



P.O. Box 3039 • Grand Junction, CO 81502  
E-Mail: [info@mesaFML.org](mailto:info@mesaFML.org) Web: [www.mesaFML.org](http://www.mesaFML.org)

## BOARD OF DIRECTORS MEETING

**Date and Time:** 2:00 PM on Wednesday, January 19, 2021

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

In attendance:  
Matt Rosenberg  
Craig Springer  
Quint Shear  
Dusti Reimer  
Chris McAnany  
Janet Rowland

### Meeting Minutes

- I. Call to Order at 2:10 pm.
- II. Election of Officers.
  - a. C. Springer made a motion to nominate Q. Shear for chair and J. Rowland for secretary. J. Rowland second. Voted. Approved.
- III. General Public Comment.
  - a. None.
- IV. Approval of the November Meeting Minutes.
  - a. C. Springer made a motion to approve the November meeting minutes. J. Rowland second. Voted. Approved.
- V. Staff Report.
  - a. D. Reimer said she posted on the social media pages the January meeting had been posted and scheduled all the 2022-year meetings as events for the social media calendars. D. Reimer sent out meeting invitations for everyone's calendars and cleaned up any old calendar invites.
  - b. C. McAnany said you have them posted on the website, too?
  - c. D. Reimer said no, but I can put them on the website. There are only six.
  - d. C. McAnany said you definitely should. It's one of the changes they made in 2021 to the open meetings law. There is a preference under the law that local government entities publish their meetings on their websites they maintain.

- e. D. Reimer said we've always had the location, date and time, and we can add those, there are only six.
- f. D. Reimer said we did not have any media or grants requesting payments at this time. We still have the four outstanding grants and all four will be due this year.
- g. D. Reimer said there was one invoice that was paid for November, that was my invoice. It was invoice #166 for \$2,691.47. Invoices for payment for December are Dusti Reimer Invoice #167 for services and supplies for December \$2,691.47; Networks Unlimited Invoice #5679 for email services for the year 2022 for \$132.00; ACS Invoice for annual hosting services for 2022 for \$179.40; Eide Bailly Invoice #E101250254 for accounting services for \$771.34 and the deposit to TD Ameritrade (RoseCap Investment Advisors) for 2022 Permanent Fund \$100,000.
- h. D. Reimer said our upcoming events will be the April quarterly board meeting on April 20<sup>th</sup> at 2 pm. The Audit will begin in May and our July 20, 2022, meeting to approve the audit.
- i. J. Rowland made a motion to approve the staff report. C. Springer second. Voted. Approved.

VI. Review of Financials.

- a. D. Reimer said you have November and December's financials to review. The big change for any of them were the one check cashed in December. The financial bank account right now is \$1,244,990.85. The permanent fund as of December 31st had a balance of \$2,239,471.07. Grants outstanding are \$550,000 for the four grants for City of Fruita, East Orchard Mesa Fire, City of Grand Junction and Town of Collbran. We had contract services for \$2,666, dues and memberships for \$25.47. Unrealized gain/loss in the permanent fund was \$36,497. Realized gain/loss in the permanent fund was \$500.04. Dividend income was \$11,756.25. We had \$0.14 in interest earned.

VII. Review of Investment Account.

- a. M. Rosenberg said we are about 57% equity allocation right now. That \$100,000 contribution we'll rebalance. I'm happy to take questions.
- b. Q. Shear did the market go down today?
- c. M. Rosenberg said it slowed off at the end. That's great, for your \$100,000. Hopefully it stays low when we get that check in there.
- d. Q. Shear asked what the projections are for the next 4-5 months.
- e. M. Rosenberg said evaluations are a stretch. You're see the sectors that, were over valued coming back to earth. Most of that was tech. That's almost in correction territory now. I'm not sure that tech doesn't have further to go. IT depends on the company. I hate the term stock breakers market. Some are over stretched, and some are reasonable. Microsoft and google are tech companies that have a bright future, year to year. Things like microchips and connectors

are expensive and its pulled back. We don't short stocks. I'm sure you've heard of Pelton. That company was valued at \$150 billion, and I was just shaking my head that it was nuts. It's lost 75% of its value in the last year. Interest rates are key. It's hard to have too much negative. As soon as things start getting bad, they start buying bond. If it was me, I want interest rates higher. I'd want 10-year treasuries. I've seen ten-year treasuries go back to 4-5%, especially in year 2 and crush a lot of businesses. I think you also have foreign stock funds investing in our treasuries too, because its theirs are negative. Your portfolio shows the risk and return. We don't want higher risk verses returns. We are maximizing your risk and adjusted returns.

