

**MESA COUNTY FEDERAL MINERAL LEASE DISTRICT**

**RESOLUTION NO. 2019-02**

**A RESOLUTION SETTING A BUDGET FOR THE 2020 BUDGET YEAR**

1. The Board of Directors of the Mesa County Federal Mineral Lease District adopted its annual budget in accordance with Colorado Revised Statutes § 29-1-113 at a duly noticed public meeting of the Board held November 20, 2019, as evidenced by the Minutes of the Board, a true and correct copy of which is attached as Exhibit A.

3. Colorado Revised Statutes § 29-1-108 requires an enacting appropriation resolution for the ensuing fiscal year. Therefore, the Board hereby enacts this resolution, which confirms its actions.

4. The Board declares that no expenditures pursuant to this Budget shall exceed the appropriations authorized by the Board, except as may be adjusted by the Board from time to time pursuant to Colorado Revised Statutes § 29-1-109.

5. The Board appropriates the following monies for 2020:

Estimated Beginning Fund Balance:	\$ 675,143
Estimated Beginning Permanent Fund Balance:	\$1,555,696

**Revenue**

Federal Mineral Lease Direct Payments	
Colorado Department of Local Affairs:	\$ 971,274

**Expenditures**

Administrative:	\$ 3,500
Audit:	\$ 4,000
Contract Labor, Services:	\$ 72,500
Insurance:	\$ 2,500
Advertising:	\$ 3,000
Contribution to Permanent Fund:	\$ 200,000
Grants-available for award in 2020:	\$ 871,274
Total Expenditures (Appropriations):	\$ 1,156,774

**Other Income & Expenditures**


Dividends & Cap. Gains/Losses:	\$ 30,000
Investment Fees:	\$ 14,000
Estimated Ending Fund Balance:	\$ 489,643

Estimated Ending Permanent Fund Balance:


\$1,771,696

The foregoing resolution was passed and adopted by action of the Board at a duly noticed public meeting of the Board at which quorum was present. Approved by the Board this 20 day of November, 2019.

By: \_\_\_\_\_

  
Craig Springer, Board Chairman

By: \_\_\_\_\_

  
John Justman, Secretary

Attachment: Exhibit A

## Mesa County Federal Mineral Lease District

	2019		2020
	Budget	Actuals	Budget
Estimated Beginning Fund Balance	2,276,035	2,276,035	675,143
Estimated Beginning Permanent Fund Balance	1,329,696	1,329,696	1,555,696
<i>Revenue</i>			
Anvil Points Disbursement	120,402	120,402	0
Federal Mineral Lease Receipt	937,505	925,023	971,274
Total Revenue	1,057,907	1,045,425	971,274
<i>Expenditures</i>			
Administrative	3,500	3,000	3,500
Audit	4,000	3,650	4,000
Contract labor	72,500	72,500	72,500
Insurance	2,275	2,275	2,500
Advertising	3,000	2,100	3,000
Contributions to Permanent Fund	100,000	100,000	200,000
Contract Payment to Mesa County	1,500,000	1,500,000	0
Contract Payment to Mesa County (Pymnt 2)	324,000	324,000	0
Grants			
Grants-approved and paid	481,120	449,316	0
Grants-approved but unpaid	208,824	189,476	0
Grants and Contracts-available to award	513,505	0	871,274
Total Expenditures (Appropriations)	3,212,724	2,646,317	1,156,774
<i>Other Income &amp; Expenditures</i>			
Dividends & Capital Gains/Losses	30,000.00	140,000.00	30,000
Investment Fees	(14,000.00)	(14,000.00)	(14,000)
	16,000.00	126,000.00	16,000
Total Other Income & Expenditures			
Estimated Ending Fund Balance	180,000	675,143	489,643
Estimated Ending Permanent Fund Balance	350,000	1,555,696	1,771,696

