



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

BOARD OF DIRECTORS MEETING

Date and Time: 3:00 PM on Wednesday, October 21, 2020

Location: Zoom Meeting (Replay on our YouTube Channel and our Facebook Page)

Attendees:

Chris McAnany
Dusti Reimer
John Justman
Quint Shear
Christine Madsen
Matt Rosenberg
Craig Springer
Dane Van Loon
Derek Wagner
Benita Phillips
Cody Davis

Agenda:

- I. Call to Order by Craig Springer at 3pm.
 - a. Q. Shear made a motion to approve the agenda. J. Justman second. Voted. Approved.
- II. General Public Comment.
 - a. No Comment.
- III. Adoption of the September Meeting and September Grant Workshop Meeting Minutes.
 - a. J. Justman made a motion to approve the minutes. Q. Shear second. Voted. Approved.
- IV. Staff Report.
 - a. D. Reimer said we posted to social media on Facebook, Twitter and YouTube we shared our meeting minutes were posted, meeting agenda posted, Live Streamed on Facebook our meeting, October Zoom Meeting Details, YouTube September Meeting Uploaded, posted two Daily Sentinel articles where the MCFMLD was mentioned, posted the news release about the DOLA check, Thank You shout out to our grant presentation participants.

- b. D. Reimer shared the two media links to the Daily Sentinel articles with the District being mentioned. One was the CMU robust testing paying off, the other was the local governments see FML payments cut in half, which was just posted this last week.
- c. D. Reimer said we have no grants requesting payments at this time, and our September invoices were for Dusti Reimer for invoice #151 for services and grant supplies for \$3,812.11 , Alpine Computer Solutions invoice #69738 for \$609.40 that included domain name renewals for the district for five years and hosting services for the 2020 year, and our US Post Office Box renewal for 2021 for \$226.00.
- d. D. Reimer included a reminder of the DOLA disbursement of \$495,556.20 for 2021 and upcoming events included grant contracts and November Board meeting taking place on November 18, and December Board meeting on December 16th and our Budget needs to be approved by December 31st.
- e. J. Justman made a motion to approve staff report. Q. Shear second. Voted. Approved.

V. Review of Investment Account for September.

- a. M. Rosenberg said the current account balance is \$1.77 million. We are only \$10,000 off the all-time high. Things are good we did a rebalance in March at the right time and then we just did another one to do an equity allocation of 65%. I just did that a couple days ago. I'll keep it short, unless you have questions.
- b. Q. Shear made a motion to approve investment report. J. Justman second. Voted. Approved.

VI. Review of Financials for September.

- a. C. Madsen said the balance sheet for September 30th shows a fund balance of \$1,119,182.41 and the permanent fund shows a balance of \$1,740,553.79. Under grants payable we're still showing \$200,000. We are also at a net income of \$318,837.44.
- b. C. Madsen said for the profit and loss, the government grants received was for \$495,556.20. Legal fees of \$185, contract services \$3,750, audit expense \$3,700, dues and expenses \$39.97 and operations of \$600. We have unrealized loss in the permanent fund for -\$39,749.51, and \$0.04 of interest and we have \$4,947.94 in dividend income.
- c. C. Madsen said under the A/P Aging summary, nothing changed from last month. We are still showing \$50,000 to City of Fruita and \$150,000 to the City of Grand Junction.
- d. C. Madsen said for the Budget to Actual, we are still showing under budget for contract services, auditing, insurance, advertising expenses, and the rest are the same for prior month. That's it for financials.

- e. Q. Shear made a motion to approve financial report. J. Justman second. Voted. Approved.

