



P.O. Box 3039 • Grand Junction, CO 81502
E-Mail: info@mesaFML.org Web: www.mesaFML.org

BOARD OF DIRECTORS MEETING

Date and Time: 2:00 PM on Wednesday, August 15, 2018

Location: Home Loan Building, 205 N. 4th Street, Grand Junction, CO 81501, in the Community Room on the Basement level

In attendance:

David Ludlam
Craig Springer
John Justman
Dusti Reimer
Nancy Harward
Matt Rosenberg
Benita Phillips

Meeting Minutes:

- I. Call to order at 2:02 p.m. by David Ludlam.
- II. General public comment.
 - a. No public comment.
- III. Adoption of the July meeting minutes.
 - a. C. Springer motion to approve. D. Ludlam second. Voted. Approved.
- IV. Consent Agenda:
 - a. Chadwick, Steinkirchner, Davis & Co. Invoice for Audit
 - b. Dusti Reimer Invoice
 - c. 2017-SM-05 Town of Collbran/Plateau Valley School District Lift Station Final Grant Payment
 - d. Motion to approve from C. Springer. D. Ludlam second. Voted. Approved.
- V. Staff Report.
 - a. D. Reimer shared that the Districted posted to our social media pages (Facebook & Twitter)
 - a. Monthly Board Meeting Date
 - b. Posting of the Meeting Minutes and Cash Flow Analysis Plan
 - c. Posting of the Plateau Valley School District Lift Station Photos
 - d. Fall Grant Cycle Opening

e. Fall Grant Cycle News Stories

- b. D. Reimer shared there were two press releases sent out this past month. One was for the opening of the fall grant cycle and the other was for the completion of the Plateau Valley School District Lift Station grant that was completed. The district received media coverage from news outlets on both press releases. KKCO 11 News even invited D. Reimer in to talk about what the District does during a 4-minute segment.
- c. D. Reimer said the only grant payment was for 2017-SM-05 Town of Collbran & Plateau Valley School District Lift Station Replacement. This was their final grant payment amount of \$50,000.
- d. The approved invoices are for Dusti Reimer - \$2,524.98 for services, advertising and supplies for July and the Chadwick, Steinkirchner, & Davis - \$4,026.67 for audit services.
- e. D. Reimer said we have several upcoming events and presentations in the next month.
 - August 15 – Grand Valley Mosquito District Presentation
 - August 22 – Clifton Water District Presentation
 - September 4 – School District 52 Board Presentation
 - September 7 – Fall Grants Due
 - September 11 – De Beque Fire Protection District Presentation
 - September 12 – September Board Meeting with Grant Presentations
 - September 13 – Lower Valley Fire Protection District Presentation
- f. C. Springer said the September Board meeting is problematic. The only Wednesday he will be here is September 5th. With David being gone, and the Commissioners not have a replacement by then, I recommend that we move that meeting to October.
- g. D. Ludlam asked if that would be a problem.
- h. D. Reimer said no grant have been turned in yet, so she can reach out to all the applicants and let them know the grants will still be due September, but we will move the presentations to the October Board meeting.
- i. C. Springer said yes, please change it.
- j. D. Reimer said she would go ahead and update the website and change the information and notify the grant applicants.
- k. C. McAnany said he has the draft of the bylaws available for discussion. The legal needs for the district have been relatively light, which is good for keeping expenses down.

VI. Review and Approval of Revised Scope of Work for Dusti Reimer.

- a. D. Reimer said she submitted a new proposal for retainer fees based on what the Board of Directors had asked her to do. Instead of putting together a marketing and communications plan, she felt what the District really needed a community relationship plan. This was included in the Board packet for review. Right now, there isn't a lot of data about the grant program, but we would like to see our average of 9.5 applications per grant cycle to move up to 10 applications per cycle. This would show continued growth and interest in community.

- b. This would include more phone calls, emails, engagement with the eligible applicants. Continuing the community engagement. Her understanding from the Board is to continue to education the public on the district and what they do, continue doing press releases with the local media to show finished projects and use of money, keeping the website update to date and the continued list of the presentations. To date, D. Reimer has done 15 community presentations, with a list of several more to go to cover the special districts of Mesa County. D. Reimer said this can change at any time, if the Board feels they would like her to do more or less.
- c. D. Ludlam said that currently, she is operating under the contract that the previous administrator had, which capped it at \$2,500, or an hourly \$95/hr fee.
- d. D. Reimer said that my contract was based on a flat retainer, which was different from the previous administrator, because she only billed hourly.
- e. C. Springer said he liked it and was comfortable with the compensation.
- f. C. Springer motion to approve. J. Justman second. Voted. Approved.
- g. D. Ludlam said the impact that the meetings have had, has been instrumental. There has been a large impact with what she has done.

VII. Review and Approval of Updated Bylaws.

- a. C. McAnany said that we will review these now and will take action at the next meeting. The previous bylaws haven't been updated since 2012, and because we now have the creation of the permanent fund, we had a few things to change. They were a solid foundation of bylaws to begin with. C. McAnany provided a red line copy for review. Most of the updated language had to deal with the permanent fund, and designation of officers, changes to the meeting schedule, and going into executive or closed sessions for specific purposes, rules of order, discretion on public input, and permanent fund decisions. These are just for discussion today, but if there is anything else you need to have added or addressed, C. McAnany is happy to do that.
- b. D. Ludlam said these will be reviewed by the board, and then posted for public comment and reviewed.
- c. C. Springer asked if C. McAnany is comfortable with having a board of only two, are you comfortable within our bylaws to move forward with just two people?
- d. C. McAnany said it is majority and it is quorum. So, you have to move unanimously to move forward with anything. Until the county approves the new board member, you will be ok moving forward with just the two remaining Board members.
- e. B. Phillips, community member, asked if the county had gotten any applications for the position.
- f. J. Justman said not that he was aware of.
- g. B. Phillips said she knows of a few people and one from Williams company who is interested in being on the Board. She asked if the application was online and where it was online. Is it in a specific area they go to?
- h. J. Justman said he was not sure if it had been posted, but it would be a County Board position.

