I think \$130,000 to date. Market appreciation and depreciation to date is \$134,499.59, fees have been \$8,878.16 and dividends and interest for the year have been \$25,227.08.
 - d. N. Harward said on the financials that \$34,134 mine is broken out between realized and unrealized. That's the two numbers on my financials that get you to that number.
 - e. C. McNany said I was going to ask you about that-unrealized is the appreciation in value of the account where we haven't sold a security. It's the paper value.

- f. N. Harward said correct.
 - g. C. McAnany said the realized value, are we liquidating securities.
 - h. Q. Shear said when Matt trades them, so if he moves from one product to another, he makes a trade and we get a gain on that. That shows up as a realized gain.
 - i. D. Reimer said he did make some trades the last two months, I think. He started to make some trades which is why we are seeing some gains, or losses.
 - j. N. Harward said the interest and dividends on this statement are pushed together, but it's not a lot.
 - k. D. Reimer said the interest is \$0.03 for this month, but the total between the two, for year to date, is \$25,000. Right now, the account, at the end of September was sitting at \$1,480,544.05. Change in value of \$150,000 year to date value to September.
 - l. Q. Shear said we did make up some stuff in September.
 - m. D. Reimer said yes, we're bouncing back.
 - n. B. Phillips said he's really restricted in what he can invest in.
 - o. C. McAnany said he's not that restricted. He's got a pretty broad mix of things we can do.
- X. Review of and Possible Investment Changes with RoseCap Investment Advisors for the Permanent Fund.
- a. Q. Shear said we will table to the next meeting. I don't think Craig has had a chance to meet with Matt and discuss that in depth.
- XI. Unscheduled Business.
- a. None.
 - b. J. Justman made motion to adjourn. Q. Shear second. Voted. Approved.
 - i. Meeting Adjourned at 2:29 pm.