VII. Award of Fall Grants.

- a. D. Reimer said this is what our total scoring from the three of you were for the grants. Our average score total mean for East Orchard Mesa was 41.3, CMU and District 51 was a 34, and Lower Valley Fire Protection District scored a 41. For our total scoring, we see their scores with the total grant request. I'm going to give you three funding options. WE have traditionally given you three funding options. I am in no way shape or form pushing for one way or the other, you are free to make your own choices, this is just a way to get the discussion going for you to decide the award. As a reminder we have \$200,000 for this grant cycle. For Funding Option A, we've always done awarding just the highest scoring traditional grant. Also, you can see here on the side we've always tried to do an apple to apple comparison, but this time each grant only has six questions. So now they are scored evenly when it comes down to the scoring. Funding Option A is funding the East Orchard Mesa Fire Protection District for \$61,600 that would leave us with \$138,400. Funding Option B would be to award the highest scoring mini grant, which would be Lower Valley Fire Protection District and that would leave us with \$150,000. Our final option is Option C, which would take the two highest grants from the traditional and mini grants for a total award of \$111,600 and that would leave us with a balance of \$88,400. Again, this is just to get the discussion going, I will turn it over to you guys, if you have any questions or need to see different numbers let me know.
- b. C. Springer asked for questions from the Board.
- c. Q. Shear said I don't know about you guys, but I hesitate to pave another parking lot.
- d. J. Justman said are you looking for my thoughts on this?
- e. C. Springer said yes.
- f. J. Justman said I think that East Orchard Mesa Water Tender would be helpful to them. Lower Valley Fire definitely had some work to do on the Pine Gulch Fire and there were oil and gas wells out there. Their station upgrades would be long term, or maybe it won't be long term, because it won't burn up there again for a long time. But there is a lot of gas wells up there, so I can definitely tie to the oil and gas industry to them for sure.
- g. Q. Shear said I think they were both up there working hard during that.
- h. J. Justman said you're right and my thought is to fund both of these folks and you would have a remaining balance of \$88,400.
- i. C. Springer said scoring these grant applications for me was kind of a wake up call, but even a bigger one than normal. I remember the conversation I had with the

commissioner from Garfield county where they talked about doing grant cycles without funding anything. They said they are careful with this money and if they can't see a viable long-term benefit to the citizens of Garfield county, we don't do it. We've had cycles where we haven't funded anything. We've always erred on the opposite side by using everything that has come in on these cycles on the theory that this has benefits the people of Mesa County the most good being deployed to these projects, instead of just sitting in our bank account. I'll be honest, all three of these were problematic for me. The East Orchard Mesa question, we are again, being asked to fund a depreciated asset, because 20 years from now, no one is going to know where this used tender came from, or where the money came from and no one will care. The COVID Phase II testing, I think CMU has done an outstanding job of getting that university up and running in a safe and responsible manner. They have thought out of the box. They have done remarkable good work with what they've done. The problem for me with that application, COVID won't be around forever, so I couldn't get there with the long-term benefit. The application pointed out correctly, that if it saves lives, 40-50 years from now people would be alive that wouldn't otherwise be alive. That is a long-term benefit. There is a point to be made there. The Lower Valley Fire Protection District, like Quint said, I'm tired of paving parking lots and I kind of am too. Again, 20 years from now, no one is going to care or have any clue whether that little apron there has been paved to make life a little easier for these folks. In the good ole days, when we had \$1.6, and \$1.8 million to make these decisions it was a little easier to make these decisions. But this is really tough. And the argument on the other side is, well, you don't have enough money to give away for important big capital projects that will make a difference and I get that. When the entire amount that is going to be divvied up is \$200,000, you can't expect someone with a \$1.5 or \$2 million project to apply for that \$200,000 for us. I guess it's a community problem all the way around. I'm uncomfortable with all of it. Those are my thoughts.

- j. Q. Shear said Craig, the positive piece I did have, I mean I had trouble scoring these like you did. The water tender, I hope they'll get some longer term use out of it, and I know it has been a highly used piece of equipment. The COVID thing with CMU, for our purposes, what we like to fund, the piece of equipment they're buying, had some long-term use to it. Long-term use to the community, although the testing was a one-shot deal. But the separated-out piece of equipment, there was a positive there. The fire station, they were a benefit to the oil and gas industry, but it just seems like paving a driveway was a maintenance issue. It's like paving the streets in De Beque, it's a maintenance issue.
- k. J. Justman said my thought with the water tender, you might not need it 20 years from now, but if and when you need the thing you have a piece of equipment that's much better than what they have. Who knows when they'll need it next, or how much it will be used, I Can't answer that. We both know both those organizations had impact on the Pine Gulch Fire, but where they were right there to save a gas

well or not, I don't know. Maybe it was an aircraft, but nonetheless both were involved that protected oil and gas assets, which is why I could justify funding their projects. To me, it made sense you could tie it to the oil and gas industry or the impact they've had on the industry and community. They do rely on the fire departments to help them out and this big fire we just had kind of brought that to light I believe.

