



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

BOARD OF DIRECTORS MEETING

Date and Time: 11:00 AM on Monday, June 17, 2019

Location: Mesa County, Old Courthouse, 544 Rood Avenue, Grand Junction, CO 81501

Attendees:

Chris McAnany

Quint Shear

John Justman

Craig Springer

Dusti Reimer

Scott McInnis

Patrick Coleman

Benita Phillips

Katie Langford

Angelica Jestrovich

Pete Baier

Kelly Bryant

Rose Pugliese

Agenda:

- I. Joint meeting between the Board of County Commissioners and the Mesa County Federal Mineral Leasing District to discuss and take possible action on the approval of a contract concerning the distribution of the Anvil Points funds.
 - a. Call to open meeting at 11:03 am by Board of County Commissioners and Mesa County Federal Mineral Lease District Board of Directors by Craig Springer and Rose Pugliese.
 - b. Opening Roll Call for attendees.
 - c. R. Pugliese brought up the terms of the contract for discussion.
 - d. C. Springer said addressed the concerns and the terms of the contract for the district. We are amenable to signing the County's Contract agreement as long as we can add language that says we are not in conflict with the county in regards to the \$1.5 million.
 - e. R. Pugliese asked about having to go through a grant process or a contract for the remaining funds.
 - f. C. Springer, S. McInnis and R. Pugliese had discussion about the remaining balance of the \$324,000. S. McInnis said the Garfield County FML gave over all the money to the county and he believes that this money is the county's money. He believes the money

- belongs to the county. S. McInnis said this money is critical for the jail. He's tracked this money for over 20 years. C. Springer said we cannot commit other board to future funding, but you're open to apply for funding. S. McInnis said they need that money. S. McInnis said he and Q. Shear have talked at length. S. McInnis said we can give you a release on the \$1.5 million that there is no fault language, but I don't want you to leave the room to think that \$324,000 isn't as important to us as that \$1.5 million is.
- g. Q. Shear said the problem is that we're here to protect the federal mineral lease district. That money came to us. You are on record for voting for putting that money in the permanent fund.
 - h. S. McInnis said we agreed with the permanent fund, but we didn't agree to put that money in the permanent fund. We agree that this was different money and not a windfall. This was supposed to be a flow through-not a windfall. You can't take that error in the vote as our vote.
 - i. C. Springer said I disagree in with your assertion that we mismanaged that fund. At the time it was a windfall. I respect the fact that a lot of work was done to get that money. That money landed in our laps.
 - j. S. McInnis as a flow through.
 - k. C. Springer said no. Everyone assumed there would be a PILT deduction. It would have been irresponsible to leave that money just sit. It was never our intent to do anything behind the scenes. We did everything in public meetings. We did the maximum amount in the permanent fund.
 - l. S. McInnis said I agree there was no mismanagement. We agree with the permanent fund, just not with our money. That money that came from the Anvil Points, with the error in the votes, and I've made mistakes too. I'm just being straight with you in the future, that every one of your grant applicants will benefit from this jail. Let's agree to get a release on this \$1.5 million and let's move forward.
 - m. Q. Shear said a few points of clarification. I wasn't on the board when this happened. I looked back through all the information on the Anvil Points money and I don't see anything that says the money came to the FMLD for holding. Is that a record anywhere?
 - n. C. McAnany said no, the house bill says the statue authorizes the money to come to the district. We know the release of that money took many years and took a lot of people.
 - o. R. Pugliese said we agree. Let's go back to why it was created. We needed this to be created as legislation in order that the state didn't take their portion of the money before it to got sent to the FML, or the counties. We are not asking you to take money out of the permanent fund, let's just work on the issue of the language of the \$1.5 million and not close the door on the \$300,000.
 - p. S. McInnis said you can just defer the amount in 2019, or 2020.
 - q. C. Springer said Rose is saying you haven't made a determination on the \$324,000 and you, Scott, are saying you are. Let's just deal with the \$324,000 today, if it is in fact going to be requested, in my opinion there is no point in us coming back over here to plow the field again or using 7 months' worth of meetings to discuss it. Let's deal with this now and move on.
 - r. S. McInnis said we have deep respect for you three and we wanted to rescind the letter. I think what you're saying makes a lot of sense. That \$300,000 is really important for the project.

