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BOARD OF DIRECTORS MEETING

Date and Time: 2:00 PM on Wednesday, July 17, 2019

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

Attendees:

Dusti Reimer
Benita Phillips
Nancy Harward
Lisa Heman
John Justman
Quint Shear
Craig Springer

Agenda:

- I. Call to Order.
 - a. J. Justman made motion to adopt agenda as presented. C. Springer second. Voted. Approved.
 - b. Q. Shear was not in attendance until later in the meeting.
- II. General Public Comment.
 - a. Benita Phillips said she did not like how the meeting went over at the county building. There is no end to the getting that money. The county just holds onto it. You took it away from this community, you guys tried to keep it, but you essentially took away from this community. You are going to lose what you guys have built, you especially Dusti. You have built in this community a sense of trust and understanding of how this money is being filtered out to the community. I was really, really unhappy with McInnis. He...almost was this greed-that he had to have it and that really upset me. I don't see the point of that. I still don't see the point of having that \$1.5 million dollars, John. I don't know and understand why you took it away to the community so you could put it towards a project that is down the road, that's not even planned and not on the books. I don't understand that. Why wouldn't they have kept the \$1.5 million dollars.
- III. Adoption of the June Meeting & June Special Meeting Minutes.
 - a. J. Justman said he didn't see any mistakes, unless you did Mr. Chairman.
 - b. C. Springer said there was some minor ones, but they were voluminous. The minor stuff is "Quint Shear was appointed to the board to do.."
 - c. D. Reimer asked if that was in the special meeting minutes?

- d. C. Springer said no, that was in the regular meeting minutes. All you would have had to put in there was Quint Shear "said," that he was appointed. There were a couple of instances of where the "said" was left out. I don't know if that stuff is major enough to go in line by line on. They were, as I said, voluminous.
- e. J. Justman made a motion to approve. C. Springer second. Voted. Approved.

IV. Consent Agenda:

- a. Dufford, Waldeck, Milburn, & Krohn Invoice
- b. Dusti Reimer Invoice
- c. 2018-FM-02 East Lands End Fire Protection District Extraction Equipment Final Payment Grant Request
- d. J. Justman made motion to approve Consent Agenda. C. Springer second. Voted. Approved.

V. Staff Report.

- a. D. Reimer said We posted to our social media pages (Facebook & Twitter) about the Meeting Minutes Posted, The Special Meeting with the County Commissioners for Jail Expansion Grant, Meeting Agenda Posted, Media Link for news on Mesa County Jail Expansion that John was interviewed for by KREX, and I was going to do a Presentation to the Plateau Valley Hospital District until the road was closed for rock mitigation on and off all day.
- b. D. Reimer said for Media we had a story on the jail expansion with KREX that John was interviewed for.
- c. D. Reimer said the grants requesting payment are for 2018-FM-03 Lands End Fire Protection District Final Grand Payment Request of \$19,348.25 for Extrinsication Equipment. There are pictures. The equipment broke last fall right before they applied for it.
- d. Board member Quint Shear arrived at the meeting.
- e. D. Reimer said the invoices for the month are for Dufford, Waldeck, Milburn, & Krohn Invoice #15445 for \$1,832.00 and Dusti Reimer Invoice #13 for services and supplies for \$3,774.98
- f. D. Reimer said upcoming events for the next month will be the July 29th – Meeting and Orientation with the KKCO/KJCT News Staff to give them a short overview of the District and what we do to help the new reporters get acquainted with us, the August 21st – Board Meeting with Dr. Nathan Perry Presentation and rescheduling the Plateau Valley Hospital District Presentation