Mesa County Federal Mineral Lease District										
Cash Basis										
	2016		2017		2018		2019		2020	
	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Estimated Actuals	Budget	
Estimated Beginning Fund Balance	\$ 3,274,005.99	\$ 3,274,005.99	\$ 2,254,505.38	\$ 2,417,298.74	\$ 2,013,864.35	\$ 2,013,864.35	\$ 2,276,035.35	\$ 2,276,035.35	\$ 675,143.23	Beginning cash balance
Estimated Beginning Permanent Fund Balance					-	-	1,329,696.00	1,329,696.00	\$ 1,555,696.00	Beginning cash balance
<i>Revenue</i>										
Anvil Points Disbursement					-	1,703,874.00	120,402.20	120,402.20	-	
Federal Mineral Lease Receipt	967,692.29	809,829.72	769,338.23	796,245.04	830,881.70	737,322.00	937,504.92	925,022.53	971,273.66	
Total Revenue	967,692.29	809,829.72	769,338.23	796,245.04	830,881.70	2,441,196.00	1,057,907.12	1,045,424.73	971,273.66	
<i>Expenditures</i>										
Administrative	2,000.00	2,000.00	2,000.00	3,301.75	3,500.00	2,908.00	3,500.00	3,000.00	3,500.00	%
Audit	5,000.00	4,060.00	5,000.00	4,200.00	4,500.00	4,027.00	4,000.00	3,650.00	4,000.00	
Contract labor	54,000.00	50,000.00	58,000.00	55,857.80	58,000.00	51,639.00	72,500.00	72,500.00	72,500.00	
Insurance	2,500.00	2,427.00	2,500.00	2,408.00	2,500.00	2,146.00	2,275.00	2,275.00	2,500.00	
Advertising	100.00	199.00	200.00	88.58	3,000.00	2,671.00	3,000.00	2,100.00	3,000.00	
Contributions to Permanent Fund				-	350,000.00	1,387,727.00	100,000.00	100,000.00	200,000.00	
Contract Payment to Mesa County							1,500,000.00	1,500,000.00	-	
Contract Payment to Mesa County							324,000.00	324,000.00	-	
Grants										
Grants-approved and paid	2,022,004.16	1,770,644.33	1,174,626.28	1,133,823.30	972,851.00	727,907.00	481,120.00	449,315.85	-	
Grants-approved but unpaid	1,112,210.80		917,129.72		439,513.35	-	208,824.00	189,476.00	-	
Grants-To be awarded next year	967,692.29		769,338.23		830,881.70	-	513,504.92	-	871,273.66	
Total Expenditures (Appropriations)	4,165,507.25	1,829,330.33	2,928,794.23	1,199,679.43	2,664,746.05	2,179,025.00	3,212,723.92	2,646,316.85	1,156,773.66	
<i>Other Income &amp; Expenditures</i>										
Dividends & Capital Gains					-	(52,765.00)	30,000.00	140,000.00	30,000.00	
Investment Fees					-	(5,266.00)	(14,000.00)	(14,000.00)	(14,000.00)	
Total Other Income & Expenditures						(58,031.00)	16,000.00	126,000.00	16,000.00	
Estimated Ending Fund Balance	\$ 76,191.03	\$ 2,254,505.38	\$ 95,049.38	\$ 2,013,864.35	\$ 180,000.00	\$ 2,276,035.35	\$ 121,218.55	\$ 675,143.23	\$ 489,643.23	
Estimated Ending Permanent Fund Balance					\$ 350,000.00	\$ 1,329,696.00	\$ 1,445,696.00	\$ 1,555,696.00	\$ 1,771,696.00	
				Cash expected at year end						

