

MESA COUNTY FEDERAL MINERAL LEASE DISTRICT

RESOLUTION NO. 2017-__04__

A RESOLUTION APPROPRIATING SUMS OF MONEY AND SETTING

AN AMENDED BUDGET FOR THE 2017 BUDGET YEAR

1. The Board of the Mesa County Federal Mineral Lease District adopted an amended budget in accordance with Colorado Revised Statutes § 29-1-109 at a duly noticed public meeting of the Board held December 13, 2017, as evidenced by the Minutes of the Board, a true and correct copy of which is attached as Exhibit A.
2. At the December 13, 2017 Board meeting quorum was present and the Board unanimously approved the 2017 Amended Budget, a true and correct copy of which is attached as Exhibit B.
3. Colorado Revised Statutes § 29-1-108 requires an enacting appropriations resolution for the ensuing fiscal year. Therefore, the Board hereby enacts this resolution, which confirms its prior actions.
4. The Board declares that no expenditures pursuant to this Budget shall exceed the appropriations authorized by the Board, except as may be adjusted by the Board from time to time pursuant to Colorado Revised Statutes § 29-1-109.
5. The Board appropriates the following monies for 2017:

Estimated Beginning Fund Balance: \$2,254,505.38

Revenue

Federal Mineral Lease Direct Payments

Colorado Department of Local Affairs: \$ 769,338.23

Expenditures

Administrative: \$ 4,000.00

Audit: \$ 5,000.00

Contract Labor, Services: \$ 60,000.00

Insurance: \$ 2,500.00

Advertising: \$ 2,000.00

Grants-approved and paid: \$ 1,174,626.28

Transfers to Permanent Fund: \$ 100,000.00

Grants-approved and unpaid: \$ 817,129.72

Grants-available for award in 2017: \$ 769,338.23

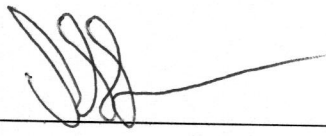
Estimated Ending Fund Balance: \$ 89,249.38

Mesa County Federal Mineral Lease District

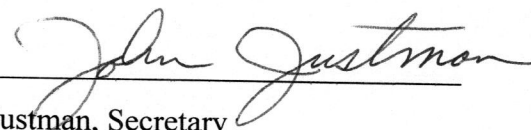
Budget Resolution, No. 2017- 01

Signature Page

The foregoing resolution was passed and adopted by action of the Board at a duly noticed public meeting of the Board at which quorum was present. Approved by the Board this 13 day of December, 2017.

By:  _____

David Ludlam, Board Chairman

By:  _____
John Justman, Secretary

Attachments: Exhibits A, B

Mesa County Federal Mineral Lease District

	2016		2017
	Budget	Actuals	Budget
Estimated Beginning Fund Balance	3,274,006	3,274,006	2,254,505
	0	0	0
<i>Revenue</i>	0	0	0
Federal Mineral Lease Receipt	967,692	809,830	769,338
Total Revenue	<u>967,692</u>	<u>809,830</u>	769,338
<i>Expenditures</i>			
Administrative	2,000	2,000	4,000
Audit	5,000	4,060	5,000
Contract labor	54,000	50,000	60,000
Insurance	2,500	2,427	2,500
Advertising	100	199	2,000
Grants			
Grants-approved and paid	2,022,004	1,770,644	1,174,626
Grants-approved but unpaid	1,112,211	0	817,130
Transfers to Permanent Fund			100,000
Grants-available to award	967,692	0	769,338
Total Expenditures	<u>4,165,507</u>	<u>1,829,330</u>	2,934,594
Estimated Ending Fund Balance	<u>76,191</u>	<u>2,254,505</u>	89,249

Mesa County Federal Mineral Lease District				
	2014		2015	
	Budget	Actual	Budget	Actuals
Estimated Beginning Fund Balance	\$ 1,025,541.70	\$ 2,926,075.33	\$ 3,910,577.79	\$ 3,863,437.17
<i>Revenue</i>				
Federal Mineral Lease Receipt	1,000,000.00	1,753,780.05	1,200,000.00	1,175,810.80
Total Revenue	1,000,000.00	1,753,780.05	1,200,000.00	1,175,810.80
<i>Expenditures</i>				
Administrative	10,000.00	40.00	2,000.00	5,498.46
Audit	4,000.00	3,965.00	4,000.00	4,000.00
Contract labor	6,000.00	29,056.26	35,000.00	36,474.65
Insurance	2,500.00	2,159.00	2,500.00	2,289.00
Advertising	100.00	34.10	100.00	71.65
Grants	1,000,000.00	-		
Grants-approved and paid		781,163.85		1,716,908.22
Grants-approved but unpaid		-	2,355,818.00	
Grants-To be awarded next year		-	2,500,000.00	
Total Expenditures	1,022,600.00	816,418.21	4,899,418.00	1,765,241.98
Estimated Ending Fund Balance	\$ 1,002,941.70	\$ 3,863,437.17	\$ 211,159.79	\$ 3,274,005.99



