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## **BOARD OF DIRECTORS MEETING**

**Date and Time:** 3:00 PM on Wednesday, March 11, 2020

**Location:** Home Loan State Bank Community Room, 205 N. 4<sup>th</sup> Street, Grand Junction, CO 81501

### **Attendees:**

Dusti Reimer  
Nancy Harward  
Chris McAnany  
Craig Springer  
John Justman  
Quint Shear  
Mike Harvey  
Ethan Harvey  
Brian Woods  
Eli Jennings  
Matt Rosenberg  
Christine Madsen

### **Agenda:**

- I. Call to Order by Craig Springer.
  - a. Q. Shear made motion to approve agenda. J. Justman second. Voted. Approved.
- II. General Public Comment.
  - a. None.
- III. Adoption of the February Meeting Minutes.
  - a. J. Justman made a motion to approve. Q. Shear second. Voted. Approved.
- IV. Consent Agenda.
- V. Staff Report.
  - a. D. Reimer said for the past month we have posted to our social media pages that our January Meeting Minutes were posted, the meeting agendas for our March meetings were posted, and that our Spring Grant Cycle was closed and our Board Grant Presentations Meeting would be today, the 11<sup>th</sup>.
  - b. D. Reimer said there were no grants requesting payment at this time, but that the Grand Junction Fire Department was keeping us abreast of their grant and should have final

paperwork in soon and the grant would be closed out soon. The Town of Palisade Brush Truck grant is the last one and that is due this fall.

- c. D. Reimer said the invoices for this past month were for Dusti Reimer Invoice #144 for services and supplies for \$3,883.52 and Dufford Waldeck Invoice #19028 for \$160 for February services.
- d. D. Reimer said upcoming events would be April 15<sup>th</sup> for the grant awards and board meeting at 3pm, followed by our May 20<sup>th</sup> Board meeting with grant contracts being signed. D. Reimer said she would like to suggest to the Board that we do review, after this spring grant cycle, our application process. We've had a few different things come up in this grant cycle that we've never encountered before that we should tackle.
- e. C. Springer said good, please remind us.
- f. D. Reimer said I will.
- g. C. Springer said for the Boards edification, that I sat down with Dusti this past month and told her it was a little cumbersome that the invoices that are presented are in the consent agenda and then presented again in the staff report. So, what I said was what I prefer is to take them off the consent agenda and put them in the staff report and then when we approve that staff report we are approving the payment of those invoices. Chris, is that ok?
- h. C. McAnany said that's fine. As long as there is a clear record that the Board has approved them, and you do that by motion.
- i. C. Springer said thank you. With that I'll ask for a motion to approve the staff report as presented. J. Justman made a motion. Q. Shear second. Voted. Approved.

#### VI. Review of Financials.

- a. Nancy said she would have Christine do the report.
- b. C. Madsen said on the report, under the fund balance there is a balance of \$854,841.21. In the permanent fund balance, we have \$1,586,915.07. Under the grants payable we have two grants outstanding for a total of \$189,476. We've had a net loss of \$88,618.48. The profit and loss we're showing legal fees of \$220, contract services of \$3,750, and dues and memberships of \$1,024.04, and supplies of \$1.65 and unrealized loss in the permanent fund of \$68,060.38 and dividend income of \$1,611.17. This results in a net loss of \$73,856.84.
- c. C. Madsen said the AP aging summary you'll see the Grand Junction Fire Department has \$126,476.00 and the Town of Palisade has \$63,000.
- d. N. Harward said the budget to actual we have not received any grants for the year, that will come in the fall. Our legal fees were at \$220, our outside services are still under budget. Insurance we came in under budget, but we might want to bump that up next year just in case. For advertising we don't have any expenditures and administrative expenditures are still low. The membership this month was for the Special District Association. I don't expect

that to be as high moving forward. We haven't made any contributions to the permanent fund. Any questions?

- e. J. Justman asked if the \$73,000 loss is from the market recently?
- f. N. Harward said that hasn't been realized yet, because we haven't pushed the button on that, but obviously Matt can speak more to that.
- g. C. Springer asked for a motion to approve the financial report. J. Justman made a motion to approve. Q. Shear second. Voted. Approved.

#### VII. Review of Investment Account.

- a. M. Rosenberg said he was busy and didn't have the today's number, but the account is still up. It's lost about 9% of values since this thing started, which is fine, considering the S & P is down around 22% right now since this all started. The equity allocation is 55%, so we're actually 5% below. We got close to 60%, and I think we can increase the equity allocation. I haven't done that yet, but I did actually sell off all the bonds in our portfolio that a duration over 5. I just don't see any reason to own those bonds at this rate, with interest rates so low. There isn't any harm being in cash with where that money would be sitting right now, at least for a few weeks to a month until things settle. That was probably the most drastic change.
- b. C. Springer asked if he liquidated that 637,000?
- c. M. Rosenberg said no, about 187,000. The other portion of it
- d. C. Springer asked if he liquidated the highest duration?
- e. M. Rosenberg said yes.
- f. C. Springer said good.
- g. M. Rosenberg said anything over 5-the intermediate to incorporate and then the total aggregate to intermediate bonds and then the high yield bonds. They actually have a shorter duration, but the problem with high yield is as oil and gas goes down, that makes up about 3.5% of the S & P 500, but it's 12% of a high yield bond index. That's one of the motivations of cutting oil prices is to surge some of these low leverage producers out of business. So, I can see high yield bonds running into a problem here, so that's what got liquidated. There are still the short duration bonds, although I wouldn't mind selling those too, to be honest and waiting until stuff plays out a bit. I guess at that point that's all I have to say on the portfolio other than to say that with the investment account it's a long-term investment account and I'm fine with it. I'd love to be able to take that extra cash and get more equities, but we're limited to that 60% right now. I think long term equities are going to be in play. You see a lot of really quality stocks with dividend is higher than bonds, which doesn't make any sense. Any questions? The corona virus is a pretty scary thing, and we've been giving updates about it now for about three weeks, including holding a meeting here a week ago. The big thing is, don't worry about your portfolios because it's a transient impact. Worry about your health and the impacts of getting ready to work from home. It's just becoming more and more evident that, that's just what's going to happen.

- h. C. Springer asked if the equity portion, and the evaluations have fallen and you've liquidated the fixed income assets, and you're saying you'd love to deploy that and you have this 60% ceiling, by nature of that, hasn't that rebalanced?
- i. M. Rosenberg said yes, I can move 100,000 of the bonds into equity and I will probably do that over the next weeks, but only 100,000. Because when it does rebalance it will shoot us up over the 60, and I'm glad we talked about these two meetings ago and it would shoot us out of our restrictions. It means we made money, but then we'll be over that 60, and I know there is leniency of a quarter to rebalance that, but I don't think we'll have to deal with that for several months.
- j. Q. Shear made a motion to approve the investment report as submitted by Matt. J. Justman second. Voted. Approved.

VIII. Unscheduled Business.

- a. None.

IX. Adjourn.

- a. J. Justman made a motion to adjourn. Q. Shear second. Voted. Approved.
  - i. Meeting adjourned at 3:15 pm.