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BOARD OF DIRECTORS MEETING

Date and Time: 3:00 PM on Wednesday, February 19, 2020

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

Attendees:

Dusti Reimer
Nancy Harward
Chris McAnany
Craig Springer
John Justman
Christine Madsen
Benita Phillips

Agenda:

- I. Call to Order by Craig Springer.
 - a. C. Springer asked for the consent agenda to be moved to the regular agenda.
 - b. J. Justman made that motion. Second. Voted. Approved.
- II. General Public Comment.
 - a. Benita Phillips said that when we start getting applications coming in that we would adhere to the oil and gas affects on these applications that they have a direct cause and effect. That's what DOLA wanted us to follow. Thank you.
- III. Adoption of the January Meeting Minutes.
 - a. Q. Shear made a motion to approve meeting minutes. J. Justman second. Voted. Approved.
- IV. Insurance Quote Presentation by Jamie Hamilton.
 - a. C. Springer made a public statement that although he is not involved in any way shape or form in the insurance division of our company, he is a shareholder, a board of director member and an officer, so he will be recusing himself from any decision made regarding Mr. Hamilton's presentation.
 - b. Jamie Hamilton said Dusti reached out to us for directors' liability insurance. It is specialized because we call it public officials because of your appointment on this particular board. In layman's terms directors, officers and public official's insurance protects you from complaints for your decisions or lack there of that don't necessarily cause bodily injury or property damage, but it may cause some harm if someone brings a complaint against you. This protects you defense and up to \$1 million dollar award. Dusti asked us to shop the marketplace, we do that as an independent all the time anyway, with that being said it was good to get back out there. We do it every three years. We did it last year and we did it

again this year. We had four declinations. Bottom line, this is specialized, and the market doesn't like to be involved in government type things. We did find a competitive quote that I did review with Dusti that was about \$200 less, plus or minus, but the coverage form isn't as broad as the current policy coverage from Philadelphia Insurance Company. They are an A rated carrier. That's our job to make sure we place it with a financial solvent operation. They have a boarded definition of fiduciary liability and that's the only reason that I recommended to Dusti that we retrain Philadelphia at the renewal. Bottom line is-I'll just read the form from the underwriter: the financial mismanagement or negligence stemming from the handling of your funds that fall within the scope of the DNO and the fiduciary. The other market would not state that in their other quote. That's why it's \$200 difference, but my they would my recommendation, plus it goes back to your inception date of 2013, with a claim made form. I did mention to Dusti the other carrier offered what we call employment practices liability. That is for wrongful termination, age discrimination complaints, sex harassment complaints. You do not have that under Philadelphia, but in talking with her your vendors, or third party are all contractors. So, if we were to go back out and find that for you for the third party, the pricing on that is pretty significant. One other thing I would point out to you, because it's public officials and it's nonprofit and you're not compensated. The state of Colorado has a really good law in effect that as establish in 1989 as our friend Tilly Bishop put it in place, because no body was volunteering to get on nonprofit boards because they were getting sued. And the market got difficult and expensive. Suplizio actually went to Tilly because no body was wanting to get the JUCO Board. Under state law, most homeowners' policies will defend you and your liability for any volunteer positions you do. You might want to check that under your own homeowners' insurance as well. The caveat there, because it says public officials, but it wouldn't cover you John, but you have coverage with the County. So, the recommendation is to stay with Philadelphia insurance, even though there is a \$200, but there is broader coverage.

- c. C. Springer asked since he was recused, if he should hand off the call of the vote.
- d. C. McAnany said he should hand it off, let them decide without you.
- e. J. Justman said he knows his homeowner's policy doesn't cover any government business, because it's a paid position.
- f. Q. Shear said I know my homeowner's policy covers my volunteer. Do we need to make a vote on this insurance?
- g. D. Reimer said yes, you have to pick a policy.
- h. Q. Shear said I move to accept Mr. Hamilton's recommendation and retain Philadelphia Insurance.
- i. J. Justman second. Voted-Justman and Shear approved.
- j. J. Hamilton said I believe Ann had talked about posting something?
- k. D. Reimer said yes, that renewal policy is due today. I'll get it posted.

V. Consent Agenda:

- a. C. Springer said the invoices are in the staff report, so we'll move onto the staff report.

VI. Staff Report.

- a. D. Reimer said we posted to our social media pages about Meeting Minutes Posted, the Meeting Agenda Posted, the Grant Cycle Open and Media Links to the New Stories.
- b. D. Reimer said we shared links to the news stories to the Daily Sentinel and KKCO 11 News about our grant cycles being opened for the Spring.
- c. D. Reimer said there are no grants requesting payments at this time, but that the Grand Junction Fire Department was close to having their final report turned in and there should be some left-over grant money from their grant.
- d. D. Reimer said the invoices for this past month are for Dusti Reimer Invoice #143 for services and supplies for \$3,776.63, Dufford Waldeck Invoice #18447 for \$220 for December and January, SDA Membership Renewal Invoice for 2020 for \$999.06, Philadelphia Insurance, that you just approved for insurance for the year, for Invoice # 2001638505 for \$2,412.00.
- e. D. Reimer said our upcoming events we have. Dusti will be doing a CMU Energy Presentation for a senior class on March 5th, Spring Grants Due on March 6, 2020 at 3pm, March Board Meeting with Grant Presentations on March 11, 2020 and our April Board Meeting with Awarding of Grants will be on April 15th at 3pm.
- f. J. Justman said I make a motion to approve the staff report as presented. Q. Shear second. Voted. Approved.

VII. Review of Financials.

- a. N. Harward said our fund balance is at \$862,248.90, the permanent fund is at \$1,653,364.22, grants payable are at \$189,476.00, on our P & L sheet we had just the normal fees for accounting, Dusti, dues for Microsoft and adobe amounts. Everything has cleared. We had an unrealized loss in the permanent fund of \$5,553.14 and dividends of \$61.46 and some interest income. We also paid out some investment fees. The grants still outstanding are the Grand Junction Fire Department and Town of Palisade. For our budget to actual amounts as of yet we haven't received our payout from DOLA for the year. Right now, everything is low. The insurance we are going to payout today is still below budget. We are right on track. Any questions?
- b. Q. Shear made a motion to approve the financials. J. Justman second. Voted. Approved.

VIII. Review of Investment Account.

- a. M. Rosenberg said the actual balance of the investment account is up \$15,000 higher than what was just reported as of today. It's up \$208,000. We hit an all-time high today. Even with coronavirus and geopolitics. We're right at our equity threshold. We're at just over 59%, and 60% is our max.
- b. C. Springer said what do we do when we hit that?
- c. M. Rosenberg said if the market keeps going, we'll have to sell equities and come back. We have a quarter to play with that. I'm not sure where the unrealized loss would have been- maybe that was the month?

- d. N. Harward said it was just for the month of January.
- e. M. Rosenberg said the duration is short and where we are is fine. It doesn't benefit us to go out any further, even though we are a permanent investor. The difference between a 3 duration and an 8 duration isn't even a 1% and that's a lot of risk.
- f. C. Springer said sure is. Any questions for Matt?
- g. Q. Shear made a motion to approve the investment report. J. Justman second. Voted. Approved.

IX. Unscheduled Business.

- a. None.

X. Adjourn.

- a. J. Justman made a motion to adjourn. Q. Shear second. Voted. Approved.
 - i. Meeting adjourned at 3:16 pm.