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, December 13, 2017

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

Chris McAnany

Dusti Reimer

Scott Olsen

Chance Ballegeer

Matt Rosenberg

Benita Phillips

Meeting Minutes:

- I. Call to order at 2:00 p.m. by David Ludlam.
- II. General Public Comment.
 - a. Benita Phillips said she has had two inquiries about being a Mesa County Federal Mineral Lease District Board member. How do they apply for a seat, since the seats the current board members hold are not in perpetuity.
 - b. D. Ludlam said that the appointments come from the commissioners.
 - c. B. Phillips asked if there was an application that needs to be filled out.
 - d. John Justman said you would need to look on the Mesa County website and see what it needs.
 - e. B. Phillips asked if it was something similar to being on the planning commission.
 - f. J. Justman said you would have to look at it online.
 - g. B. Phillips said on the website, it used to have your terms and bios, is there a reason you took that off the website?
 - h. Dusti Reimer said that was added. She put that online after B. Phillips had emailed asking for it. It has the three Board members and their terms listed on the website.
 - i. B. Phillips said that she thinks it would be nice to have their bios and photos included with this information.

- j. B. Phillips said she wanted to bring up the issue of the doorknobs. Caprock is a school district 51 facility and the bond issue passed. They now have bond money to replace those door knobs, but Whitewater does not have access to that money to replace their Personal Protective Equipment (PPE). Their PPE is over ten years old and she is really concerned with the fire issues, with things being so dry. She feels Whitewater is at risk and she would really like to see the Board to reconsider withdrawing the money from Caprock to give to Whitewater, or look at putting them on the next list as priority one. That PPE is too expensive for Whitewater to be purchasing and they are directly impacted by oil and gas up there. It scares her. If there is anyway that the Board can make amends somehow, and give them that money, that would-be money well spent. She attended the school board meeting and she spoke with them about the money and I was assured by the lady who heads up finances that if Caprock wants that money, they will probably get it now. They are asking for more money than what the Bond measure asked and passed. So, there will be more money available.
- k. B. Phillips also said there is a conflict of interest. There was an article in the newspaper recently on November 6, 2017 on an article that was submitted. Mesa County and other county Commissioners believe energy industry is voluntarily reducing emissions and BLM is delaying and creating unnecessary obstacles for methane capture with permit delays. The commission is essentially wanting to reverse the regulations for the flaring and venting of natural gas. Our Commissioners are saying that it is not a necessary thing, but if that methane were metered, the severance would be going to the people, which means you guys would get more money. I am concerned that you signed on to that letter, and that you are on this board.
- l. J. Justman said he signed that letter as a Mesa County Commissioner, not as the Board member of the Mesa County Federal Mineral Lease District.
- m. B. Phillips said you are in both positions.
- n. J. Justman said that he serves with two different functions for those positions.
- o. B. Phillips said his first responsibility is to the people, and that on this board is to make this severance money is paid out properly, or invested properly. I don't know if this is considered conflict of interest, but she said finds this dismaying to me. On one hand you're giving out severance money and then on the other hand you are saying the people don't need this money.
- p. J. Justman said that the letter didn't say that we didn't need this money. It was off track.
- q. D. Ludlam said as Chair this point of interest is discussion is not germane and hyperbole and doesn't think this is relevant to the meeting they are having today. If Ms. Phillips has an issue with the way the federal agencies are metering and taking gas, then she can take it to the BLM.
- r. B. Phillips said that is not what she is saying. She said you have a Commissioner who sits with you, who is saying metering of methane, which would give you more money, is not necessary. I see that as a conflict of interest.
- s. D. Ludlam said ok. For the purposes of the minutes, the perceived conflict of interest is noted. If she has further issues, she will have to take it up with Commissioner Justman and the other Mesa County Commissioners on her own time.

