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BOARD OF DIRECTORS MEETING

Date and Time: 3:00 PM on Wednesday, May 20, 2020

Location: Zoom Meeting <https://uso2web.zoom.us/j/86048002092> Meeting ID: 860 4800 2092

Attendees:

Dusti Reimer
Chris McAnany
Craig Springer
John Justman
Quint Shear
Mike Harvey
Eli Jennings
Matt Rosenberg
Christine Madsen
Doug Shoemaker
Terry Schmalz
Gus Hendricks
Andrew Collins
Sam Morgan
Cindy Burns
Sam Atkins
Mike Bemel
Karen Kllanxja
Miranda Bailey
Melanie Matarazzo
Mike Bennett

Agenda:

- I. Call to Order.
 - a. Craig Springer called the roll for the Zoom Meeting. Q. Shear made a motion to approve the agenda. J. Justman second. Voted. Approved.
- II. General Public Comment.
 - a. None.
- III. Adoption of the March Meeting Minutes and the March Grant Workshop Minutes.
 - a. Q. Shear made a motion to approve. J. Justman second. Voted. Approved.
- IV. Staff Report.

- a. D. Reimer said for May and April we have had limited posts. We shared our meeting minutes had been posted, the meeting agenda had been posted, our April Meeting had been cancelled and details for our May Zoom Meeting.
 - a. D. Reimer said we had one grant requesting payment. That was 2018-FT-2 City of Grand Junction Fire Department Fire Training Facility Infrastructure final grant payment for \$126,476.00.
 - b. D. Reimer said invoices for payment in March were for:
 - a. Dusti Reimer Invoice #145 for services and supplies for \$3,884.54
 - b. Dufford Waldeck Invoice #19384 for \$1,040 for March
 - c. Eide Bailly Invoice #Elo0952456 for services through March for \$1,646.04
 - c. D. Reimer said invoices for payment in April were for:
 - a. Dusti Reimer Invoice #146 for services and supplies for \$3,774.98
 - b. And the missing check for Dufford Waldeck from February had been found, and that reissued check was no longer needed.
 - d. D. Reimer said the upcoming events were June 17th – Board Meeting with Grant Contracts and she said she would like to propose a Grant Application Workshop, that would take place before or after that meeting that would give us time to make changes to the grant application and implement before our August 1st Fall grant cycle.
 - e. D. Reimer said we have our July 15th Board Meeting with July 31st the Audit Due to the State of Colorado. D. Reimer said we have started the audit with Chadwick Steinkercher. Christine Madsen and D. Reimer have been working with Lisa Heman to complete the audit. Then we would roll into our August 1st the opening of the Fall Grant Cycle.
 - f. J. Justman made a motion to approve the staff report. Q. Shear second. Voted. Approved.
- V. Review of Financials for March and April.
- a. C. Madsen said the March fund balance was \$850,797.69 and accounts receivable is a zero balance, and the permanent fund has a balance of \$1,444,399.19. Our grants payable account we have \$189,476. For the net income, we have a net loss of -\$235,177.88.
 - b. C. Madsen said moving on to profit and loss statement for March we have legal fees and services for \$160, contract services for \$3,750, dues and memberships for \$74.97 and supplies for \$58.55. We had an unrealized loss in the permanent fund of \$149,947.46 and realized gain of \$2,614.38 and dividend income of \$4,817.04. Then under the AP Aging Summary there is a grant for Grand Junction Fire Department for \$126,476 and for the Town of Palisade for \$63,000. The Budget to Actual with outside services we are under budget by \$58,825 and we're under budget for auditing expenses by \$4,000, we're under for

- insurance by \$88 and advertising expenses we are under by \$3,000. At the bottom of that report we have the unrealized loss in the permanent fund for \$223,560.95 and realized gain of \$2,614.38 and interest earned of \$0.26 and dividend income of \$6,489.67. Lastly we have investment fees of \$3,330.55.
- c. C. Madsen said moving onto April financials, the fund balance is \$844,227.11. The permanent fund had \$1,554,435.83 and for the grants payable we have \$189,476.00 and net loss of \$131,711.82. Moving onto Profit and Loss we have legal fees of \$1,040, accounting fees of \$1,646.04 and contract services of \$3,750.00, dues and memberships of \$24.98 and supplies of \$109.56. We also have unrealized gain of \$111,720.95, interest earned is \$0.04, dividend income of \$1,644.07 and investment fees of \$3,328.42 for a net income of \$103,466.06. For the AP aging summary, it's the Grand Junction Fire Department for \$126,476 and the Town of Palisade for \$63,000.
 - d. C. Madsen said for April Budget to Actual the outside services is under budget for \$52,389.46. Not much has changed for auditing expenses, insurance, or advertising expenses as well as the other investment income and other expenses. That's it.
 - e. C. Springer said thank you very much. Asked if there were any questions.
 - f. J. Justman said no.
 - g. J. Justman made a motion to approve the financials as presented. Q. Shear second. Voted. Approved.

