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BOARD OF DIRECTORS MEETING

Date and Time: 1:00 pm on Tuesday, February 16, 2021

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

Attendees:

Matt Rosenberg

Chris McAnany

Craig Springer

Quint Shear

Dusti Reimer

Janet Rowland

Agenda:

- I. Call to Order at 1:09 pm.
- II. General Public Comment.
 - a. None at this time.
- III. Approval of the January Meeting Minutes.
 - a. C. Springer made a motion to approve. J. Rowland Second. Voted. Approved. Q. Shear was absent from vote.
- IV. Staff Report.
 - a. D. Reimer said she posted to the MCFMLD social media accounts of Facebook, Twitter and YouTube that the meeting minutes from December were posted, the meeting agenda for the February meeting had been posted. She uploaded the January meeting to our YouTube Channel for public viewing and we also live streamed our January Meeting on Facebook. The February Zoom Meeting details were posted along with the public notice for the RFP for Audit Details on our website and social media channels. She posted all the media articles from the Spring Grant Cancellation.
 - b. D. Reimer said the media was earned from the press release that was sent out in regard to the cancelled spring grant cycle. The Daily Sentinel, The Business Times, KKCO 11 News, KJCT News 8 and KREX News posted stories about the spring grant cycle being cancelled. Links were all shared to the news stories.
 - c. D. Reimer said there are no grants requesting payment at this time.

- d. D. Reimer said she wanted to address this in the staff report and placed it on the agenda as a separate line item to discuss. We filled out the paperwork for an insurance quote from the Colorado Special District Association for Board Insurance. We do qualify because we have to be a member of the Special District Association. I have not gotten a quote back yet. I spoke with Diane a lot the last couple days and she said we are expecting a quote back any day. I wanted to throw it out there because we'll need to talk about that in our invoice.
 - e. D. Reimer said our invoices for January are for Dusti Reimer invoice #155 for supplies and services for \$2,705.97, Dufford Waldeck Invoice #23872 for services of \$503 and Philadelphia Invoice #2002838310 for Board Insurance policy for the 2021 year for \$2,601.00. The renewal for the policy is due February 19th. You'll have seen that in the packet with the invoices. We're in a little bit of an overlap. We're waiting to see if the special district will give us something better and if not, I wanted to make sure I had this on here, so we didn't have any lapse in coverage.
 - f. D. Reimer said our upcoming events are the RFP Audits will be due March 12. If you have any lists of people for me to contact, I would appreciate it. Our March public board meeting is scheduled for March 17th and our April public board meeting is scheduled for April 21st.
 - g. C. Springer asked if Home Loan is the agent for the insurance quote?
 - h. D. Reimer said they are.
 - i. C. Springer said I need to recuse myself, which means we do not have a quorum to deal with that, correct?
 - j. C. McAnany said that is correct. You'll have to kick the can down the road in terms of approval for that particular expenditure, unless you can get a hold of Quint.
 - k. D. Reimer said she had texted Quint, but he hadn't texted back either. She asked if you wanted to approve the other two invoices.
 - l. C. Springer made a motion to approve the Dufford Waldeck invoice and the Dusti Reimer invoice. J. Rowland second. Voted. Approved.
- V. CSD Insurance and Special District Association Membership Discussion.
- a. D. Reimer said I lined itemed this separately to have this discussion. We haven't officially renewed our membership to the Special District Association. Last year they were \$900, they are based on the percentage of the amount of money we have every year to be apart of them. We haven't really done anything with them or used anything they've offered. With the insurance quote, we are kind of two-fold, if the insurance comes back and it looks like a better quote, we can go in that direction. We have until May to renew with the SDA. If we do it by March, we get a discount. We should hopefully know within a week what the insurance quote will be. Other than this, there isn't a whole lot going on with them that we need to give them \$1,000. We will wait to

hear back from them on the quote, unless the board has any special reason to stay with the Special District Association at this time.

