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BOARD OF DIRECTORS MEETING

Date and Time: 3:00 PM on Wednesday, July 15, 2020

Location: Zoom Meeting (Replay on our YouTube Channel and our Facebook Page)

Attendees:

Dusti Reimer
Chris McAnany
Craig Springer
John Justman
Quint Shear
Christine Madsen
Benita Phillips
Lisa Heman

Agenda:

- I. Call to Order at 3:00 pm.
 - a. Q. Shear made a motion to approve agenda. J. Justman second. Voted. Approved.
- II. General Public Comment.
 - a. Benita Phillips said it is important to mention it again, the way the trajectory of natural gas and oil is going, it doesn't look good for future income and we need to look at some new income streams. I don't know what the ramifications are in terms of the extent of what the state had in mind for the Federal Mineral Lease District, but I think we need to look into how to tap into anything that is renewable. I think it's important now, we have some of our major gas companies going out of business and I think that's a sign of the future.
 - b. C. Springer said thank you.
- III. Adoption of the June Meeting Minutes.
 - a. C. Springer said this probably isn't terribly material, but on page five, paragraph L, four lines down, it says the question was asked by the county attorney, what qualifies. I'm hoping I said the question was asked of the county attorney, because it doesn't make any sense if he was asking the question and then answering it in the next sentence.
 - b. D. Reimer said ok.
 - c. C. Springer asked if there were any other changes to the June meeting minutes?
 - d. J. Justman made a motion to approve the minutes with the corrections. Q. Shear second. Voted. Approved.
- IV. Presentation of the 2019 Audit for Approval by Chadwick, Steinkirchner and Davis.

- a. Lisa Heman said we just received the MD&A, so it hasn't been tied to the financial statements. I'll report on the financial statement audit today and you'll receive a final audit once I've tied out the management discussion and analysis and issued my audit report. We have completed our field work for the audit of the financial statements of the Mesa County Federal Mineral Lease District this year. During 2019 there was nothing very odd or unusual. There was nothing that was a grey area that we thought we should report to management. There was no internal control weakness or transactions that we tested during the year. The restricted fund balance at the end of the year was only about \$189,000 and that was for, these are the restrictions for loans you've given out, and that was only \$189,000 and it didn't look like a lot of subsequent activity either when we looked at the spring 2020 which is expected, due to current circumstances. We looked a lot at the investments to make sure the disclosures were correct for the investments. There weren't a lot of changes in those either. The biggest change in the financial statements, or the footnotes are on the last page. You'll see on pages 14-15 you'll see the subsequent event footnote about the pandemic on the pandemic and how it could affect next year and how it could impact the value on the investments. We haven't offered any numbers or predictions on what might happen, but we have included that disclosure for the readers. We will be issuing an unmodified opinion on the financial statements meaning they are fairly stated with general accounting principles. When you get, the management discussion and analysis, from the financial statements are issued, they will include the MD &A which will include information from how current information compares to last year's information and commentary by management about the financial statements. Do you have any questions for me?
- b. C. Springer said I don't think so Lisa.
- c. Q. Shear said no, looks good.
- d. L. Heman said if you come up with questions between now and when you get the report, I'm happy to answer those questions for you.
- e. C. Springer said thank you very much.
- f. L. Heman said thank you.

V. Staff Report.

- a. D. Reimer said our July staff report includes our social media postings of meeting agendas available, the May meeting minutes were posted, the Zoom meeting details were posted, and the Live Stream for the June meeting was live streamed on Facebook. We also uploaded the May and June meeting videos to our YouTube Channel.
- b. D. Reimer said we had no media or grants payable at this time.
- c. D. Reimer said our invoices for June are for Dusti Reimer Invoice #148 for services and supplies for \$3,789.97 and Dufford Waldeck Invoice #20835 for \$852
- d. D. Reimer said the upcoming events we have are the Monument View Montessori Board Presentation right after this meeting tonight, the audit is due to the State by the 31st of July, our Fall Grant Cycle opens August 1st and our August Board Meeting is August 19th if there are no date conflicts.