- t. B. Phillips said ok. She asked if there was a formal protest form for a protest to money that was given out.
 - u. D. Ludlam said he feels that if she were to draft a letter and submit it, then the Board would review it and if we felt it was necessary to respond we would.
 - v. B. Phillips asked if she needed to send it to the Board or DOLA?
 - w. D. Ludlam said that he felt that it would get sent to the Board via staff, and then they would review it.
 - x. D. Ludlam asked if there was any further public comment for items not on the agenda.
 - y. B. Phillips said Merry Christmas.
 - z. D. Ludlam said same to you.
 - aa. D. Ludlam closed public comment.
- III. Adoption of the November meeting minutes.
- a. C. Springer motion to approve. J. Justman second. Voted. Approved.
- IV. Consent Agenda:
- a. Dufford, Waldeck, Milburn, Krohn Invoice \$705 for legal services for November
 - b. Dusti Reimer Invoice \$2,615.39 for services, advertising and supplies for November
 - c. Networks Unlimited Invoice for \$150 for switching email accounts to Microsoft
 - d. Bud's Signs for - \$150.71 for street signage for Town of De Beque and City of Fruita grant projects
 - e. 2017-ST-02 Stocker Stadium Turf Final Grant Payment \$200,000
 - f. 2016-FM-02 Grand Junction Regional Airport Authority Final Grant Payment \$28,479.56
 - g. 2016-ST-03 School District 51 Classroom Locks Final Grant Payment \$97,372
 - h. 2017-SM-02 Town of De Beque Drainage Mitigation Project Final Grant Payment \$42,579
 - i. C. Springer motion to approve. J. Justman second. Voted. Approved.
- V. Staff Report.
- a. D. Reimer posted on social media about the School District 51 Classroom Locks grant story, Grand Junction Regional Airport Authority about the terminal updates from the grant, and the board meeting and budget.
 - b. D. Reimer said the only media attention we received this past month was on the Classroom Locks Grant that provided 1,600 new classroom door locks throughout School District 51.
 - c. D. Reimer said the grants requesting payment were:
 - a. 2017-ST-02 Stocker Stadium Turf Final Grant Payment \$200,000
 - b. 2016-FM-02 Grand Junction Regional Airport Authority Final Grant Payment \$28,479.56

- c. 2016-ST-03 School District 51 Classroom Locks Final Grant Payment \$97,372
- d. 2017-SM-02 Town of De Beque Drainage Mitigation Project Final Grant Payment \$42,579
- e. D. Reimer said kudos to the Grand Junction Regional Airport Authority for coming in at almost 50% under budget with their terminal safety upgrades. She also said Town of De Beque came in almost \$8,000 under budget and the School District 51 came in under budget as well. All this money will go into the future grant pot for next year.
- d. D. Reimer said the invoices for payments were:
 - a. Dufford, Waldeck, Milburn, Krohn Invoice \$705 for legal services for November
 - b. Dusti Reimer Invoice \$2,615.39 for services, advertising and supplies for November
 - c. Networks Unlimited Invoice for \$150 for switching email accounts to Microsoft
 - d. Bud's Signs for - \$150.71 for street signage for Town of De Beque and City of Fruita grant projects
- e. D. Reimer said upcoming events and Board meetings were:
 - a. Budget Filed with the DOLA by Jan. 31, 2018
 - b. January Meeting Cancelled
 - c. January 23, 2018 Town of Palisade Presentation
 - d. February 1, 2018 the Spring Grant Cycle Opens
 - e. February 14, 2018 Board Meeting
- f. D. Ludlam asked Chris McAnany if we were allowed to cancel our monthly meeting.
- g. C. McAnany said yes, you are.
- h. D. Ludlam said he thought in our Bylaws we were required to have a monthly meeting.
- i. C. McAnany said your Bylaws require them quarterly, which you guys are obviously going over that. Incidentally, if there is no business that is pressing, I think you can legitimately agree not to meet. If there are things that need to be dealt with you can reschedule, but that obviously would be better. I'm assuming we are cancelling being there is nothing pressing.
- j. D. Reimer said there isn't. Everything is being taken care of in this meeting today.
- k. D. Reimer also said she had the draft of the video made by Lightbulb Media. She wanted to show the video and get everyone else's' comments first before she gave her insights.
- l. D. Ludlam said before we talk about the video, is there any additional comments or things from the Board they would like to discuss.
- m. Board said there were no other items to discussion about this agenda item.
- n. D. Ludlam asked for public comment on video.