- l. C. Springer said what I am hearing from you two gentlemen is, you think the water tender is a go and one of you thinks the fire protection district driveway is a go and the other thinks not.
- m. J. Justman said I guess it's hard to tie a paving approach to a fire station as desperately needed and I guess that's a maintenance thing and I'm not sure that, it's an upgrade to a poor approach they do have, and I know they built a new building 2-3 years ago. Maybe they can get by with gravel, I don't know. I do know they were able to help with the wildfire when they were called out there and actively participated with the saving and protecting oil and gas assets out there. And that's where the revenue comes from, so I don't mind taking some of that money and helping those folks out.
- n. Benita Phillips asked Craig if she could ask a question.
- o. C. Springer said go ahead.
- p. Benita Phillips said I don't know when CMU put this proposal together, I send Jeff Kuhr information from the US Government to COVID testing and I know he passes it on to Foster. This might have been put out when money wasn't available, but I do know that grants are coming through into the states and I'm sure Foster has his thumb on what grants are coming through. Maybe when the proposal was made up the need was there, but it might not be as much now.
- q. Derek Wagner said Mr. Chairman, I'd be happy to address that if you'd like me to.
- r. C. Springer said go ahead, Derek,
- s. D. Wagner said the need is real and absolutely every funding tree we can shake, we're trying to shake and if we're in the position of competing with an asphalt parking lot, I'd ask you to reconsider at least the scientific equipment of our grant request, which I think is about a \$95,000 that will be put into our science laboratory and will be used on this campus for at least 10 years and can be used for a multitude of purposes other than just the COVID testing. I think the waste water testing portion of this project and this is a reminder that is a joint application between CMU and District 51 that are two eligible entities, which I hope there is some value in, the waste water testing and early detection piece has really helped us to catch some outbreaks before they occurred on campus. We'd like to take that technology and process some District 51 schools. It wasn't lost on me that as Dusti was talking about her experience in the beginning of this meeting and I think a lot of families

and businesses are dealing with that right now and I would just encourage you to consider that portion of our application for funding at least.

- t. C. Springer said thank you. The difficulty of your request is to my knowledge we have never funded something that has scored less, or funded part of something that has scored less than the others. We've always respected the scoring that has been done independently by all three as a group. Whether we liked it or we didn't. I appreciate your offer and if my fellow board members want to go down that road, that's fine, but to my knowledge we have never done that before.
- u. Q. Shear asked Dusti, what does the page look like if we fund both fire protection districts? I missed that. We could potentially fund both fire districts and it doesn't look like it would cover the whole piece, but we would have \$88,400 left for the college. Does that help anyone or make a difference?
- v. C. Springer said Derek you can respond.
- w. D. Wagner said it would certainly help us. That individual digital PCR machine is \$95,000. As I said earlier we're trying to find every funding source we can to pay for folks to go out and deploy technology and collect the samples, but for that actual piece of capital equipment, that would go a long way going towards that piece of equipment. It would help substantially.
- x. Q. Shear asked if you could still do that piece?
- y. D. Wagner said I think, yes, we would. We would have to scale back the number of locations we could do, but we could certainly modify that and tell you how far that could get us.
- z. C. Springer said the way technology changes and the way things are being done right now to fight this coronavirus, how do we know that machine will be pertinent five years from now, or four years from now. We don't really know it will be used by the university, do we?
- aa. D. Wagner said I just know what our faculty in our departments tell me and they said it can be used for different projects and different applied research things. One of those is this particular wastewater sampling project in respect to COVID.
- bb. C. Springer said this is the one time of year, or two times a year you'll find out next year Quint, when it's nice to be the Chairman. As Chairman, we have discussed this issue, everyone has said what they want to say, and the questions that need to be asked and at this point it's time for me to entertain a motion on a preference on funding the fall grant cycle.
- cc. Q. Shear made a motion to fund the two fire protection districts and awarding the remaining money to CMU to be applied to the testing equipment. J. Justman second. Voted. Approved.