- e. C. Springer asked if we were good on the audit? Do we need to take action and formally approve it?
- f. D. Reimer said she had to finish the packet. We only have the draft and she just got the MD&A today.
- g. C. Springer said if it's due at the end of July, how do we do that?
- h. C. McAnany said you may need to have a special meeting to formally approve the audit. I was just checking my dates and it does need to be completed by July 31st. I'm not sure what our deadline is for submittal to the state, Dusti do you know?
- i. D. Reimer said yes, July 31st.
- j. C. McAnany said I haven't seen it; has it been circulated to everyone?
- k. D. Reimer said everyone got the board packet and it's just the draft of what Lisa has sent over. It's in your email.
- l. C. McAnany said he was looking for it and couldn't find it.
- m. D. Reimer said it is only half. It's missing the MD&A. They were late getting it to us, and they apologized, but we didn't get it until Thursday.
- n. C. McAnany said we may need to call a special meeting. It doesn't sound like there is going to be any problems with the content of the audit, but before it's released and submitted to the state the Board needs to see it. I hate to inconvenience folks; we may need to have a special meeting for approval of the audit.
- o. J. Justman asked if they have an extension?
- p. C. McAnany said there are a lot of deadlines that have been extended by executive order by the governor. I haven't looked to see if there is one to see if the audits have been affected.
- q. J. Justman said there might be a possibility. A lot of these things have been pushed back.
- r. C. McAnany said I have seen a lot of these orders have come down the past few months and I want to adhere to these deadlines because they are there for a reason. It seems unlikely, if for example, the board is a little late in submitting the audit to the state there might not be much of a consequence to it.
- s. C. Springer asked when we are going to get the final product.
- t. D. Reimer said I can't imagine it would be more than a week. She told me Tuesday that she would go through and review everything to have it ready. She sent it Thursday and said they had been backlogged and apologized for it getting to us so late. She knows and I can't imagine it would take more than a week and I'll follow up with her, because she had to put it together now at this point.
- u. Q. Shear said it can't be a big deal for us to do a Zoom meeting.
- v. C. Springer said I agree, but we have to have the final project. I suggest we schedule a meeting two weeks from today, at 3 pm on July 29th. That gives us a couple of days in

case something happens. I agree with Chris that this is a deadline that needs to be made and we need to make that deadline.

- w. J. Justman said I don't want to take a chance on being wrong for lack of a week. We have time to get it done and we need to get this wrapped up.
 - x. D. Reimer said I'll send it over right away, so you'll have plenty of time to review it.
 - y. C. Springer said we are all in agreement that 3pm on the 29th of July.
 - z. D. Reimer said I'll set that up.
 - aa. C. Springer said we need to approve the Reimer invoice and the Dufford Waldeck invoice. Is there a motion?
 - bb. Q. Shear made a motion to approve. J. Justman second. Voted. Approved.
- VI. Review of Financials for June.
- a. C. Madsen said under the fund balance in the balance sheet we have \$646,126.16. In the permanent fund we have \$1,646,104.29. Under grants payable we have a balance of \$200,000, with retained earnings of \$2,340,898.76. The net loss is \$248,668.31. Moving onto Profit and Loss we have legal fees of \$1,060, contract services of \$3,750 and dues and memberships of \$39.97. The unrealized gain/loss in the permanent fund is \$28,175.47, interest earned is \$0.06 and dividend income of \$5,967.27 for a total net income of \$29,292.83. Under the AP Aging summary, we have \$50,000 for the City of Fruita and \$150,000 for the Grand Junction Police Department. The Budget to Actual, as of June 2020, we have \$200,000 for grants awarded. Our total expenses are still under budget by \$52,913.78. Then, as of June we have unrealized loss in permanent fund of -\$27,408.66 and a realized gain/loss of \$2,614.38 and interest earned of \$0.40 and dividend income of \$15,370.74 and investment fees of \$6,658.97. That's it for financials.
 - b. C. Springer asked if there were any questions. There were no questions.
 - c. J. Justman made a motion to approve the financials for June. Q. Shear second. Voted. Approved.
- VII. Review of Investment Account for June.
- a. C. Springer said we do not have anyone here from RoseCap, correct?
 - b. D. Reimer said that is correct.
 - c. C. Springer asked if everyone had a chance to review the statement that was in the board packet and if anyone had any questions.
 - d. Q. Shear said he just had one question, what is our fee based on? Is that a percentage or is that a flat fee?
 - e. D. Reimer said I believe it is a percentage.
 - f. C. Springer said I think it is a percentage.
 - g. Q. Shear said I was trying to come up with a percentage, but all I see if a half a year so that makes sense.
 - h. C. Springer asked for a motion to approve.