- s. J. Justman said he is the Federal Mineral Leasing guy right now-but if the \$324,000 is available, we would send the county the money. Can we make a contract?
- t. Q. Shear said the problem we had last week was we cannot incur future funds for a future board.
- u. C. McAnany said yes, that's correct. You can't incur future boards.
- v. P. Coleman said the county enters into agreements for future years, and you can appropriately condition any future appropriation. In fact, if you're getting the money in 2019, you're not in any future year, you're in this year. The county operates on that. The County gets their tax revenues through out the year. If they dried up throughout the year, then we would have the authority to void the contract.
- w. R. Pugliese said it is our intent to ask for the additional money through a contract.
- x. J. Justman said I am in favor for that.
- y. Q. Shear said now that the county can apply for funding from the district now, there is nothing that precludes you from getting money in the future from the district in grants.
- z. P. Coleman drafted language for a release in the contract.
- aa. C. Springer said you'd like to talk about adding language about sending the additional \$324,000 from the 2019 DOLA payment.
- bb. Q. Shear said yes, if Chris can help us to do this.
- cc. C. Springer said yes, but this does seem irresponsible to me that we don't deal with that question with the contract drafted and with the release language set so everyone can move on with everything else we have to do. You're in favor?
- dd. Q. Shear said yes, I'm in favor.
- ee. C. Springer asked if we need a motion?
- ff. C. McAnany said yes, that would be a good thing to do.
- gg. P. Coleman said you're asking for release if the District gets at least \$324,000 in DOLA money and if you don't get at least that amount, you want the county to be released from the balance.
- hh. S. McInnis said if you don't get the money in the DOLA 2019, let's not restrict it to just the 2019.
- ii. R. Pugliese asked how many disbursements do you get?
- jj. C. Springer said one.
- kk. R. Pugliese said what do you usually get?
- ll. C. Springer said it has varied year to year from almost \$2.8 million one year to about \$737,000 last year.
- mm. C. Springer asked for a motion.
- nn. Q. Shear motion to enter into the county-\$1.5 million now and the \$324,000 to be distributed to them as we have them available in the next grant cycles. In return we receive a release to the agreement of our attorneys.
- oo. J. Justman second. Voted. All approved.
- pp. R. Pugliese made motion to enter into a contract for \$1.5 million now and then enter into a future contract in the remaining amount of \$324,000 in future DOLA grant receipts.
- qq. P. Coleman said parties enter into an agreement that the district pays \$1.5 million within 30 days in execution of the agreement. Agreement has full release of Anvil Points. Additional amount of \$324,000 will be paid to the county with future DOLA disbursements to the District.

- rr. S. McInnis said there is the effort of good faith. We don't have any question.
 - ss. C. Springer said the question I have is we're looking for the implication, if for some reason were to happen, and we never get the \$324,000, I don't want a lawsuit from the county for them to go into the permanent account and get those funds, because we didn't get the money. I want this to be released. I agree we need to see what it will take to get through to the 2020 cycle, but we won't know until we get the 2020 DOLA payment.
 - tt. R. Pugliese motion BOCC shall enter into a contract with the FMLD to pay \$1.5 million with the contract and \$324,000 to be paid by DOLA monies received in future grant cycles with release by both parties.
 - uu. C. McAnany asked if the District Board has any problem with that.
 - vv. J. Justman, C. Springer and Q. Shear agreed.
- II. Public Comment is opened.
- a. Benita Phillips said her concern is the fact that legislation allowed the FMLD to acquire this money it was not meant as a pass through, from what she read. There is nothing in the statues that says it has to be passed through. I believe the money should remain with the FMLD because I believe the county went into the contract with the Detention Center without knowing the money would be available to them. They are already in Phase 1 and 2. The \$324,000 that is left, I'd like to say to the Commissioners has put a lot of time and effort to building up their reputation that the county is going to lose out on. Palisade, Fruita and all the different entities that have gotten money from the District has been a good thing for this county. \$324,000 is not a lot for this jail project. I'm not sure why the County has been so hot to get all this money in one shot. You guys have seemed to finalize this. I don't see why the FMLD has to give up two full rounds of grants because the County seems to think they need this money for this project.
 - b. R. Pugliese first of all we haven't entered into any contracts for the jail project. And just a reminder this money came to be because it was due to the county more than 20 years ago. Had we known, when David Barnhardt came through that this money could pass through the county, that we wouldn't get a PILT deduction, we would have done that. We knew it was safe with the District. I've been to DC 4 times to get that PILT deduction avoided. None of us knew. If we were going to get a PILT deduction, we wouldn't even be here. We did get approval from Interior that we wouldn't get the PILT deduction. That's why the pass-through language wasn't in there, because we didn't know we could. You guys did what you needed to do to protect the money. We believe that this will be a benefit to everyone in the county.
 - c. S. McInnis said we deeply appreciate your volunteer service to this FML and I really appreciate it. I appreciate the fact that we were ale to put our friendships aside and deal with the business and now move on.
 - d. J. Justman made a motion BOCC shall enter into a contract with the FMLD to pay \$1.5 million within 30 days of execution of the contract with the \$324,000 payable with the FMLD from the DOLA federal mineral receipts as received in future grant cycles and a full release shall be provided by both parties. S. McInnis second. Voted. All agreed. Approved.
 - e. R. Pugliese said thank you again for your service. R. Pugliese adjourned.

- f. Q. Shear motion to adjourned. J. Justman second. Voted. Approved. Adjourned at 11:53 am.