- o. Matt Rosenberg said that he would like to see something earlier about the Mesa County Federal Mineral Lease District, because as the whole video progresses you feel the video is solely about the Fire Department.
- p. C. McAnany said it was heavy on the emphasis on the police and fire, but a little light on the role and mission of the District. I think it would be nice to see more emphasis on the District and they types of grants that we've given out.
- q. M. Rosenberg asked if it was going to be a series of videos.
- r. D. Reimer said yes, it is supposed to be one of three.
- s. C. Springer asked where this video would be used.
- t. D. Reimer said this would be part of the presentation she would be giving to the community in the coming year, along with on the website, social media, and where ever else we can have it placed.
- u. Chance Ballegeer said the Grand Junction Airport would be willing to post this to their website.
- v. M. Rosenberg said they could share it too.
- w. J. Justman said he thought that it pointed out the grant applicants and what they do when they get their money. He thought that this showed how the awarded money actually worked in the community. He feels it doesn't do a great job about it promotes the District, but does a good job of showing how this money is working in our community.
- x. D. Ludlam said that stylistically it is amazing, and whoever put it together did a great job. He agreed with Matt that it comes across as a commercial for the EMS and first responders. You don't really encounter the message of the District until the last few seconds of the video.
- y. D. Reimer said when she spoke with Caleb, we went through the granted money and discovered that a lot of this money has gone to the fire department. We found that when you're using video to tell a story, you're trying to tie in emotion. It's hard to make the sewer or drainage project hook your heart strings. But, when you can tie it into the fire department, you have an emotional tie to the fire department and they are very visible and everyone loves the fire department. So, to go along with what J. Justman said, we wanted to show how this money has been put to work in our community, in a way and manner that shows you how an entire community benefits from these funds. I do agree with the comments on the District's information showing up very little, or towards the end, but again this is a draft, and we can go back and get this worked on. But-hopefully you watched it and had some feelings invoked through it. You want to be able to walk away and have an emotional tie in so that there creates a link. If we wanted to just list a bunch of the grants that we have done, we have that. But this showcasing the story, brings to life and creates and emotional tie to us.
- z. B. Phillips said that the last statement that said, "Without the funds from the Mineral Lease District, we would not have been able to grow." She said that was a very impactful statement, but up until they said that, she really didn't know how that was going to tie into the District.

- aa. D. Reimer said we are hoping to have a three-video series that all work together.
- bb. D. Ludlam asked if we had a template that was a little shorter, could we do this with any project. What kind of template are you looking at?
- cc. D. Reimer said we were looking at about 3 different videos. This was the standard rate for a 2-minute video. If you're looking for about a :30 second commercial, I believe its shorter.
- dd. C. Springer said so we are planning to do one of these a year?
- ee. D. Reimer said yes.
- ff. D. Ludlam said that the next video would be more about the District-how we get funding, how we give it out, etc.
- gg. C. McAnany said he needed to back up on one thing. One the cancelling of the meeting in January, according to our Bylaws, meetings are supposed to be held quarterly. They are to beld held the second Wednesday in January, April, July and October. We also have provisions to call special meetings. You are supposed to meet at that time in January, but if it just cannot happen, I think you'll probably need to call a special meeting some other time. The other thing is that it seems like a some what inflexible Bylaw. I think we need to work that to create something with more flexibility.
- hh. D. Ludlam said so at this point, we need to have a meeting on that second Wednesday in January.
- ii. C. McAnany said you do. All I can tell you is that if you can't, and you're not going to have a quorum and you cannot adjust the schedules to make it work, then I would suggest calling a special meeting.
- jj. D. Ludlam said that even thought we wouldn't be in compliance, we would still be ok with the spirit of the Bylaws.
- kk. C. McAnany said yes. I just wanted to be clear on that.
- ll. D. Ludlam asked the Board if they should schedule a special meeting to comply with the Bylaws.
- mm. C. Springer said yes.
- nn. C. McAnany said you don't have to try and schedule it now, because I know people have different schedules.
- oo. D. Reimer said I think we tried, which was why we cancelled it, because everyone's schedules were conflicting.
- pp. D. Ludlam asked about the 24th of January.
- qq. D. Reimer thought D. Ludlam was out of town.
- rr. D. Ludlam said he was out of town the week before.
- ss. D. Reimer said that's right. C. Springer has the bank audit the last two weeks of January, which is why we couldn't do that the last two weeks of January.

- tt. C. Springer said that this room we are in will be filled with bank examiners and bank files, which also means we are going to have to find a different location if you're going to try and schedule it sometime in the last two weeks of January.
- uu. D. Reimer said she believed the only date that would possibly work is Jan. 3rd and to be honest, we'll have taken care of everything we need in the January meeting, because we planned on having it all taken care of at this meeting.
- vv. C. McAnany said that if there is no business to conduct, then he's not sure what the purpose of that meeting would do. It seems these Bylaws were created and enacted when the District first got started and they were meeting more infrequently. If you're trying to reschedule it and this is becoming a problem with people's schedules, my recommendation is to cancel it, and let me look at redrafting language to give the Board more flexibility with these meetings.
- ww. B. Phillips said if the requirement is only quarterly, then call your February meeting your special meeting.
- xx. C. McAnany said you could call your February meeting your special meeting.
- yy. D. Reimer said that the special meeting doesn't have to be called in January.
- zz. C. McAnany said that's correct. He said that you have discretion in regard to your policy and that he would like to amend the policy to allow the board more flexibility, with the Boards permission.
- aaa. D. Ludlam said to him, this discussion just shows we are trying to fulfill the Boards Bylaws, now without wasting people's time and resources, we have a soft recommendation from legal counsel that leaves us on ok footing. After this discussion, I say we go ahead and keep the January meeting as cancelled, but review the Bylaws for the February meeting.