**MCFMLD**  
**Profit and Loss Detail**  
 January 1 - September 12, 2019

	Date	Transaction Type	Num	Name	Memo/Description	Split	Amount	Balance
<b>Ordinary Income/Expenses</b>								
<b>Income</b>								
<b>5000 Government Grants Received</b>								
	09/05/2019	Deposit		State of Colorado		1000 Fund Balance	925,022.53	925,022.53
<b>Total for 5000 Government Grants Received</b>							<b>\$ 925,022.53</b>	
<b>5100 Anvil Points Disbursements Received</b>								
	02/13/2019	Deposit			Deposit	1000 Fund Balance	120,402.20	120,402.20
<b>Total for 5100 Anvil Points Disbursements Received</b>							<b>\$ 120,402.20</b>	
<b>Total for Income</b>							<b>\$ 1,045,424.73</b>	
<b>Expenses</b>								
<b>7000 Grants Awarded</b>								
<b>7005 Unused/Forfeited Grants</b>								
	05/07/2019	Journal Entry	36		To record amount under budget not paid out.	-Split-	-51,151.90	-51,151.90
<b>Total for 7005 Unused/Forfeited Grants</b>							<b>-\$ 51,151.90</b>	
<b>Total for 7000 Grants Awarded</b>							<b>-\$ 51,151.90</b>	
<b>7100 Outside Services</b>								
<b>7110 Legal Fees</b>								
	01/14/2019	Check	1011	Dufford Waldeck Milburn & Krohn		1000 Fund Balance	535.00	535.00
	02/14/2019	Check	1017	Dufford Waldeck Milburn & Krohn		1000 Fund Balance	2,910.00	3,445.00
	03/26/2019	Check	1015	Dufford Waldeck Milburn & Krohn		1000 Fund Balance	2,203.00	5,648.00
	04/10/2019	Check	1023	Dufford Waldeck Milburn & Krohn		1000 Fund Balance	486.00	6,134.00
	05/07/2019	Check	1002	Dufford Waldeck Milburn & Krohn		1000 Fund Balance	2,266.00	8,400.00
	06/12/2019	Check	1003	Dufford Waldeck Milburn & Krohn		1000 Fund Balance	886.00	9,286.00
	07/12/2019	Check	3322	Dufford Waldeck Milburn & Krohn		1000 Fund Balance	1,832.00	11,118.00
	08/16/2019	Check	3326	Dufford Waldeck Milburn & Krohn		1000 Fund Balance	0.00	11,118.00
	08/16/2019	Check	3325	Dufford Waldeck Milburn & Krohn		1000 Fund Balance	440.00	11,558.00
<b>Total for 7110 Legal Fees</b>							<b>\$ 11,558.00</b>	
						Sept	\$ 500.00	
						Oct	\$ 500.00	
						Nov	\$ 500.00	
						Dec	\$ 500.00	
							<b>\$ 13,558.00</b>	<b>\$ 72,489.98</b>
<b>7115 Accounting Fees</b>								
	02/14/2019	Check	1019	Eide Bailly, LLP		1000 Fund Balance	2,178.00	2,178.00
	04/10/2019	Check	1024	Eide Bailly, LLP		1000 Fund Balance	3,192.46	5,370.46
	08/16/2019	Check	3330	Eide Bailly, LLP		1000 Fund Balance	4,162.50	9,532.96
	08/16/2019	Check	3329	Eide Bailly, LLP		1000 Fund Balance	0.00	9,532.96
<b>Total for 7115 Accounting Fees</b>							<b>\$ 9,532.96</b>	
						Sept		
						Oct	\$ 2,200.00	
						Nov		
						Dec	\$ 2,200.00	
							<b>\$ 13,932.96</b>	
<b>7120 Contract Services</b>								
	01/14/2019	Check	1012	Dusti Reimer		1000 Fund Balance	3,750.00	3,750.00
	02/14/2019	Check	1018	Dusti Reimer		1000 Fund Balance	3,750.00	7,500.00
	03/26/2019	Check	1016	Dusti Reimer		1000 Fund Balance	3,749.02	11,249.02
	04/10/2019	Check	1022	Dusti Reimer		1000 Fund Balance	3,750.00	14,999.02
	05/07/2019	Check	1001	Dusti Reimer		1000 Fund Balance	3,750.00	18,749.02
	06/12/2019	Check	1004	Dusti Reimer		1000 Fund Balance	3,750.00	22,499.02
	07/12/2019	Check	3323	Dusti Reimer		1000 Fund Balance	3,750.00	26,249.02
	08/16/2019	Check	3327	Dusti Reimer		1000 Fund Balance	3,750.00	29,999.02
<b>Total for 7120 Contract Services</b>							29,999.02	
						Sept	3,750.00	
						Oct	3,750.00	
						Nov	3,750.00	
						Dec	3,750.00	
							<b>\$ 44,999.02</b>	
<b>Total for 7100 Outside Services</b>								
<b>7105 Auditing Expenses</b>								
<b>Total for 7105 Auditing Expenses</b>	08/16/2019	Check	3328	Chadwick, Steinkirchner, Davis & Co.		1000 Fund Balance	3,650.00	3,650.00
							<b>\$ 3,650.00</b>	
<b>7305 Insurance</b>								
<b>Total for 7305 Insurance</b>	02/14/2019	Check	1020	Philadelphia Insurance Company		1000 Fund Balance	2,275.00	2,275.00
							<b>\$ 2,275.00</b>	
<b>7310 Advertising Expenses</b>								
	01/14/2019	Check	1012	Dusti Reimer	Grand Junction Media - Daily Sentinel - budget posting	1000 Fund Balance	27.75	27.75
	01/14/2019	Check	1013	Lightbulb Media		1000 Fund Balance	1,840.00	1,867.75