VI. Review and approval of 2018 Audit presented by Lisa Heman.

- a. Lisa Heman presented a draft audit report. The Board received the draft audit report with their Board packet. I am just waiting on a couple verifications from the attorney and the investment guy. There are significant additions to the investment footnotes this year and I want to make sure I've been accurate with those, and that's what we are waiting on. We didn't have any problems in dealing with any of the players with the Federal Mineral Lease District. Nancy and Dusti have been helpful in getting us the information we needed. I do not believe there is anything gray in the financial statements where we weren't sure where something was presented. The District has really pretty straight forward. You have cash and investments and then you have commitments to others you have granted funds to. Those are the primary areas of the financial statements. As I mentioned, you have significant new investments this year, they are in the financial statements and that has added some investment disclosure you can read through to see what kind of investments the district is invested in and what kind of risks those carry. We also added some disclosure on the last page of the footnotes, page 14, the last page of the financial statements, regarding the contract with Mesa County. It's a subsequent event footnote that just speaks to the \$1.5 million dollars because that's what had been decided upon at the time. I realize there is some more.
- b. C. Springer said I'm not sure that's accurate. As we sit here now, we have an agreement to give them the rest of it. Which would be \$324,000-giving us a total commitment of \$1,824,000.
- c. L. Heman said my understanding is that this is contingent on receiving more funds, is that right?
- d. C. Springer said yes.
- e. L. Heman said ok, that's why I left it out of the subsequent event. If you feel it should be in there, I'll add it in there.
- f. C. Springer said it should be in there.
- g. L. Heman said ok. That amount was included in the management discussion and analysis. So, Nancy helped me to update the MD&A this year, and it mentioned the \$324,000 and the \$1.5 million.
- h. C. Springer said in my opinion we are on the hook for the \$324,000.
- i. L. Heman said if you look at the balance sheet for the general fund on page 8, at the Dec 31, 2018 there is a committed balance of \$1,329,696 that's the amount in the permanent fund. Funds granted but not yet payable were \$689,944. The assigned balance of \$119,078 that is assigned through the 2019 appropriations. The budget you did in December for 2019 said we are going to dip into fund balance by \$119,000 and that's what that balance is. So the total unassigned amount you have available for granting is \$1,467,013.
- j. D. Reimer said hers is updated from the one I sent on Friday. They just sent this, this morning, maybe.
- k. L. Heman said we will issue an unmodified opinion on the financial statements meaning we believe they are fairly stated or reported in accordance with general accounting

principles and we didn't find any internal control weaknesses or anything that should be reported to you.

- l. C. Springer asked if there is a deadline for us?
 - m. D. Reimer said July 31st.
 - n. C. Springer said so what we need to do today is approve this, so we can submit it.
 - o. L. Heman said yes, once we make the change to the subsequent event footnote and have everything finalized, then I can send you copies electronically and point out anything that has been added or changed.
 - p. Q. Shear made the motion we accept the audit with the discussed corrections. J. Justman second. Voted. Approved.
 - q. L. Heman said if you have additional questions as you look through this, please feel free to contact me.
- VII. Review of Financials.
- a. N. Harward said for our balance sheet for June 30th we had \$2,226,872.85 in the account. The permanent account had a balance of \$1,469,952.88, the grants payable as of June 30th is \$512,743.60, and I do have a line for accounts payable for the \$1.5 million we have payable we owe to Mesa County for the contract. On the P & L everything is pretty normal. Our unrealized gain for the permanent fund is \$50,412.47 got dividends and our expense there for our contract expenditure for the \$1.5 million. The last page is the detail of the grants that are currently payable as June 30th. All the checks were cleared as of now. I know the \$1.5 million is a bit of a different line item that what we normally have. The remaining \$324,000 will be added once the new monies come in and the Board approves that payout.
 - b. Q. Shear made a motion to approve the financial presentation/statements. J. Justman second. Voted. Approved.
- VIII. Review of Investment Account.
- a. D. Reimer said Matt's not here, but we do have the quarterly report attached. I won't even attempt to try and explain it. We do plan to have him here in August to go over the investment account.
 - b. C. Springer asked if it would be during the same meeting.
 - c. D. Reimer said yes.
 - d. C. Springer said unless the Board has questions, we will move along.
- IX. Review of and possible approval of Amended Budget for 2019.
- a. N. Harward said she was able to put in the actual numbers for 2019. The beginning balances are the correct beginning balances for 2019. The Anvil Points disbursement money of \$120,402 is actuals. That's what we actually received for that. The Federal Mineral Lease receipt is adjusted up. If you flip to the revised notes tab, that shows the two projections that I used in order to get that number. The first one comes from the Colorado Legislative Council-it's the June Report. That one is estimating a 24.1%