VI. Staff Scope of Work Presentation.

- a. D. Ludlam said that they had asked all the staff to prepare a brief scope of work for the 2018 that would include any changes in your scope of work or cost. The Board had also asked that the staff include any work for future projects that might be coming up. Specifically, to D. Reimer, the Board had asked that you put together either a work plan or go to hourly, up to her to choose entirely. Who ever is ready, please go first.
- b. C. McAnany said he would go. He stated he had a short summary. He stated he is not asking for a change in terms for the legal agreement for his firm. As previously mentioned last time, with less money to grant out, I could foresee a lesser scope of legal services. I could see that I would be doing a little less with grant contracts. I always tell the client you control the scope of work. I will do as much or as little as the Board tells me to do, and consistent with what your needs are. I will continue to attend Board meetings, unless the Board feels that they do not need me to attend, assist staff with grant administration, open records and the litany of questions that come up with special districts, audits, budgets, investment policy and other things that our special districts get involved in. Assisting with resolutions and drafting grant agreements and any other initiatives you'd like me to look at. I did add, that I feel we need to monitor legislation for the district. Also, as I previously stated, I'll be reviewing the Bylaws. These are to be living documents that are to reflect the current needs. The Board did

say that they would like staff to talk more that we can communicate all the needs of the Board so that you have what you need for your meetings.

- c. D. Ludlam thanked Chris for his presentation and asked the Board if they had any questions.
- d. C. Springer asked if it would be fair to say that 2017 was an anomaly for you, because there was quite a bit of work that went into the investment policy.
- e. C. McAnany said that he was the person that drafted that whole bill. He could foresee, that unless there is more legislation or any additional things that need to be undertaken for enacting, that the work load wouldn't be as high as it was this past year.
- f. C. Springer said so the current \$14,000 this past year, could look more like \$10,000 in 2018?
- g. C. McAnany said yes. I think that would be a fair thing to say, unless you tell me you need me to do more.
- h. D. Ludlam said that on the Special District Association, is our membership current and between you and Dusti, did you ever establish who would be our liaison to the association? If we did ever have an issue coming up, we'd definitely want them on our team.
- i. D. Reimer said we are current members, in fact we are getting ready to renew our membership. Other than sending them press releases about our grants, we haven't done a lot with them other than pay dues.
- j. C. McAnany said he would be happy to reach out and be the contact, if that's what the Board would like us to look into it.
- k. D. Ludlam said that he thinks it would be good if Garfield and Mesa would have a direct line to their policy person. We should have engagement that if we need their help, we have it.
- l. J. Justman said they also have special district meetings and presentations around the state. I think they have on in Grand Junction, I'm not sure if it's yearly. But we can look into that as well.
- m. D. Ludlam thanked C. McAnany.
- n. Scott Olsen presented for Eide Bailly services. He deals with the financial aspects of the district, which includes keeping the Quickbooks up to date with the Districts expenses, drafting the budget for the annual budget and as needed amended budgets. He is generally the first line of communication for the audit, to provide them with the documentation they require and notices for the audit. In the future, the only anticipated changes he sees is to work with M. Rosenberg to show the investments for the District. He doesn't see that adding too much additional time. For the pricing agreements, he doesn't anticipate much of a change at all with that. He will continue with the direction that they have received, unless the Board feels there should be any additional changes or direction.
- o. C. Springer said he would like to have a reminder. We had talked about putting that audit out for bid in 2018. I really do think we do to put that out for audit. What would you think-July, August?