VI. Review of Investment Account for March and April.

- a. M. Rosenberg said the permanent fund has an unrealized gain of \$100,000. The market has bounced back quite a bit from the financial statements you've just looked at. That puts us in the positive. We're at about a 6.5% return. We did a rebalance on the portfolio on March 12th, which turned out to be a really great time, it was pretty close to the low. What that resulted in what about \$100,000 of bond sales, which we turned around and put into stocks. The stocks we purchased since then, is actually up about 20%. That was a really good move, and we're at about 62.5% equity, which is coming up to our threshold of 65%. The portfolio should bounce back before the total market does because the rebalances. The future is highly uncertain, but we are watching. I can answer questions, if you have any.
- b. C. Springer said talk to us about that international fixed income of the portfolio and the philosophy behind that.
- c. M. Rosenberg said it's a JP Morgan, short duration bond fund. I'd classify that as an international bond fund. But, usually to be international you have to be less than 80% US. The precise numbers are 63% US. The rest of that would be Europe for the most part, developed market and corporate bond funds and stuff like that. Sockogen, National Bank of Canada, BMV Bank, and so even though it gives international extra risk, it's ultra safe, good yielding bond. It's slightly active managed by JP Morgan, so that's one we use a lot in portfolios.
- d. C. Springer asked what the duration of that is?
- e. M. Rosenberg said none. That's ultra-short duration. I guess 0.9 duration on that. Yield is about 2.5%. Forward looking it will probably come down to 2.1%.

- f. C. Springer said you essentially treat that as short-term, cash portion?
- g. M. Rosenberg said that's a lot of the bonds. All the bonds in our short-term portfolio are 3 or less right now. We've adding in some TIPPs in. So, we have short duration TIPPS. WE did that a few months ago. That's a nice inflation hedge for the bond portion. Right now, the bond market is, I guess the best analogy I can give, I go golf with my friends, and we bet a hole and one of us wins and one of us loses. The loser usually pays the winner and all of sudden you bring a friend in who says don't worry about it. Now, what does that mean? How do we deal with that? That's what is going on with the bond market. The government has said they will back up the bond market to keep things where they are. They haven't bought any, but it's really scary, and I don't have a lot of confidence in the legs supporting the bond marketing right now. I'd like to give some more time before we take any risk by extending duration or seen credit risk in the bond market.
- h. C. Springer said thank you. There were no other questions from the board.
- i. Q. Shear made a motion to approve his report. J. Justman second. Voted. Approved.

VII. Awarding of the Spring Grants.

- a. D. Reimer said this was one of the toughest grant cycles we have maybe ever had. I have gone through and put together all the scores. The Board scored them and to help the process along, I submitted the scoring spreadsheet to everyone prior to this meeting so the Board could have a look at it. There have been no Board discussion on the scores prior to this meeting. Here are the grant scores.
- b. D. Reimer said for the total scoring, just in the application process where they were, this is the summary of the total average score for all three board of directors right here. So for Clifton Sanitation District, Mesa County Valley School District, City of Grand Junction Police Department, and De Beque School District these are how they all scored for the traditional grant applications. When you come down to the mini grants you'll see De Beque Fire Protection District, City of Fruita, Monument View Montessori, Palisade Irrigation District, Town of Collbran, Caprock Academy, and De Beque School District. These are just in order of how they came, they are not in ranking order yet.
- c. D. Reimer said when I click over here to the summary, this ranks everyone from highest score to lowest score for traditional grant and mini grants. Just to remind everyone, we have \$200,000 for this grant cycle. My job, after I put all this together, is to give the board three different options to just get the discussion started to make the awards. With that, you'll see I have Option A, Option B, and Option C. Before I dive into this, you'll see the percentages on the side. A few years back, the board wanted to rank these from Apples to Oranges, to be more apples to apples. So the scores are based on, consider the grant application to be like a quiz. So out of 100, what would your grade be. That's what this is. This turns out to show what your grade would be, and that gives them a better idea of where the applications fell. The 76-72% was the score out of the total points you could have gotten. So, if you're wondering what these points are it's the total points you could have gotten with the total points you did get to give you a percentage score. If we were to do Funding Option A, our total award would go to our top Traditional Grant score, which would be the City of Grand Junction. If we decide on Option B, we could decide to award the top 67% and higher scoring mini grants, this would give us the top 5 grants of City of