	02/14/2019	Check	1018	Dusti Reimer	Facebook	1000 Fund Balance	75.00	1,942.75	
<b>Total for 7310 Advertising Expenses</b>							<u>\$ 1,942.75</u>		
						PY 9/1-12/31	<u>\$ 71.00</u>		
							<u>\$ 2,013.75</u>		
<b>7400 Administrative Expenses</b>									
<b>7210 Project Signage</b>									
<b>Total for 7210 Project Signage</b>	05/07/2019	Check	1027	Bud's Signs		1000 Fund Balance	228.00	228.00	
<b>7405 Dues/Memberships</b>							<u>\$ 228.00</u>		<u>\$ 2,334.86</u>
	01/14/2019	Check	1012	Dusti Reimer	Microsoft	1000 Fund Balance	9.99	9.99	PY 9/1-12/31 <u>600.00</u>
	01/14/2019	Check	1012	Dusti Reimer	Adobe	1000 Fund Balance	14.99	24.98	<u>\$ 2,934.86</u>
	01/14/2019	Check	1014	Special District Association of Colorado		1000 Fund Balance	1,237.50	1,262.48	
	02/14/2019	Check	1018	Dusti Reimer	Microsoft	1000 Fund Balance	9.99	1,272.47	
	02/14/2019	Check	1018	Dusti Reimer	Adobe	1000 Fund Balance	14.99	1,287.46	
	03/26/2019	Check	1016	Dusti Reimer	Microsoft	1000 Fund Balance	9.99	1,297.45	
	03/26/2019	Check	1016	Dusti Reimer	Adobe	1000 Fund Balance	14.99	1,312.44	
	04/10/2019	Check	1022	Dusti Reimer	Microsoft	1000 Fund Balance	9.99	1,322.43	
	04/10/2019	Check	1022	Dusti Reimer	Adobe	1000 Fund Balance	14.99	1,337.42	
	05/07/2019	Check	1001	Dusti Reimer	Geeksquad renewal	1000 Fund Balance	52.62	1,390.04	
	05/07/2019	Check	1028	Alpine Computer Solutions		1000 Fund Balance	474.60	1,864.64	
	05/07/2019	Check	1001	Dusti Reimer	Microsoft	1000 Fund Balance	9.99	1,874.63	
	05/07/2019	Check	1001	Dusti Reimer	Adobe	1000 Fund Balance	14.99	1,889.62	
	06/12/2019	Check	1004	Dusti Reimer	Microsoft	1000 Fund Balance	9.99	1,899.61	
	06/12/2019	Check	1004	Dusti Reimer	Adobe	1000 Fund Balance	14.99	1,914.60	
	07/12/2019	Check	3323	Dusti Reimer	Microsoft	1000 Fund Balance	9.99	1,924.59	
	07/12/2019	Check	3323	Dusti Reimer	Adobe	1000 Fund Balance	14.99	1,939.58	
	08/16/2019	Check	3327	Dusti Reimer	Adobe	1000 Fund Balance	14.99	1,954.57	
	08/16/2019	Check	3327	Dusti Reimer	Microsoft	1000 Fund Balance	9.99	1,964.56	
<b>Total for 7405 Dues/Memberships</b>							<u>\$ 1,964.56</u>		
						Sept	<u>\$ 25.00</u>		
						Oct	<u>\$ 25.00</u>		
						Nov	<u>\$ 25.00</u>		
						Dec	<u>\$ 25.00</u>		
							<u>\$ 2,064.56</u>		
<b>7420 Supplies</b>									
<b>Total for 7420 Supplies</b>	07/03/2019	Expense		Harland Clarke	Checks	1000 Fund Balance	42.30	42.30	
<b>Total for 7400 Administrative Expenses</b>							<u>\$ 42.30</u>		
<b>Investment Fees (deleted)</b>							<u>\$ 2,234.86</u>		
	01/31/2019	Journal Entry	32			-Split-	2,916.04	2,916.04	
	04/30/2019	Journal Entry	35			-Split-	2,918.53	5,834.57	
<b>Total for Investment Fees (deleted)</b>							<u>\$ 5,834.57</u>		
<b>Total for Expenses</b>							<u>\$ 15,875.26</u>		
<b>Net Ordinary Income</b>							<u>\$ 1,029,549.47</u>		
<b>Other Income/Expense</b>									
<b>Other Income</b>									
<b>5005 Other Investment Income and Expenses</b>									
<b>5600 Unrealized Gain/Loss in Perm Fund</b>	01/31/2019	Journal Entry	32			-Split-	65,071.66	65,071.66	
	02/28/2019	Journal Entry	33			-Split-	19,663.48	84,735.14	
	03/29/2019	Journal Entry	34			-Split-	13,963.83	98,698.97	
	04/30/2019	Journal Entry	35			-Split-	25,877.69	124,576.66	
	05/31/2019	Journal Entry	37			-Split-	-45,767.18	78,809.48	
	06/30/2019	Journal Entry	39			-Split-	50,412.47	129,221.95	
	07/31/2019	Journal Entry	39			-Split-	2,544.30	131,766.25	
	08/31/2019	Journal Entry	41			-Split-	-10,445.99	121,320.26	
<b>Total for 5600 Unrealized Gain/Loss in Perm Fund</b>							<u>\$ 121,320.26</u>		
<b>5605 Realized Gain/Loss in Perm Fund</b>	05/31/2019	Journal Entry	37			-Split-	1,263.00	1,263.00	
	08/31/2019	Journal Entry	41			-Split-	3,056.00	4,319.00	
<b>Total for 5605 Realized Gain/Loss in Perm Fund</b>							<u>\$ 4,319.00</u>		
<b>5700 Interest Earned</b>									
	01/31/2019	Journal Entry	32			-Split-	0.32	0.32	
	02/28/2019	Journal Entry	33			-Split-	0.33	0.65	
	03/29/2019	Journal Entry	34			-Split-	0.46	1.11	
	04/30/2019	Journal Entry	35			-Split-	0.55	1.66	
	05/31/2019	Journal Entry	37			-Split-	0.26	1.92	
	06/30/2019	Journal Entry	39			-Split-	0.99	2.91	
	07/31/2019	Journal Entry	39			-Split-	0.31	3.22	
	08/31/2019	Journal Entry	41			-Split-	0.26	3.48	
<b>Total for 5700 Interest Earned</b>							<u>\$ 3.48</u>		
<b>5705 Dividend Income</b>									
	01/31/2019	Journal Entry	32			-Split-	713.18	713.18	
	02/28/2019	Journal Entry	33			-Split-	1,583.03	2,296.21	
	03/29/2019	Journal Entry	34			-Split-	4,517.98	6,814.19	