i. Q. Shear made a motion to approve. J. Justman second. Voted. Approved.

VIII. Approval of Change of City of Grand Junction Police Department Grant Contract.

a. D. Reimer said we sent out the grant contracts and the City of Fruita signed theirs and it is complete. We did get feedback from the City of Grand Junction's and I included the email with your packet. They have cited due to Covid-19, that the dates will no longer work for them. The original contract dates were from May 2020-May 2022. That's our traditional grant term. The City of Grand Junction said because of revenue shortfall, they will not be able to start the project until March 2021. They'd like the start date to be changed March 2021 and the end date to be changed to August 2022. If you are ok with that, we'd like you to approve the change to the contract for everyone to sign, with the new agreed terms.

b. C. Springer asked for Board Discussion.

c. Q. Shear asked if there were any bylaw problems with this.

d. D. Reimer said no. It is a partial award. The Discretion is up to you, you can change the terms of the date, or you could say this doesn't work for us and forgo it. It's up to you. You're negotiating the terms of contract. Traditionally, we've always had the two years we've given them. We've always said, when we issue the contract it's to be a start date of the contract date or later. They're just asking for the contract date to be changed to March 2021, because they have revenue shortfall, so they won't be able to start the project based on funds, until next year.

e. C. McAnany said it's not really a bylaw issue, but the grants are awarded with the condition the funds be expended in a two-year window. That's what they represented to us, the City did, in their application say the project would be done originally of March 2022. Now they are saying it is until August of 2022. This is a material change, or it could be, in that other applicants were not necessarily accorded that same window of time. There are some extenuating circumstances, obviously the city and other government entities have had significant budget shortfalls because of the pandemic. It's the difference of three or four months and you need to decide if it materially changes the bargain and whether you want to reprogram that money for some other purpose if you are no incline to their extension. You have discretion to decide whether you want to continue with the grant as originally awarded, extend to the date requested, or in extreme circumstances, rescind the grant completely, because the applicant can't comply with the program deadline.

f. C. Springer said Chris, we do have a precedent if my memory serves me correctly. We awarded CMU a grant for that Lineman Facility and then, they came back, and did they change the scope or the site?

g. D. Reimer said they asked for an extension because they didn't get the funding from the state.

h. C. Springer said what did we do?

i. C. McAnany said I think we extended the deadline on the grant because their funding window, or get a DOLA grant, if I remember.

j. D. Reimer said no, they didn't get a DOLA grant. We extended it by two years and they agreed in writing that we would extend it as long as they would actually do it and come up

