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BOARD OF DIRECTORS MEETING

Date and Time: 2:00 PM on Wednesday, November 20, 2019

Location: Home Loan State Bank Community Room, 205 N. 4th Street, Grand Junction, CO 81501

Attendees:

Dusti Reimer
Benita Phillips
John Justman
Quint Shear
Chris McAnany
Brigette Sundermann
Garrett Mulnix
Tanner Suckla
Autumn Schultz
Kathy Cantu

Agenda:

- I. Call to Order by Craig Springer.
- II. General Public Comment.
 - a. No comment.
- III. Adoption of the October Meeting Minutes.
 - a. Q. Shear made motion to adopt meeting minutes. C. Springer second. Voted. Approved.
- IV. Consent Agenda:
 - a. Dufford, Waldeck, Milburn, & Krohn Invoice
 - b. Dusti Reimer Invoice
 - c. 2016-FT-03 Western Colorado Community College Electric Linework Building Final Grant Payment
 - d. 2018-FM-02 East Orchard Mesa Fire Protection District Safety Equipment Final Grant Payment
 - e. Q. Shear made motion for approval for consent agenda. C. Springer second. Voted. Approved.
- V. East Orchard Mesa Fire Protection District Presentation of Grant Purchased Safety Equipment

- a. D. Reimer said the East Orchard Mesa Fire Protection District did not show up to present their safety equipment, so we can move over this item on the agenda.
- VI. Approval of the 2020 Budget Resolution.
- a. D. Reimer said we officially approved the meeting minutes and the budget at the last meeting. This is the official budget resolution, if the Board would make a formal motion to approve the resolution, we will attach this with the budget packet and send it off.
 - b. Q. Shear made the motion to approve the budget resolution. C. Springer second. Voted. Approved.
- VII. John Justman joined the meeting at this time.
- VIII. Staff Report.
- a. D. Reimer said we posted to our social media pages (Facebook & Twitter) about the meeting minutes being posted, the November meeting agenda was posted, we shared images of the WCCC Lineworker Building, we posted honoring Veterans Day, and we posted the news stories done by KKCO Channel 11 News and The Business Times. After the last meeting D. Reimer sent out a press release and posted to the website the news that the 2020 Budget had been approved and we had finalized the \$324,000 payment to Mesa County for the jail expansion and had given \$100,000 to the permanent fund. The Business Times shared there would be \$400,000 for grants in 2020.
 - b. D. Reimer said the grants requesting payment are 2016-FT-03 Western Colorado Community College Electric Linework Building Final Grant Payment for \$289,125 and 2018-FM-02 East Orchard Mesa Fire Protection District Safety Equipment Final Grant Payment for \$14,686. They came in about \$100 under budget.
 - c. D. Reimer said invoices are for Dufford, Waldeck, Milburn, & Krohn Invoice #16948 for \$300 and Dusti Reimer Invoice #140 for services and supplies for \$3,774.98.
 - d. D. Reimer said the upcoming events are the December Board Meeting is on December 18, 2019, the January Board Meeting is on January 15, 2020, the 2020 Budget Due Date is January 31, 2020 and the Spring 2020 Grant Cycle Begins on February 1, 2020. She said she just wanted to make sure the December 18th meeting was still good with everyone right now.
 - e. C. Springer said the date was fine with him. The rest of the Board members agreed the date worked for them.
 - f. C. Springer asked if the guests were the East Orchard Mesa Fire Protection District.
 - g. D. Reimer said this was the Western Colorado Community College here to receive their final grant payment.
 - h. C. Springer asked if they had a presentation for the Board.

- i. D. Reimer said they were welcome to come up and speak on behalf the money they are receiving.
- j. C. Springer invited them to come and speak.
- k. Brigitte Sundermann is the Vice President of Western Colorado Community College. With her are Garrett Mulnix an instructor at the Lineman Program and Tanner Suckla a current student. She said that on behalf of WCCC they cannot thank you enough. The students are excited, especially on days like today. They would be tromping through mud, but now with their indoor lab they are able to do class work without mud. We thank you so much, Its meant so much to us. To compare this to the old facility is a nonstarter, you can't do it.
- l. C. Springer said you're very welcome.
- m. Benita Phillips asked how many are graduating from this program?
- n. B. Sunderman said it's a nine-month program and we have 58 students. Last year we had between 58-60 students last year as well, so we're at capacity right now.
- o. B. Phillips asked if they graduate with a certificate?
- p. B. Sunderman said they graduate with a Colorado Mesa University certificate. Some of them we added an Associate's Degree about three years ago. So, if they stay an extra year, they graduate with an Associate's Degree.
- q. Q. Shear asked what the placement out of the program is?
- r. B. Sunderman said the placement was 87% last year. I think they had 92% employed and 87% employed in the field.
- s. Garrett Mulnix said the other part of this, is at the end of the year we do the Mesa Hot Line School and they have been so impressed with the students that they have said they are willing to hire all of them, if they are willing to relocate.
- t. C. Springer said that was great. Thanks for the work you do.
- u. J. Justman said it is a nice facility and thinks it will work well.
- v. B. Sunderman said thank you so much and have a wonderful day.
- w. Q. Shear said it was money well spent.