increase over the prior year. The Colorado State of Planning and Budget is estimating a 30.2%. I took the average of that-the 27%. Based on the prior year the Federal Mineral Lease received money that's how I come to the \$900,505. The administrative expenditures, we're actually down from the budget our prior year. The idea being, if we pass a budget and we are \$1 off in administrative cost, we'd have to redo the budget and have an amended budget. I like to keep it as close as possible and I kept it at that \$3500. This allows for some overage. The audit, we were quoted and given a quote and as far as I know, it should come in at that amount, but I did bump it up to \$4,000. Contract labor -I took the actual of where we were running from 1/1-6/30 of 2019. I used the prior year of July through December with a few caveats. I updated the legal fees slightly because I assume the June fees would be higher and I Did the same with the accounting services. I took what was in our whip that needs to be billed out and added it to what we have billed out of the end of the year. We know what Dusti is going to bill us for the new while, so I took those and rounded them out. Insurance we know what that will be, and advertising I left that. We did come in slightly under. No contributions for the permanent fund this year, and there is the contract payment to Mesa County. The grants approved and unpaid and grants approved and paid if you add those two numbers together is the amount that was in our amount payable. I added the verbiage and contracts. So that would include the \$324,000, so we wouldn't have to do another amended budget for 2019. But if you notice it's that same number we're projecting to be receiving mineral lease money this year. Obviously, we will be coming under, because we have to cover operating, but that gives us leeway where we are not capping ourselves to say we can't grant out a certain amount.

- b. C. Springer said I'm a little concerned with us plugging a zero in on the permanent fund. If we did get that \$1 million, and obviously it's a discussion, but if we got \$900,000, we could put some money in the permanent fund. I'm uncomfortable leaving this as a goose egg.
- c. N. Harward said you're right, I agree with that. Because then, if we do decide to put it in the permanent fund, we'd have to amend. In the Board's opinion what allocation should we do there? In the past we've done up to 50%?
- d. C. Springer said I'm just one Board member, but given the fact that we didn't have any grant cycles in 2019, I don't want to take a big chunk out of it and put it in the permanent fund that leaves us with two grant cycles of \$100,000 each, after we pay Mesa County. I guess, I think \$100,000. It shows support for the permanent fund, but at the same time it shows recognition for the other obligations for the District.
- e. N. Harward said with that said Craig, with the \$100,000 on the line for the permanent fund, can I go ahead and leave the grants and contracts potentially to be awarded at that \$937,000?
- f. C. Springer said no I think you need to pull that down by \$100,000. Don't we have to put that commitment to Mesa County in there?
- g. N. Harward asked that \$324,000?
- h. C. Springer said yes, because if we get that money in August, which is when we'll get it correct?

- i. D. Reimer said September.
- j. C. Springer said we're under an agreement that we'll give them that \$324,000 so that will happen in this calendar year. So if we do that, we'll have to file another amended budget.
- k. N. Harward said that's why I included that in the grants and contracts available to award. Do you think that's strong enough to cover that or do you want a separate line item and really just spell it out?
- l. Q. Shear said he'd like to see separate lines. That way there is no confusion.
- m. C. Springer said yes, that way if anyone looks at it, they can see what we are doing.
- n. Q. Shear said we want the world to know that we're giving them that money. Right, John.
- o. J. Justman said good idea.
- p. N. Harward said is the payment to part ok?
- q. Q. Shear said yes, that looks good.
- r. C. Springer said it is a contract, so we could say a contract payment to Mesa County. You've got the permanent fund, the \$1.5 million and the \$324,000 for what's left. I think this looks good.
- s. J. Justman said looks good.
- t. Q. Shear made a motion to accept the Budget as amended. J. Justman second. Voted. Approved.

Unscheduled Business.

- A. None.
- B. Q. Shear asked what day the meeting was scheduled.
- C. D. Reimer said August 21st.
- D. Q. Shear motion to adjourn. J. Justman second. Voted. Approved.
 - a. Meeting adjourned at 2:39pm.