	04/30/2019	Journal Entry	35		-Split-	2,165.61	8,979.80
	05/31/2019	Journal Entry	37		-Split-	1,595.34	10,575.14
	06/30/2019	Journal Entry			-Split-	5,028.91	15,604.05
	07/31/2019	Journal Entry	39		-Split-	2,261.57	17,865.62
	08/31/2019	Journal Entry	41		-Split-	1,897.13	19,762.75
<b>Total for 5705 Dividend Income</b>						<u>\$ 19,762.75</u>	
<b>7125 Investment Fees</b>							
	07/31/2019	Journal Entry	39		-Split-	-3,043.59	-3,043.59
<b>Total for 7125 Investment Fees</b>						<u>-\$ 3,043.59</u>	
<b>Total for 5005 Other Investment Income and Expenses</b>						<u>\$ 142,361.90</u>	
<b>Total for Other Income</b>						<u>\$ 142,361.90</u>	
<b>Other Expense</b>							
<b>9000 Contract Expenditure</b>							
	06/19/2019	Journal Entry	38	To book amount paid to Mesa County	-Split-	1,500,000.00	1,500,000.00
	09/05/2019	Journal Entry		To record due to MC	-Split-	324,000.00	1,824,000.00
<b>Total for 9000 Contract Expenditure</b>						<u>\$ 1,824,000.00</u>	
<b>Total for Other Expense</b>						<u>\$ 1,824,000.00</u>	
<b>Net Other Income</b>						<u>-\$ 1,681,638.10</u>	
<b>Net Income</b>						<u>-\$ 652,088.63</u>	