VIII. Discussion of Budget for 2021.

- a. C. Springer said Chris, I have a question for you. Didn't our original enabling legislation, limit the FML districts to spending no more than 10% of their annual income on administrative costs.
- b. C. McAnany said yes that's right. You're limited by law that expending no more than 10% on administrative costs. The administrative costs are not defined in the statute, but presumably that would include all the wages and other expenses that are not directive associated with grants we make to local governments. The other guard rail in our budgetary statute you can invest in the permanent fund no more than 50% of your funding in any given year. So, you see right there, those are the main limitations on how you divvy up a pretty meager distribution this year. One thing I wasn't clear on and the board could consider is that to the extent the district has unexpended reserves, from previous year, that so long as the expenditures didn't exceed the 10% cap in previous years, you could vary some of that over. This could be a year that could force some belt tightening.
- c. C. Springer said we did have some additional expenses with the legal expense with our disagreement with the county, was that 2020 or 2019?
- d. C. McAnany said that was 2020, Dusti, do you remember?
- e. D. Reimer said it wasn't this year it was last year.
- f. C. McAnany said oh that's right.
- g. C. Springer said we need to figure out how to keep our administrative costs under \$49,000.
- h. C. McAnany or \$55,000 by my count.
- i. C. Springer said where do you get the additional amount?
- j. C. McAnany said Dusti is the sum payable to the district payable this year \$495,000 or \$554,000?
- k. D. Reimer said we received \$495,000 and what is projected for 2021 is \$554,000, but I wouldn't count on that. What we have budgeted for 2020 is budgeted on the left and running actuals is right next to it, before we get to 2021.
- l. C. Springer said I'm going to make a suggestion at this point, because we have to deal with this. If the board will allow this to happen, prior to our November meeting, I'll sit down with Dusti and go over exact who is getting paid for what, and what it is costing us to have everyone at the meetings, and get a clearer picture, because we're going to have to cut something, right Chris?
- m. C. McAnany said unless money comes from the sky, there is no question about it.
- n. C. Springer said when I was looking at this, getting prepared for this meeting, we aren't going to be able to do what we've been doing. We're going to have to

change. If the Board is ok to work with Dusti on that to see where a delineated where everything is going and some options for where this is going.

- o. J. Justman asked if the contribution to the permanent fund is an administrative expense?
- p. C. Springer said I don't think so.
- q. C. McAnany said no.
- r. Q. Shear said we don't have a choice; we're going to have to do that. If there is anything we can do to help, let me know.
- s. C. Springer said it's not the best of situations, but we clearly cannot approve a budget that is outside the statute. That's not going to happen. We have to get inside that statute.
- t. Q. Shear asked Dusti those payments are over a year, correct?
- u. D. Reimer said which payments?
- v. Q. Shear the mineral lease payments, are they are the prior year correct?
- w. D. Reimer said yes, that's correct.
- x. Q. Shear said we're seeing the commodity prices go up dramatically, but we won't see that for another year. We may get some relief in a couple years, as commodity prices go up and payments on the royalties on the federal leases go up, but that's 2022 before we see that.
- y. C. Springer said it doesn't make sense to me, and it might not even pass legal muster with Chris, to pull money out of the permanent fund to fund operations.
- z. C. McAnany said I'm not suggesting that and nor could the board do that. The permanent fund has procedural hurdles from prevent you from expending permanent fund on operation. Those dollars are to be earmarked for programs and grants in the community. If there are any unexpended sums that are not committed to the permanent fund from a previous year that is potentially something we can look at, but I guess we would need to look at the specifics.
- aa. C. Springer said Dusti are you amenable to that?
- bb. D. Reimer said yes.
- cc. C. Springer said you might want to get details from every vendor for what we've paid out for. Let's get that together and be ready to discuss it with the Board in November.

IX. **Unscheduled Business.**

- a. J. Justman said that November 18 meeting might not work. I have an elk tag.
- b. C. Springer asked him if we needed to reschedule the meeting.

- c. J. Justman said yes.
- d. D. Reimer asked if the 11th works.
- e. Q. Shear said the 11th would work for me.
- f. J. Justman said that would work.
- g. C. Springer said he would be out elk hunting that week.
- h. J. Justman suggested the 25th?
- i. D. Reimer said that's the day before Thanksgiving, anyone have anything going on?
- j. Q. Shear said John your season doesn't start until the 17th, are you gone on the 17th?
- k. J. Justman said I thought it started on the 18th and it's a weird day.
- l. Q. Shear asked if we could move it to the 17th if you weren't going up that day.
- m. C. Springer said 17th works for me.
- n. D. Reimer said 17th works for me.
- o. Q. Shear said that last season does start on a weird day.
- p. D. Reimer said the 17th at 3pm.
- q. C. Springer asked for a new reminder for everyone's calendar.
- r. Q. Shear asked John on what the county has been doing with all that money that went to the jail expansion, and if he could give us an update on the progress with that project.

X. Adjournment.

- a. J. Justman made motion to adjourn. Q. Shear second. Voted. Approved. At 3:44 pm.