- p. D. Reimer said no, that's when it's due is July 31st.
- q. S. Olsen said the current RFP takes us through the 2017 audit. If we want to try and replace to before the 2017 audit or try for the 2018.
- r. C. Springer said he thought we had agreed to stick with the current for the audit of 2017. Before the 2018 year, he'd like to see that get bid out.
- s. S. Olsen said that even though we do have that year, he recommends we get that RFP in the spring, because certain firms are booked out a year. So in March, April, May is a good time to look to put that out.
- t. D. Reimer asked if that would be a good time for them or if that's their busy season.
- u. S. Olsen said the auditors have a different busy season than tax season. He does know that there have been some businesses that have come to their firm asking for an audit within three months and they do not have availability. That is why he recommends starting that far in advance to allow for the leeway for other bids.
- v. D. Ludlam thanked S. Olsen and asked if there were any additional questions. There were no questions.
- w. D. Reimer said her presentation is a little different, because she deals with the bulk of the Districts daily operations. Her background is ten years of marketing and public relations in the non-profit, private and now public sector of work. In reviewing the past year and half of working for the District, she saw three main points that were identified that could be addressed:
 - a. Need #1: To continue to engage all current and potential grant applicants to apply for grants.
 - b. Need #2: To build brand awareness within our local community (Who are we? What do we do? How have we helped our community?)
 - c. Need #3: To educate our local community about the permanent fund and the effects on the future of our community.
- x. D. Reimer said how we can address these needs are:
 - a. Recommendation #1: Continue to build meaningful relationships with all current and past grant applicants. By maintaining email and phone call correspondence, this allows for the grant applicants to feel confident in the process and apply.
 - b. Recommendation #2: With the award of each grant, develop an impactful story idea for a public relations campaign proposal. The goal is receiving media attention that can also be utilized for social media, the website and potential video work later on. Work to develop appropriate District signage for all finished projects to maintain higher level visibility for year-round marketing; street signs, media, stickers, sidewalk plaques, bench wraps, etc. With the Spring 2018 grant cycle, the District will have given back \$8 million into Mesa County; however, people have only recently heard of the funding you have given, and most of it would total only a few hundred thousand dollars.

- c. Recommendation #3: Set up presentation times throughout the year to speak with community members about what the MCFMLD does and how it has impacted our community in positive, substantial ways.
- y. D. Reimer said that her proposal for scope of work would be:
 - a. Maintain Daily District Email, Written, Phone, Web and Social Media Communications (15-20 hrs a week), Maintain the District Website (Updates with content and maintenance average 2-3 hrs. a month), Maintain the District Social Media pages (Updates with content, meeting dates, photos 2 hrs. a month), Serve as the main point of contact for the District, Work with other contracted agencies and individuals to ensure the operational needs of the District are being addressed. (2-3 hrs. a month), Help with Preparing District Audit (1-2 hrs. during the yearly audit), Organize and Archive Public Records for the District. (2 hrs. month), Presentations Throughout the Year to Community Organizations: (Average of 2 hrs. per presentation)
 - b. Maintain and Manage District Board Meetings (19 hrs. a month), Scheduling, Communication, Preparation of Meeting Site, Preparation of Invoices, Take and Transcribe Meeting and Workshop Minutes, Preparing Agenda, Preparing Staff Report
 - c. Administer the Traditional and Mini Grant programs (40 hrs. from the week the grant applications are due and the presentation workshop), Review and Set Up Applications for both Grant Cycle, Send Press Releases and Email notifications when Open/Closed/Awards, Receipt and Review of all Received Applications, Preparation of All Received Grant Applications for Board, Administration of the Evaluation Process, Oversight and Management of the Award Process, Administration of all Grant Payment Requests, Record Storage, Board/Grant Review Workshops, Grant Application Workshop Presentation, Scheduling, Preparing all Speaker Presentations, Communication with all Presenters, Monitoring Presentation Workshop.
- z. D. Reimer said that she expects results to include:
 - a. grant applications from previous, current and new applicants;
 - b. The continuation of community engagement about the MCFMLD through new media stories with grant award winners and investment story opportunities;
 - c. Building community relationships with multiple organizations for continued education outreach opportunities about the MCFMLD to ensure the purpose of the permanent fund is established within our community.
- aa. D. Reimer said she feels that the current retainer of \$2,500 plus expenses per month is sufficient at this time, if the Board feels this is good.
- bb. D. Ludlam thanked D. Reimer for her presentation and the level of detail she was able to provide the Board with on what her role is and what the Grant Administrator does. Does the Board have any questions on the scope of work presentations?