- i. C. McAnany said if in the next few days that you remember that David Ludlam handled, and we are deficient on or need to have handled, now that he will not be the Board, we can handle that.

VIII. Review of Financials.

- a. N. Harward said there is nothing out of the ordinary. You will see the forfeited grants that was unused from the final grant payment last month. Everything lines up.
- b. C. Springer asked for the purposes of the Banking RFP, do the reports need to be compatible with Quickbooks?
- c. N. Harward said she doesn't download the transactions. There aren't enough to need to do that. That isn't mandatory.
- d. M. Rosenberg said investment portfolio is still flat from last month. It's the same story where you're seeing a negative 3% return, but your account is up in value. It's the difference between time waited rate of return and money waited rate of return. The account is up slightly, but we don't see any changes we need. We adopted the financial policy and financial plan. And in the news, we keep hearing Turkey and Tesla. If you have any questions, I can answer them about expected performance or things we are seeing, but other than that it is good. One of the topics was to have an investor education each month. If you're interested in that, I'm happy to prepare a topic to share on.
- e. C. Springer asked if they monitor the currency risk in the portfolios?
- f. M. Rosenberg said International is lagging in the portfolio right now. That started when the tariffs were announced and the US dollar has strengthened quite a bit. The difference why you want international is it gives you the difference in the currencies. When the tariffs were announced it hurt the international part of the portfolio quite a bit, but the US dollar strengthened quite a bit. We don't try to forecast short term. The biggest differentiator is the currency. International developed are large companies like BP, Cadbury, huge multinational companies not based in the US.
- g. C. Springer asked if there would be a point where you would rethink, if the dollar continues to strengthen, would you reconsider the 38% international?
- h. M. Rosenberg said if that asset class continues to struggle, we would actually buy more. That's the benefit of a constant ration rebalance. Buy low, sell high. Within asset classes that works really well. You don't want to have it too heavy, because stocks do tend to balance out over time.
- i. M. Rosenberg said that the investment topic he was thinking about was about asset classes and why would pick and emerging market fund. Is that something you'd like to hear?
- j. C. McAnany said it is up to the board obviously, but given your fiduciary responsibilities, this would be good to learn as much as you can.
- k. C. Springer asked if it would make sense to have a quarterly workshop to do that?
- l. M. Rosenberg said we can do that. And, C. Springer had a great question about stocks out performing bonds and how we have to stay within the certain risk level.
- m. D. Reimer asked if all the cash had been invested?

- n. M. Rosenberg said the majority of it has, when you look at the report we only have \$4,000 in cash left to invest.
- o. C. Springer asked how N. Harward gets the reports.
- p. M. Rosenberg sends them to N. Harward.
- q. N. Harward asked if C. Springer would like to also have the statements?
- r. C. Springer said no, as long as she has them, then we have eyes and ears on it.
- s. D. Ludlam reaffirmed the quarterly workshop by RoseCap for information.
- t. C. Springer suggested that we have that be a separate time workshop so if anyone needs to leave they can.
- u. J. Justman agreed.
- v. M. Rosenberg said the most interesting piece right now is the FCC proposed fiduciary guidance for investment advisors. They are proposing that anyone who doesn't have fiduciary responsibility for their client, like I do with your account, then they cannot hold themselves out as an advisor anymore. They have to address themselves as a salesman, instead of an advisor. So, by selecting us, you have validated your commitment to using someone who is a fiduciary advisor.

IX. Review RFP for Banking Services.

- a. C. Springer said I took what I had from Nancy and gave it to our staff and had the staff review it and change it to when we get an RFP. There aren't huge changes in there, but that's what we have done with this. I am perfectly fine with approving this next meeting and changing the dates after having a review period.
- b. D. Ludlam thanked C. Springer for doing this.

X. Unscheduled Business.

- a. C. Springer asked for a point of public privilege.
- b. C. Springer said this FMLD district was formed in 2011, and David and I were original appointees from the County. I think it's incumbent upon us and critical to understand the contributions this man has made to this Board. I'm not proud of this fact, but factually, I believe in the last seven years, he's been chair for five of those years. From the very beginning, David has taken the approach to push, cajoled, and even banged on us a bit about the fact that these resources are limited, and it is incumbently imperative as a board we take the long view. That we fund projects that matter, that we are out there in the community talking about who we are and what we're doing. We have already saved the citizens of Mesa County almost \$10 million in PILT deductions because of this FML District. I think that because of the good work that this man has done, it will be \$100's of millions of dollars that Mesa County will be better off for, because of you, David. It was David's idea we have an executive director. It was David's idea that we have our own attorney, that we don't use the county attorney. It was David's idea that we have a CPA firm separate from our auditors that give us financial accounts every month. And more important it was David's idea of the permanent fund. The concept that we can't do better than just bring money in and dole it out. That we could set some back and do something important with that money. He's the one that talked to the State Representatives about carrying that bill, helped craft the legislation, he was

instrumental in making sure all of us participated in that process and testified to both the House and the Senate. David did all of that by himself. So, to that end, John and I would like to present to you a plaque to honor your service and leadership.

c. D. Ludlam thanked Craig Springer and John Justman.

XI. Motion to adjourn from D. Ludlam, second by J. Justman. Voted. Approved.

Meeting Adjourned at 2:50 p.m.