- with the money one way or another, and they did. They said even if the state didn't give them the money, they would come up with it and would be fulfilled. That's the agreement we made in order to extend it, because the discussion was would we continue to kick this can down the road and we keep doing all these extensions and they promised to fulfill it one way or another.
- k. J. Justman said they also changed the location, didn't they?
 - l. D. Reimer said yes, they did. The funding got changed, and so they re-did it on their site.
 - m. C. McAnany said we do have a history where once we have been under contract with grantees, we have extended their grant deadlines over the years. That's a little different when we're already in an agreement with someone and they come to us with special circumstances. I don't know if this would give a lot of heart burn to the board, but it is a change and you have to decide if you're comfortable with it or not.
 - n. C. Springer said from my perspective, the thing we're dancing with here is, future grant applications that they submit the grant thinking if we don't get the funding, we'll get an extension from them. When you're sitting in front of that application and scoring that, those questions matter. I understand this pandemic we're in, is a whole new territory for everyone, but I think we need to be awfully carefully throwing extensions out there because this happened and that happened and whatever. You can make the argument that the folks that filled out their applications one way, almost disqualified themselves by their honesty.
 - o. C. Mcanany said that's a good point, Craig. Because you're scoring based on the applicant being able to satisfy the program criteria. Essentially, what they are saying to you is, after the fact they cannot satisfy the program criteria for the traditional grant. I suspect, if they had known that they wouldn't even bother to submit. Our policy has always been to get money into the community and get it to work sooner rather than later, and this in some ways, at odds with that. That's why you guys get to make the tough decisions.
 - p. J. Justman said I wouldn't be opposed to maybe doing an extension, but also put in there, we expect performance next spring and if you can't we're going to reconsider. I understand the epidemic did a lot of things to a lot of different things, that's not disputable at all.
 - q. Q. Shear said one of the things we scored this application on was they had the money and were self-funding and were ready to go and do this project. I'm like John, I think because we have special circumstances this year, I'm apt to extend it, but like you said Craig, we can't be doing this all the time. Other people could be using this money and I don't want to set that precedent.
 - r. J. Justman said do you think if we don't extend it, they would have a change of heart and do it?
 - s. Q. Shear said I don't know if this is a convenience request, I don't know.
 - t. C. McAnany said they gave limited information in the way of detail of the particulars, just said because Covid-19 and budget shortfalls they would like additional time. Am I right, Dusti? All I saw was the emails?
 - u. D. Reimer said yes, I gave you guys the emails that's all I have. If you want, I can read what they have in their application, I can share that with you guys.

- v. C. Springer said go ahead.
- w. C. McAnany said I've got it right here, they say pending the availability of pavement and taking the weather into account, we'd like to have the project completed by March of 2022. They say the timeline foresees some expedited project completion as well as unexpected delays, but we are confident we can complete it in our two-year window.
- x. D. Reimer said it says how is this project being funded? Please provide summary of all committed funding. They say this project is being funding 67% by the City of Grand Junction 0.75% tax fund for capital projects and the first responder tax. The City of Grand Junction City Council approved \$400,000 for this project during the 2020 budget approval and funds became available on 1/1/2020. We have applied for a Tier1, \$200,000 grant from DOLA during a competitive grant cycle and received notification that they would not be awarded in this spring grant cycle. We hope to secure the additional funding we need to complete this project through the MFCFMLD grant award, and we have no plans for raising additional funds currently.
- y. C. Springer asked what the composite score was on question number 5.
- z. J. Justman said the city will be getting some funding from the CARES act and that can't be used for this but can be used to free us some additional money. The county sales tax for May, it was actually up a little bit from last year and I would think theirs would be similar, but that doesn't mean we wouldn't have another downturn either.
- aa. D. Reimer said on question number 5, they scored 7.7. This is how you scored them. And funding available was really high. That was question 5 and 7.
- bb. C. Springer said you can see how the three of us responded, with how the New Emerson playground equipment was scored, because they were going to apply for matching funds. They didn't have them available.
- cc. Q. Shear said that's right.
- dd. C. Springer said that it's possible, given where we are today all the applicants would have answered that questions differently now than when they would have back then. I understand we're in the middle of a 100-year event, and not likely to be precedential. This precedent really bothers me. We award a grant and then are told it didn't work out for us, so we need you to push out the time frame we need to complete this in. Sort of calls into question our process, if you ask me.
- ee. J. Justman said we did something sort of similar with CMU. Not for the same reason obviously.
- ff. C. Springer said that's it though, this is just the second time?
- gg. D. Reimer said yes, all the other times they have been in the middle of the project for weather or something.
- hh. C. Springer said yes that's true, we've done weather extension and other stuff like that.
- ii. D. Reimer said nothing about the delay of the start, CMU and this application are the other two.