Thursday, Sep 12, 2019 07:39:56 PM GMT-7 - Accrual Basis





<b>5005 Other Investment Income and Expenses</b>									
<b>5600 Unrealized Gain/Loss in Perm Fund</b>									
	09/30/2018	Journal Entry	25			-Split-	-4,552.89	-4,552.89	
	10/31/2018	Journal Entry	28	Record realized loss		-Split-	188.00	-4,364.89	
	10/31/2018	Journal Entry	26			-Split-	-38,303.16	-42,668.05	
	11/30/2018	Journal Entry	27			-Split-	13,945.38	-28,722.67	
	11/30/2018	Journal Entry	29	To record realized loss		-Split-	282.00	-28,440.67	
	12/31/2018	Journal Entry	31			-Split-	-55,005.26	-83,445.93	
<b>Total for 5600 Unrealized Gain/Loss in Perm Fund</b>							<b>-\$ 83,445.93</b>		
<b>5605 Realized Gain/Loss in Perm Fund</b>									
	10/31/2018	Journal Entry	28	Record realized loss		-Split-	-188.00	-188.00	
	11/30/2018	Journal Entry	29	To record realized loss		-Split-	-282.00	-470.00	
	12/31/2018	Journal Entry	31			-Split-	-335.00	-805.00	
<b>Total for 5605 Realized Gain/Loss in Perm Fund</b>							<b>-\$ 805.00</b>		
<b>5700 Interest Earned</b>									
	09/30/2018	Journal Entry	25			-Split-	0.15	0.15	
	10/31/2018	Journal Entry	26			-Split-	0.15	0.30	
	11/30/2018	Journal Entry	27			-Split-	0.16	0.46	
	12/31/2018	Journal Entry	31			-Split-	0.24	0.70	
<b>Total for 5700 Interest Earned</b>							<b>\$ 0.70</b>		
<b>5705 Dividend Income</b>									
	09/30/2018	Journal Entry	25			-Split-	1,960.01	1,960.01	
	10/31/2018	Journal Entry	26			-Split-	4,201.09	6,161.10	
	11/30/2018	Journal Entry	27			-Split-	1,770.14	7,931.24	
	12/31/2018	Journal Entry	31			-Split-	7,060.10	14,991.34	
<b>Total for 5705 Dividend Income</b>							<b>\$ 14,991.34</b>		
<b>7125 Investment Fees</b>									
	10/31/2018	Journal Entry	26			-Split-	-2,983.37	-2,983.37	
<b>Total for 7125 Investment Fees</b>							<b>-\$ 2,983.37</b>		
<b>Total for 5005 Other Investment Income and Expenses</b>							<b>-\$ 72,242.26</b>		
<b>Total for Other Income</b>							<b>-\$ 72,242.26</b>		
<b>Net Other Income</b>							<b>-\$ 72,242.26</b>		
<b>Net Income</b>							<b>\$ 394,409.61</b>		