- Fruita, De Beque School District, De Beque Fire Protection District, Palisade Irrigation District and Town of Collbran with a remaining \$22,054 left over from the \$200,000. Funding Option C would split it, it would give the City of Fruita, because they are the top scorer with 82%, would get \$50,000 and the remaining \$150,000 would go to the top traditional grant which would be the City of Grand Junction. Now again, these are just suggestions to get the Board started in discussions. The Board has full authority to award and grant however you deem fit. With that, I turn it over to the Board.
- d. C. Springer said thanks Dusti. Any comments from my fellow board members?
 - e. Q. Shear said my preference is for splitting it up, instead of giving our full amount to our top traditional grant. I'm open to other ways of splitting it up, but that's just my preference.
 - f. C. Springer said thank you. John?
 - g. J. Justman said I haven't decided what I like.
 - h. D. Reimer said if you need me to switch screens let me know.
 - i. J. Justman said he can't hear Quint very well, I could hear everyone else.
 - j. Q. Shear said sorry, maybe I'm too far away from the speaker.
 - k. J. Justman said will it be acceptable to the City to take a partial payment?
 - l. C. Springer said I believe that was a question in the application. Dusti, can you help us answer that?
 - m. D. Reimer said give me just a second.
 - n. C. McAnany said they listed total project cost at \$600,000.
 - o. D. Reimer said give me just a second, I'm pulling up their application request. Oh, Doug is on, here he can answer also.
 - p. C. Springer said Chief Shoemaker, the question that we're considering is-your request is \$200,000, if we carve \$50,000 out of that, would you still go forward?
 - q. D. Shoemaker said thanks for having me and for consideration. Obviously, it does affect it, but we certainly respect the wishes of the board and are happy with anything that is pushed our way. It's a big project that benefits a lot of us. \$600,000 over the course of 2 years, but preferably starting sooner, rather than later. We defer judgement to the board with regard to that, but certainly we are looking forward to it.
 - r. C. Springer said thank you very much. John, there is the answer to your question.
 - s. J. Justman said if that's the case then \$150,000 for the firing range and \$50,000 for Fruita is fine with me.
 - t. Q. Shear said that's my thoughts on it, Craig what are yours?
 - u. C. Springer said yes, I agree. I wish we had more money to go around, I Really do. And that scoring was tight, it was really tight. But we just having limited funding to go around and hopefully that will change down the road, but I see that option as the most viable for us. The one that will do the most good for our communities and our board's mandate.

- v. Q. Shear said if we all agree then I make that motion that we grant \$50,000 to the City of Fruita for the 16 Rd. Railroad Crossing and \$150,000 to the City of Grand Junction Police Department for the Firing Range.
- w. J. Justman second. Voted. Approved.

VIII. Unscheduled Business.

- a. D. Reimer asked if the Board would be open to either before or after next months' meeting to do an application review.
- b. C. Springer said yes, because there were a couple of things that came out to me and I think that's absolutely important.
- c. D. Reimer asked if before or after was ok. Our meetings start at 3pm, or we can look at a different time.
- d. Q. Shear asked what day that was.
- e. D. Reimer said it will be June 17th at 3pm. I forgot we are in summer vacation, so if anyone has vacation let me know.
- f. C. Springer asked if there was any concern that it would take longer than having it incorporated into a normal meeting?
- g. D. Reimer said no, I guess we can incorporate it into a normal meeting. We've just usually always done a workshop. I don't see why there would be any problems in a regular meeting.
- h. C. Springer said I'm not a huge fan of workshops. I know they have utility in some aspects, but what we're talking about is taking formal action on amending our applications. I'm more comfortable with doing that in an open meeting, if my fellow board members are fine with that being in a formal meeting in June.
- i. C. McAnany said there is no reason you can't have a discussion of proposed changes. Dusti and I will come to you with some proposed changes for action at the next meeting. You can review and approve it at that time and or we can discuss it further and make changes at a later date. I agree it's probably wise to have it as a potential action item during a regular meeting.
- j. D. Reimer said it gives us to July as well, to implement before the new application in August. I wanted to give it a two-month buffer to get it changed before our fall application process.
- k. J. Justman said according to my calendar I might have conflict that whole week for me, but that is subject to change. It's been pushed out and pushed out numerous times. I'll know tomorrow if that's really true, but I have the whole week blocked off. I think it's been no there before and pushed back, but maybe not. I will let you know.
- l. C. Springer said let us know, if we need to move something around let us know.
- m. C. Springer said I just wanted to thank all the folks that participate in this process. I'd like to thank you very much for your applications and interest in the Mesa County Federal Mineral Leasing District. Believe me, if we had our preference, we'd fund every application that came in this cycle. They were all good ones. There were some emotional applications there and I understand that and I thank you very much for that and for helping this community

with this issue of doing these grants and getting that money out there where it does the most good. Thank you for your interest in the Federal Mineral Leasing District and we encourage you to please participate again.

- n. J. Justman said I Wanted to thank everyone for applying. It's not easy to score these and everyone can't win and that's the sad part.
- o. J. Justman made a motion to adjourn. Q. Shear second. Voted. Approved.
 - i. Meeting adjourned at 3:33 pm.