IX. Review of Financials.

- a. Kathy Cantu said Nancy was unable to make it today, and she was here in her place. She is also with Eide Bailly. She said the fund balance is remaining strong, steady at \$1.18 million. The permanent fund is at \$1.601 million and the remaining grants is still at the \$493,000. I believe you discussed those last month, and that is still unchanged. In relation to October's activity everything was on par with the biggest expense happening from the investment account. There was some unrealized gain and dividends and investment fees. There were also accounting fees and some other small contracting fees, but nothing out of the ordinary. Is there any questions or further detail needed?
- b. The Board said there were no questions.

- c. J. Justman made a motion to approve the financial report. Q. Shear second. Voted. Approved.
- X. Review of Investment Account.
- a. Autumn Schultz said Matt is out of town doing some educational videos that the Board should have access too, which is really exciting. We had the additional check that Dusti had dropped off last month that you can see in the quarterly report. Other than that we keep moving and he wanted me to note if there was any questions to bring back to him so he could respond, as she is not a registered advisor, so she doesn't want to give advice.
 - b. C. Springer said for the Board's edification, he and Matt did have that lunch to discuss his concept. The concept is we are primarily in index funds right now, but because of the way markets trade and outside portion of certain positions within index funds, it's actually more economical and efficient to just own those individual positions. For example, everyone owns Apple. If you have an index fund you own Apple. My pushback on that is my grey hair up here. For example, I said Matt, this is one of those concepts that works until it doesn't. So, let me give you an example, when 9/11 happened the darling of Wall Street, was General Electric. They could do nothing wrong. Everything they did turned to gold. Jack Welch was writing books and on a tour. It was recommended that every portfolio in American have General Electric in it. It was trading at \$57 a share then and now it's trading at \$11 now. That was a long-term hold. Another long-term hold that should have been in everyone's portfolio was Enron. Like I told him. I can list 50 stocks for you that at that point and time everyone said that's the one you need to have in your portfolio. I said Matt, you're the investment professional, I'm not. I'm not vetoing your idea; I'm just asking you to think about it. Because what it amounts to is reaching out there and saying Apple should be in everyone's portfolio. I'm just using that as an example. I think Apple's great; I own stock in Apple. Do I necessarily think or want a public fund that I'm involved with to buy Apple stock? Even though I know we own it in the index funds, from a risk management perspective, I'm not sure that, that's the right move for us. Matt said well, I just won't do it then. I said I'm not saying not to do it, I'm just saying thinking it through and come back to us with your thoughts on it. That's what happened at the lunch. I don't want to push the philosophy behind that portfolio to match with my personal portfolio. I've just seen that concept no work so many times, that it makes me question.
 - c. Q. Shear said we follow that concept in another fund I'm involved in, but our position is probably six times larger. So, we are acting as that index fund ourselves. It's a little different game there.
 - d. B. Phillips asked how much flexibility he has, since all those restrictions?
 - e. C. Springer said his understanding is some. His biggest restriction he has in front of him is the size of equities he can have. For the most part, this is a fixed income portfolio. Those parameters are sitting out there and he would like to see those revisited to have more stocks than bonds. We have mostly bonds in this portfolio.
 - f. B. Phillips said that seems like a safe place to be.
 - g. C. Springer said yes, it seems like it.

- h. Q. Shear made a motion to receive the investment fund presentation. J. Justman second. Voted. Approved.
- XI. Unscheduled Business.
- a. J. Justman asked if this meeting was always the third Wednesday of the month?
 - b. D. Reimer said yes.
 - c. J. Justman said can we move this to 3pm? This used to be off from the ANC meetings and now they are kind of over lapping.
 - d. D. Reimer said we did move it. We started on the second Wednesday of the month, but then we changed it to the third Wednesday.
 - e. J. Justman said the earlier Wednesday always worked out.
 - f. D. Reimer said do we want to keep it at 3pm?
 - g. The Board agreed.
 - h. D. Reimer said everyone seems excited about grants starting again in the spring. I went through everything in the garage that was Mineral Lease District and sorted it all out and organized it into their years.
 - i. Q. Shear made motion to adjourn. J. Justman second. Voted. Approved.
 - i. Meeting adjourned 2:24 pm.