- jj. Q. Shear asked who was next in line? If we told them to come back another day and we went to the next in line, who was next in line?
- kk. D. Reimer said Clifton Sanitation District.
- ll. B. Phillips said it wasn't that long ago you gave to Clifton Sanitation, so if you have someone else near the top, maybe look at that.
- mm. D. Reimer said Clifton Sewer Rehab for \$75,000 and then De Beque School District for the minibus for \$36,260 and then you jump over to the mini grants and you'd get City of Fruita and De Beque School District Minibus.
- nn. J. Justman said if they cut down on the size of their police department, they won't need some of these folks.
- oo. C. Springer said this has been pretty well discussed. I would say, from a Chair's position, it would have been nice for someone from the City to be here to help us out with this. So, we've got to move forward one way or the other.
- pp. J. Justman asked if there was some way, we could talk to them?
- qq. C. Springer said we could agree to table it, or we could agree to grant the request, or agree to not grant the request or agree to modify the request. I think it was Quint's idea to say we could set a deadline when the project broke ground and got started.
- rr. D. Reimer said that's what we did with CMU. They had a date we were going to commit by otherwise we would release the funds and they would do it one way or the other. They wrote us a letter and a board resolution and signed it and said we would use that money, by that date.
- ss. C. Springer said it's interesting you bring that up, Dusti, because this is the opposite. In the grant applications, they said they approved the co-funding.
- tt. D. Reimer said they were waiting for the money from the state, and these guys said they had all the money in their grant application ready, except this grant.
- uu. C. Springer said they said in their application they had the funding necessary, if the grant was received and now they are coming back and saying because this pandemic and potential impact on the City's budget, we're asking for an extension of time to make sure we have the funding necessary to complete this project and we need an extension to do that. That's what is going on here.
- vv. D. Reimer said yes.
- ww. J. Justman said they were not successful in the DOLA money.
- xx. D. Reimer said yes, they said they were not successful in the spring DOLA that's why they were applying to us.
- yy. Q. Shear said I can't help but feel this is a fishing expedition?
- zz. C. McAnany said if the board is troubled by the inconsistencies in their statements, maybe the thing to do, would be to table this and invite a representative of the city to come back at a later date and explain themselves. Rather than us speculate what did and did not

happen, this might get the issue resolved front and center. That would be one recommendation I would have as counsel.

aaa. Q. Shear said I would agree with Chris, maybe they can make it on the call we're going to have in two weeks.

bbb. C. Springer asked if he could put that into a form of a motion.

ccc. Q. Shear said I move to table this decision now until we have a meeting with a representative from the city in two weeks. J. Justman second. Voted. Approved.

IX. Review, Discussion and Possible Approval of Grant Application Changes and Bylaws.

- a. C. McAnany said we initially started talking about changes to the application, and then it occurred to me we don't have much detail in our bylaws that provide guidance to the board and staff as to how we handle grant applications. I've drafted article 15, that would be in a new section in the bylaws that codifies the things we've talked about. For example, saying the Board will review its grant application and submittal process from time to time. I wanted you to have express authority to say what you want from applications. There is language that deals with publishing, submittal requirements, making your administrator authorized before scoring to deal with applications that might incomplete. I added that the board can review grants scoring methodology being reviewed and the district reserves the right to fund or not fund, in whole or in part. I also changed the grants for applications are not for projects that have already been completed. These are just some housekeeping measures to address some issues we've been dealing with. Mainly it was to give your administrator guidance and the public as well. Our existing bylaws provide we have to do a two-meeting cycle to discuss and look at this before you can act on it. I'm not asking you to approve this today. We can bring this back at our next meeting, assuming, and you can tell me if you want changes or additions or anything else. This is really just up for discussion or comments or additions you want me to make.
- b. C. Springer said there is nothing here Chris that would require the board to fund a secondary application. The situation we're in right now, we could push that money into the next grant cycle.
- c. C. McAnany said oh yes, that's right. You could say, and just going back to the question at hand, with respect to the earlier application. The Board could conclude the applicant can't meet the program requirements and they're for the grant is rescinded. That's one route you could go with that.
- d. C. Springer said we have significant leeway now and this just codified just closer to what it is we should be doing.
- e. C. McAnany said the intent is to give guidance for all parties, including the board, staff and generally the public, for the questions we've in front of us recently. Maybe you want me to expressly address the question presented from the last application, which is, if in fact, the application can't meet the program criteria, it can be rescinded.
- f. C. Springer said I remember back when we were working with the Garfield County FML during that permanent fund legislation and I remember the discussions the boards had. One of the things they do, that we have never done, is not fund anything.