- b. Q. Shear joined the meeting. Q. Shear apologized for being late.
 - c. D. Reimer said to review, we were in the process of discussing the insurance. She gave a quick recap that Philadelphia Board insurance is \$2,601. The policy renews on Feb. 19th. We asked for a CSD for insurance, and we have to be part of the SDA to get the quote and insurance. It cost us about \$900 to be part of the SDA and up until possibly now, we haven't had any benefits that we could really use. We don't have to renew our membership until May. We do an early renewal in March to save some money. If the insurance quote doesn't come back, we could no renew and save some money, if the board would like. That leaves the Philadelphia Insurance invoice hanging. We do not want a lapse in coverage, even though we are expecting a quote any day now. Craig has to recuse himself from that vote.
 - d. Q. Shear asked if we need to vote on the insurance or the association?
 - e. D. Reimer said not the associate, I don't have any information just yet.
 - f. C. McAnany said aren't we going to have a lapse of coverage if we don't approve it.
 - g. D. Reimer said the Philadelphia insurance.
 - h. C. McAnany said one recommendation is to approve the Philadelphia invoice and you can always get a refund later if you elect to switch carriers. I Think as a matter of internal housekeeping the district maintain it's coverage continuously. Pending another quote from another carrier.
 - i. Q. Shear said I agree with that.
 - j. J. Rowland made a motion to approve the Philadelphia Insurance invoice. Q. Shear second. Voted. Approved. C. Springer was recused from the vote.
- VI. Review of Financials.
- a. D. Reimer said the fund balance is \$937,619.64, our grants payable is still \$338,400 for the four grant awards outstanding. Our profit and loss we had contract services, administrative service and dues and membership checks were cashed last month. For the permanent fund we had -\$2,285.58 and investment fees were \$3,867.46. Our budget to actual numbers. I do have a question with the insurance, the quote we got was \$100 more than this. Will we have to do changes to this, because we though it would be \$2,500.
 - b. C. McAnany said if you exceed your budgetary expenses throughout the year, the board will need to do a resolution to bring expenditures into balance. You might want to wait to see how things are going. Typically, those are done at mid-year.
 - c. D. Reimer asked if they had any questions?
 - d. C. Springer asked if we needed board action to accept financials, Chris?

- e. C. McAnany said since you're not taking action, you're just getting a briefing, you don't need to take action.
- f. Q. Shear said half the board meetings I go to they approve them and half of them they don't.
- g. C. McAnany said I think for expediency we don't have to approve them. You guys are viewing them every month.

VII. Review of Investment Account.

- a. M. Rosenberg said the current balance is over \$2 million now. It's more or less flat today and we got that additional \$100,000 and deposited that into the account and will deal with that accordingly.
- b. Q. Shear asked if he thinks there will be any changes to the plan?
- c. M. Rosenberg said no. He said he gets a lot of questions on the market being overvalued. I think there are pockets of that in the tech sectors-biotech and there is also the interest rate concern. We've moved out of treasuries and into TIPS. We are replacing our traditional allocation with those. They are making mortgage backs across all portfolios. If you look at the duration of a mortgage back fund, it's very low right now. Like 2-3 years. That gives you the sense that you have a security against interest rate risk. The reality is those are so low is because people have been prepaying their mortgages for the for the last ten years every year. Everyone has refinanced every year or two for the last ten years which is why they have gotten down so low. Now that we are in a potential interest rate increasing environment, I could see those going back up to ten pretty soon. Those are the changes we are looking at making. We're still mostly not trying to time markets and making a drastic change from equities to bonds is not something I'd recommend.
- d. Q. Shear said thank you, Matt.

VIII. Unscheduled Business

- a. J. Rowland said she had a question for the Board. I got a voice message from Aaron Johnson from Western Energy Alliance. He wanted to learn about the Mineral Lease District and the impact from the Presidents Executive Orders on the mineral lease ban. How that's impacting our community. I thought he should talk to Quint. I'm not sure I can tell him anything else that what you already have. Does Dusti have details?
- b. Q. Shear said I think he's shopping for support. I talked to him about it and to talk to Dusti about the specific numbers and the effects of our numbers dropping. In more or less looking for our support. It definitely affects us.
- c. D. Reimer said I have no heard from this person, so this is the first I've heard of it.
- d. Q. Shear said he would send Dusti Reimer his information. They are Western Energy Alliance and they are promoting oil and gas. They are looking for articles and things to support their stance that they have taken.

- e. J. Rowland asked in the good years how much were we granting out in comparison to this one?
 - f. C. Springer said for a couple years there we were over \$2 million we gave out in grants. There were a lot of \$1.8, \$1.6 million and things like that. It's been devastating.
 - g. D. Reimer said last year we had a peak year where it went up to \$925,000 and we thought it would go up and we got this check, and it was \$495,000. Until this year, the lowest I had seen was \$737,000.
 - h. Q. Shear said we should see a little better check next year because of the increase in price of gas. There was some crazy things in the market. The cash price for the White River Hub in Meeker was at \$137 today. It's up from \$2.80.
 - i. C. McAnany said if you're short-term energy trader, today is a busy day.
 - j. Q. Shear said the long-term futures are still \$1.90-\$2.00 This will be a little after Christmas bonus.
 - k. D. Reimer said please send over the names for any Auditors I can send the RFP to.
 - l. Q. Shear said Paul Miller is doing audits and so is David, I'll get his information, he's doing several audits. I talked to Eide Bailly and they recommended both of them for audits, especially smaller audits. I've got the contact information. I guess we just email that information directly to them.
 - m. J. Rowland asked when the next meeting.
 - n. D. Reimer said March 17th. I sent it to your calendar as a recurring so it would be on your calendar.
 - o. Q. Shear asked if everyone else was ok with that.
 - p. C. Springer asked if we wanted to do in person or via Zoom?
 - q. Q. Shear asked if it was ok to be at the Community Room?
 - r. C. Springer said I'll book it.
- IX. Adjournment.
- a. C. Springer made a motion to adjourn. J. Rowland second. Voted. Approved. Meeting adjourned at 1:35 pm.