- cc. C. Springer said if you look at Scott's P & L, which I would also like financials added to the agenda every month, we have \$50,500 spent on contracted service through December 2017. We have \$55,000 budgeted. I'm trying to get an idea of the costs, moving forward. We think legal might be less, because we don't have legislation we are working on, Scott's estimate's will be roughly the same. Is there a reason the 2018 budgeted is still that high?
- dd. S. Olsen said part of the reason the budget is higher, is because once you go \$1 higher than your budget, you are required to amend your budget. When he spoke to Chris earlier in the week, we decided to leave those budgeted amounts higher. Unless there is some unforeseen expense, 2017 will effectively closed with the signing of the approved checks today.
- ee. D. Ludlam said that D. Reimer inherited that retainer amount since the District started. I assume, like one month varies for hours, but on an average, how many hours are you spending per month? Does that seem rational?
- ff. D. Reimer said that she had looked through C. Reddin's previous invoices, and saw that the Board didn't want to go over that \$2,500. She said she understood that the Board didn't want to spend \$75,000 a year on contracted service fees, because at that rate, you might as well hire an employee to drop the price down. She contemplated the idea of asking the Board for a retainer of \$3,000, because she spends about 80 hours a month on average working for the District. C. Reddin averaged about 20 hours. It depends on where the Board feels the cap on services should be. She said she personally wanted to ask for more, but didn't want to push her luck with the Board. She said the importance is that the mineral lease district money gets out into the community.
- gg. C. Springer said that on average, you're getting paid about \$31 an hour.
- hh. D. Ludlam said that now that the Board has asked you to add an additional project to your scope of work with the community outreach and presentations, we would like to see keep track of your hours.
- ii. C. Springer said that at this point, we are bound by what the three staff members have presented as their rates. If that isn't working, you need to be able to come to us. We want to be fair.
- jj. D. Reimer said that was fine. She said maybe this past year was just an anomaly with the investment. We added additional meetings, two additional workshops, more back and forth communications for the legislation and the investment policy.
- kk. D. Ludlam said he didn't want to make your life like Chris and Scott's by tracking six-minute increments, but if you can keep track of your hours and let's revisit this in March to see if this is working out.
- ll. D. Reimer said that she could do that.

VII. 2017 Amended Budget.

- a. C. Springer made a motion to adopt the amended budget. J. Justman second. Voted. Approved.

VIII. 2018 Proposed Budget Draft.

- a. S. Olsen said the numbers didn't really change that much from the prior version. The one number he did update, he ran past C. McAnany. The difference between the 2017 and 2018 budget is the expenditure item that is line by line is not there. The benefit of doing it this way, is that when he called DOLA about the amended budget, they told him that if you go one dollar over any of these line items, it will require an amended budget. By saying you want a general fund expenditure of these line items, gives leeway for not having to submit an amended budget. We will still have line items on a separate table balance. All the details are still there. As long as the Board is ok with this, I would move forward with this new budget, to forgo any amended budgets in the future.
- b. C. McAnany said at the same token, you will still use that table with the line items for our yearly budget and expenses to keep track and for planning. On one hand we like having that flexibility and being compatible with the DOLA law, on the other hand you want that line item to keep you transparent.
- c. C. Springer said to Chris' point, if we don't go with that line item, will that make it harder for you to tie it back?
- d. S. Olsen said that the line item table will be required with every draft. All those numbers will be updated as is at the end of this year. The table is a required component of the budget.
- e. C. McAnany said that budget law says you have to specify the amount you're spending, but you also want to have the flexibility for planning purposes to have all these line items.
- f. S. Olsen said when he spoke with DOLA, if you look at it in a very literal way, you would probably be ok, but when you get into the line by line it would get confusing. He said DOLA doesn't see very many budgets like the one we submitted in 2017.
- g. C. Springer said you still report the details, just in a different way.
- h. C. Springer moved for the approved of the 2018 budget as drafted. J. Justman second.
- i. D. Ludlam asked M. Rosenberg asked if we needed quarterly reports.
- j. M. Rosenberg asked what reports the Board wanted.
- k. D. Ludlam said what is public appropriate.
- l. C. Springer said quarterly would be great, and he can present the performance and what you see going forward. Perhaps we can also amend that as well.
- m. S. Olsen asked if the Board would like to see the financials at a certain time before the meeting.
- n. C. Springer said the Monday before the meeting is when they would like to have all the information.
- o. C. McAnany said that one of the things that D. Reimer and he talked about was having a set deadline for the Board packets that can be distributed in advance so you can have

time to review and not be rushed. C. McAnany said he is guilty with this, with every board he deals with, that he doesn't get things in on time and he's handing them out at the meeting. We will work to get these together ahead of time.

- p. S. Olsen said this month we were waiting on the Bud's Signs invoice, so we could get all the financials together and get the check together. Most of the time we have sufficient time.
- q. C. Springer said the ideal time is the Friday before the meeting, but getting it the morning of the meeting can be difficult. Schedules are always changing and if you sidetracked and only get a chance to glance at it before the Board meeting, that's not good Boardsmanship.