- g. C. McAnany said yes.
- h. C. Springer said I don't know if we shouldn't have something that says a grant cycle does not guarantee funding.
- i. C. McAnany said I do have language that says the district reserves the right to fund in whole, in part or not at all, or may reject all applications. I supposed we could go one step further and say the district could cancel grant cycles if it sees fit. The climate is such there isn't much money coming in.
- j. C. Springer said we've done it before, we cancelled them last year.
- k. C. McAnany said the state law gives us that authority. That's crystal clear, if you'd like that in there, we can make that kind of a change too.
- l. C. Springer said if we already have the right, we don't need to add another section, unless you see a legal reason for it.
- m. C. McAnany said probably not, but sometimes there is a community expectation that there should be a fall grant cycle. The Board could take that up at a meeting and say based on current conditions we do not have to do it. I don't think we need to codify that in our bylaws. It's just a case by case basis.
- n. C. Springer said ok.
- o. Q. Shear said I don't see a reason to add that, but it's nice to know we have that option. Chris, can you read that one section again, the one you just did.
- p. C. McAnany said its section 15.3 grants coring methodology is committed to the discretion of the board. Grant scoring by all, or any board members, is vested in the judgement of those persons and are not reviewable by any other party. The district reserves the right to fund in whole, in part, or not at all, or reject all applications. I think you could do this now, without this language, if you had a grant cycle and you just got a bunch of mediocre projects that didn't fulfill the mission of the district, the board could say, we're going to bank this money and see what happens the next cycle.
- q. Q. Shear said I think that's important, now that we're trying to tighten down our requirements. I could see a cycle where we don't want to grant the money.
- r. C. McAnany said this goes back to Craig's comment on Garfield County where they haven't been shy about saying nah, we're not going to do it this time around, we're going to hold on.
- s. Q. Shear said do we need to add on to that, with saying we'd push that money to the next grant cycle, or is that clear enough?
- t. C. McAnany said that I don't think you need that written in stone. It's a fact, once that money is received by the district, it can be appropriated by who the district sees fit. If you decide that you don't want to do grants for a while, you could make that announcement and the fund balance would just accumulate.
- u. Q. Shear said anything thoughts?
- v. C. Springer said I like where Chris is going with his changes. We can't adopt them at this meeting, but I think it's a good effort.