Thursday, Sep 12, 2019 09:01:57 PM GMT-7 - Accrual Basis

From Eleanor Thomas at Mesa County  
 For Mesa County in 2019, severance tax forecasted to be

Colorado Legislative Council - economic forecast quarterly  
 June report estimates current year

<https://leg.colorado.gov/sites/default/files/images/juneforecast.pdf>

Colorado of State Planning and Budget  
 Quarterly forecast  
<https://sites.google.com/a/state.co.us/ospb-live/>

### Federal Mineral Lease

Federal Mineral Lease (FML) revenue is expected to grow 30.2 percent to \$112.2 million in FY 2018-19 and 5.6 percent to \$118.5 million in FY 2019-20, as shown in the table below. The rebound in growth in FY 2018-19 is a result of increased production and the end of FML "bonus" payment refunds to mineral extraction leaseholders on the Roan Plateau. While FML revenue is exempt from TABOR, it is included here because a portion of the money is used for the State's share of K-12 school finance.

Fiscal Year	Bonus	Non-Bonus	Total FML	% Change
FY 2017-18	\$0.4	\$85.8	\$86.2	-5.3%
FY 2018-19	\$4.7	\$107.5	\$112.2	30.2%
FY 2019-20	\$5.0	\$113.5	\$118.5	5.6%
FY 2020-21	\$5.2	\$119.4	\$124.6	5.2%

FML royalties are derived from a percentage of the value of resources produced on leased federal lands. FML activity includes the production of natural gas, crude oil, propane, carbon dioxide, coal, and other mineral resources. The Bureau of Land Management (BLM) receives "bonus" payments from the auction of leases to extract mineral resources from federal lands. Producers remit royalties, bonus and rental payments to the federal government that are then shared with the state in which production occurs.

	Change in Revenue for next year
CGA Forecas	4.40%
CODR	5.60%
Average	5.00%

19-'20 Revenue is distributed in late '20 as a general rule

**Federal Mineral Lease (FML)** revenue is the state's portion of the money the federal government collects from mineral production on federal lands. Collections are mostly determined by the value of

mineral production. Since FML revenue is not deposited into the General Fund and is exempt from TABOR, the forecast is presented separately from other sources of state revenue. FML revenue is forecast to increase 24.1 percent to \$107.3 million in FY 2018-19 as the state fulfills its obligations for previous payments associated with canceled leases on the Roan Plateau. FML revenue will increase 4.4 percent to \$112.1 million in FY 2019-20 and increase 6.1 percent to \$118.9 million in FY 2020-21.



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## BOARD OF DIRECTORS MEETING

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

**Location:** Home Loan State Bank Community Room, 205 N. 4<sup>th</sup> 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.