IX. Spring Grant Application.

- a. D. Reimer said as long as the Board is ok with the application, we will go ahead and open the grant up on February 1, 2018. D. Reimer wanted to verify the amount available for the grant cycle with the board with the approval of the 2018 budget and investment account funding.
- b. C. Springer said the budget for 2018 had \$350,000 being invested into the permanent fund for next year.
- c. S. Olsen said that for next year we have some extra with projects that came in under budget. Right now, we have \$439,000 available for actual grants-\$219,000 per cycle for the 2018 year.
- d. D. Ludlam asked if it makes sense to do a letter to the editor about the establishment of the permanent fund. The Daily Sentinel did endorse the creation of the fund.
- e. D. Reimer said she thinks a letter would be a good idea, but offered the idea up to submit it in January, after the holidays, so that it doesn't get lost with all the end of the year business.
- f. J. Justman asked if that money that was scheduled for grants and they came in under budget, is that being placed back into the grant pot?
- g. S. Olsen said yes, 100% of that money goes back into the grant funding. That is what gives us that \$439,000 right now.
- h. M. Rosenberg said that in marketing the permanent fund, he would error on the side of caution, because from experience, when people who don't understand long term investing start looking into your accounts they expect fireworks right away. But the reality is the investment is boring and you don't want fireworks. The public criticism is that people typically just don't understand that, so when you tell them you're investing \$100,000 or \$350,000 it can be more of a challenge, than when you have had it for a year and show growth and gains, rather than just the investment.
- i. D. Ludlam said part of what we have talked about it with a Board, is that we have the encounters with the short-sited people. But, we do feel that the education component is really important. By building public record letters to the editor about the permanent fund, we can essentially create a history of prioritizing this, so that a future board doesn't just come in and whip it out in one motion. That's not the intent of the endowment. Maybe it is being a little paranoid, but I just feel we need to build that up.

- j. D. Reimer said perhaps we can just continue with how we are marketing with press releases and telling people we have x amount of dollars available and that we made a contribution to the permanent fund of x amount of dollars. Some people are really good about printing the press releases verbatim. That would help establish some public records that way as well.
- X. Unscheduled business.
- a. Matt Rosenberg gave a quick update to the status of the permanent fund. The District ran into a few issues in trying to set up the account as a non-for-profit status account. D. Reimer had worked with M. Rosenberg to get a tax document from the IRS to show they were tax-exempt, however, that letter didn't really give that information. M. Rosenberg was able to get it pushed through the system, but then ran into the Patriot Act with verifying a physical business address. Because the District is a virtual District, they need to have a physical address associated with the account. We have David Ludlam listed on the account and we just received the lease with the physical address of David's office for WSCOGA.
 - b. C. Springer said once we get that account open, we will be able to fund it. Scott, you'll have to update the P & L to show that in the financials.
 - c. S. Olsen said yes, we'll just add that one-line item.
 - d. M. Rosenberg said most foundation and endowments, which would be considered a permanent investor, are heavy investments, because in theory you never want to touch the principal base and you want to seek the highest return which is in US equities of international equities. You guys have one of the most restrictive pieces of legislation for investing. You're at 40% risk. That's one of the poorest written pieces of legislation.
 - e. C. McAnany said we may have to track our experience to see if we need to change that.
 - f. D. Ludlam asked if what we are restricted too are the worst vehicles for what our goals are.
 - g. M. Rosenberg said we can build you a portfolio and it will grow given the fact you're maximizing the returns. It just won't be as good as it could be.
 - h. D. Ludlam restated that 40% of our investment will be in securities and 60% in treasuries.
 - i. M. Rosenberg said they would all be in securities. They are just classified by risky or not risky. And that is why I said it was a poorly written piece of legislation, because their definition of risk is pretty far off. They said investment grade corporate bonds, which would be apple bonds.
 - j. D. Ludlam said we cannot own regular apple stock?
 - k. M. Rosenberg said you can, but you end up in that risky category and you are limited to only 30% of that. Like an IRA, there is no reason if you aren't going to retire for a while, that you shouldn't be taking some risk in those accounts. You could invest them in very conservative bonds, you'll see a return on it yes, but you won't see as good a return than if you invested in the better option.
 - l. B. Phillips asked if there was a goal?

- m. M. Rosenberg said the goal he understood was to create enough capital that would allow the District would be able to fund grants off the interest, without touching the principal. The increase in interest rates would actually benefit your fund.
 - n. D. Ludlam said that the Board is really trying to get to more of the ribbon cutting ceremonies. They feel its really important to do follow up and seeing the outcomes with the grants.
 - o. C. Springer said as you can see trying to get all of us is hard to do, but as long as one of us can go to ribbon cuttings and events that will work.
 - p. D. Reimer said that the only one the Board didn't make it to was the De Beque Fire Station ribbon cutting last year, other wise there haven't been many ribbon cutting ceremonies for the grants that have been awarded.
 - q. D. Reimer said the final piece of business is the Town of Collbran mini grant award of 2016-FM-09 for downtown improvements is asking for a three-month extension, due to the delay in delivery of some of their items.
 - r. D. Ludlam said this seems in line with all the other grant extensions.
 - s. C. Springer motion to approve. J. Justman second. Voted. Approved.
- XI. Motion to adjourn from C. Springer, second by J. Justman. Voted. Approved.

Meeting Adjourned at 3:44 p.m.