- w. C. McAnany said if you have any questions, please let me know before the next meeting. These were based on applications missing materials, missing deadlines.
- x. C. Springer said I do think this is important and I think it will become more and more important in ensuing years as we get less and less money for grant cycles. We may very well have to raise that bar a little bit, or we look back in the review mirror and see funded a number of programs that didn't do that much for Mesa County.
- y. J. Justman said do we have anything in there that says if you put your application in, you get approved, like the City of Grand Junction know, can we alert them in the grant form that says if you get approved, they need to be aware that if they get grant money we expect results.
- z. C. McAnany said that's the current issue we're dealing with. Maybe before the next meeting I'll try to add a section or subsection that addresses that specifically. For example, if an application is submitted under a certain set of program requirements and prior to funding the application can't satisfy that requirement the grant is rescinded. But here we don't have a signed contract.
- aa. D. Reimer said maybe another thing to consider when we ask, because we do give them partial funding, we ask if we give them partial funding, how can you continue. Maybe have them elaborate if you're missing \$50,000 from your request, how can you continue?
- bb. C. Springer said the next thing is the questions, right?
- cc. D. Reimer said yes. We've put together what you said last time and changed questions 1, 2, and kind of 3. We deleted a few questions too.
- dd. C. McAnany said we deleted a few questions too, because they were kind of an un-scorable question, or a throw away question. We condensed them to make them more readable and meaning full. There is room for improvement and if you want us to make further changes or you want more to be included in the application, we can talk about it.
- ee. D. Reimer said like I said in the previous email, I went through and listened to the questions that kept coming up in the grant workshops. The ones that kept coming up, they are in here already, you always wanted to know how to maintain funding moving forward, what's the impact, what's the life expectancy. You had some of the same questions, and I think maybe they just weren't answering them well in their grant applications, but these were the recurring themes.
- ff. C. Springer said I'm ok with the first three questions, if you want to move down.
- gg. Q. Shear said they look good to me. I think number four is pretty clear, I think some of them try to avoid it. I don't know how you'd make it any clearer, do you guys?
- hh. C. Springer said the problem with that question is it's an all or none. Have you all the funds you need, or don't you? Anything in the middle is grey area. Because you can say we don't have them, but we're working on them, or we don't have them but we're meeting next week. You either do or you don't. Stating the obvious, which is one of my specialties, we can literally move to a grant or project with our scoring that is never going to happen, because we bought into what they were saying how they were going to get their funding

- going forward. We are committing the mineral leasing districts dollars to this project, do you, or don't you? Am I wrong about that?
- ii. C. McAnany said you could have projects that say no, we don't have all our funds, but we do have a fundraiser that will be completed two weeks from today. I think your scoring on number four would be very high for applications where the only contingency is the districts grant. They have all the other funds you need and the more and more funds they need, they get a lower score.
 - jj. C. Springer said it's always been his understanding that we were to be the last dollars. We wanted to make sure our grant was the last.
 - kk. J. Justman said some of these are on a wing and a prayer. To truly have all the money they need they could use the balance of this for another project somewhere. It would be nice to see if they didn't get the funding they wouldn't go ahead with the project.
 - ll. C. McAnany said there truly is a sweet spot where the projects are purely speculative where they have nothing lined up and they need the stars to line up and projects where they have everything on the line and they have all the money and they could go and do the project tomorrow without the grant. You want the projects in the middle.
 - mm. C. Springer said but Chris, you can say that of almost all of these applications that are done by municipalities or city governments, police departments stuff like that. Their budgets are big enough to fund any grant we look at. They're asking us to help so they can go do it somewhere else. The more I think about it, it's a go or no go question for this simple reason. Let's say the scoring is tight and the winning application, they say they have the funding. Ten they come back two or three months later and maybe another opportunity has presented itself, and they say let's go back to the FML district and say we need to move this to the next budget cycle for whatever reason. We found somewhere that's a better use of our money. They are elected officials, that's their prerogative. At that point then, had we known that, when we scored it. We wouldn't even be talking to them, because the number two grant would have been the one awarded that we would have moved forward with. Like I said, I'm open to discussion, but that's one of those ones every time I score one of these it's a go or no go. You either have it or we don't. We state very clearly what percentages what we will fund. If we have clarity there and yet, it's fluid about where their dollars are going to come from, I think it throws the veracity of our scoring into serious question.
 - nn. C. McAnany said I see the dilemma. Post award, when you are already under contract with a grantee, that's somewhat different, because you have scored the application based on the facts at the time of the application. Post contract, what have the parties agreed to do and is some departure justified. I think the board, as we go forward, may need to take a harder line on that. We may not want to make wholesale revisions to funding, timelines and those kind of changes post award, because if you do that you're under mining your scoring process and denying applicants a fair shake at the time they are scored.
 - oo. C. Springer said I'll say this, I think number four should not be a scorable question, it should be a question they have to answer in the very beginning of the application, and the application should not be considered for scoring if the answer is no.
 - pp. C. McAnany said yes, I think what you could do is put that in the eligibility questions. If you answer yes or no, and then if they answer no, then what's the point.