- f. C. Springer asked what the duration is of the fixed income portion?
- g. M. Rosenberg said short. Maybe less than 3, 2 ½. Most of the fixed income, has been, almost a cash holding pattern. You're going to get 1.3-2% on it, but what's happening is longer duration, interest rates move up. At some point we'll have the conversation to move up the curve on fixed income. I don't feel it something we should rush into.
- h. C. Springer said agreed.
- i. M. Rosenberg said our target is 60/40. We're just a notch above the benchmark with risk, but we are still a percent and half higher.
- j. Q. Shear asked if there are any recommendations?
- k. M. Rosenberg said he would love to go more equity, but that's always been the case. I think we could look at more international, because US has had a heck of a run verses international. There might be some catch up with the rest of the world. Right now, if you look at our total equity allocation, our target is still at that threshold. Emerging markets they don't have the vaccine and health care. They won't be able to recover from the virus as fast as we can. I think another area that would throw the market for a loop, is Omicron is like a bad cold, but if there were another Delta variant, that could be bad.
- l. C. Springer asked if the corporates were all investment grades?
- m. M. Rosenberg said yes, you have all investment grade. Corporates, if it were high yield, would be a separate category. The spreads on high yields are all time lows. These are the companies that get whacked when the interest rates go up. It's interesting to see. The tech sell off, they say is all tied to interest rates, which I don't think has anything to do with it, because those companies don't have any debt. They say they discount their earnings at a higher clip now with higher interest rates. That's such an academic response. The reality was, they were way over valued. As interest rates it will be harder for all companies to make money. But the small cap and high yield will suffer more and pay more interest rates.

VIII. Review and Approval of 2022 Budget Resolution.

- a. The board had no questions on the budget resolution.

- b. J. Rowland made a motion to approve the Budget Resolution. C. Springer second. Voted. Approved.

IX. Unscheduled Business.

- a. D. Reimer said you will have some with the insurance. We need to do the board insurance, and I've been working with Diane on the quote and policy and we don't have it back yet.
- b. Q. Shear asked if we will need to have a board meeting to approve that?
- c. D. Reimer said I don't think we need to have a board meeting to approve that. You have authority to approve up to the certain amount that we have. We can do it at the next meeting.
- d. Q. Shear asked if there was any changes to the coverage?
- e. D. Reimer said there shouldn't be. We are just waiting on the renewal policy to be sent.
- f. C. McAnany said you can approve that as an interim bill.
- g. Q. Shear said he will temporarily approve that, unless there are some changes.
- h. C. Springer asked about last year, and the heightened gas activity and that the DOLA disbursement might be better, do you still feel that way, Quint?
- i. Q. Shear said I do. Believe it or not this is the first year, that I know of, we've maintained a higher price than a hub. We've been 50-60% premium over Henry Hub.
- j. C. Springer asked why that was?
- k. Q. Shear said he was going to ask and get that answer. A lot is the demand for natural gas in California. They learned from Texas, and they are shoring up their grid and they are calling for gas storage for all the West Coast. It's good for us. I think that is the main reason. We will see better prices. Predictions are consistently \$3-\$4 for the next 3-4 years. That's significant. There was so much money made during the Texas freeze. So much money made. Our revenue check from Laramie energy for the month of February equaled the whole year. Their average gas prices were \$15. There gas was not hedged. There was one day at White River Hub in Meeker, they were paying \$600 for gas. The day before it was \$2.20. It has stayed up and will stay up.
- l. C. Springer asked if there are any signs of increased production drilling?
- m. Q. Shear said we are seeing an increase now. We have two and half rigs now. According to Nate, from CMU, based on current gas prices we should have 8 rigs. If we didn't have the regulatory issues, we would have 8 right now. The biggest price challenges. Even contrary to what they are saying is getting permits in Colorado. It's a big issue. At this point 35 out of 800 permits applied for, have been approved. They have promised to start processing permits now

they have a process. Even though there is a government court order to release the moratorium, it's still there.

- n. C. Springer said so it sounds like we are in for a better year.
  - o. Q. Shear said we should see an increase, but I'm not sure what that will be.
- X. Adjourn.
- a. C. Springer made a motion to adjourn. Q. Shear second. Voted. Approved. Adjourned at 2:36 pm.