- qq. D. Reimer said that would be different for mini grant though.
- rr. C. Springer said we're not talking about the mini grant. That is a different animal.
- ss. J. Justman said maybe we should have a question that says are you certain you want to apply for this, and are you certain you want to move forward with this?
- tt. C. Springer said I have said what I think and I'm one out of three.
- uu. Q. Shear said I see no sense in seeing an application if they don't have the money ready.
- vv. J. Justman said I'll go along with that. It should eliminate some of the more iffy grants.
- ww. Q. Shear said Dusti, do you see circumstances that would benefit us to leave a little more leeway in there?
- xx. C. Springer said no sir. I can't remember a circumstance where I thought it was good for the community for us to, play games with those matching funds.
- yy. D. Reimer said I think when it comes down to it, there have been a few times in the four years I've done this, that there has been questions that have come down about money and funding, and those are the situations that get tense and confusing, and I agree that should be the clearest written answer we have here. I don't think we should have to guess whether or not they have money or if it's coming or not. I think that, and I know we've talked about shovel ready projects vs not-shovel ready projects and funding goes along with it. You're either shovel ready and funding ready to go, or you're not. They get creative in some of their answers. Basically, you want it to say what we have written in the first line, excluding us the funds sought in this grant application, have all funds needed for the completion of the project been secured? And you want them to be able to say yes.
- zz. C. McAnany said and if they say they're waiting on DOLA grant then the board takes that into account and score it into account.
- aaa. D. Reimer said do you even want to score it?
- bbb. C. Springer said no. That seems to be beauty of our system. We have two cycles a year and if you don't have funding, we encourage you to apply to a future cycle.
- ccc. D. Reimer said that seemed to be an issue in one of the fall grants cycles. People were using us for DOLA for different cycles. They were pitting us with them to get more leverage for DOLA to get more leverage, but not one had gotten any awards from either side and they could claim partnerships.
- ddd. C. Springer said I like the partial funding question and that needs to stay there.
- eee. Q. Shear said I like that partial funding too.
- fff. D. Reimer said it isn't scored, but it could be a scorable question, maybe?
- ggg. C. McAnany said that came about from previous boards, because of the problem of dealing with we're only going to be able to give you 50% of what you're asking for. We need to know if you could do the project with less than full funding.
- hhh. C. Springer said I don't think it's scoreable, but it's worth its weight in gold in that funding meeting.

- iii. D. Reimer said I believe I have never seen anyone say no, and the city said the same thing. They'd move forward with partial funding from the project.
- jjj. C. Springer said it sound like we're in agreement and number four needs to be moved out of scoring and into qualification. I think you also need to have a sentence in there that says please understand in the event you are awarded this grant, and for whatever reason the funding is not available, this is grant will be rescinded.
- kkk. C. McAnany said I'll insert that into the bylaws, and we could include that into the application materials too.
- lll. C. Springer said John and Quint are you ok with that?
- mmm. Q. Shear and J. Justman said yes.
- nnn. C. Springer said I like number five and number six is a question I struggle with. I see City of Fruita, City of Collbran, established in 1890, and they've been around for 100 years. How could these not score a ten?
- ooo. C. McAnany said maybe we delete that question. The intent was to weed out any applications that didn't have an established governmental structure.
- ppp. Q. Shear asked if there was a way to rephrase the question to deal with structure?
- qqq. C. Springer said describe your structure and we could score accordingly.
- rrr. C. McAnany said it's the white elephant problem. You don't want an entity poorly managed getting a grant and have them go under in two years. Maybe we can tweak that question, Dusti. Describe your organizational structure and finances?
- sss. C. Springer said the way we have it now, the longest tenure organization that can qualify, should be City of Grant Junction. They should be a ten and then go down lower based on the number of years?
- ttt. C. McAnany said maybe there is another question that can help influence decision making. We've asking about financial viability, impact on community, people benefitted, I'm trying to think if there is some other way to do this. Maybe there is something you'd really like to know from each applicant, this would be the place to put it.
- uuu. D. Reimer said we're really cutting down the questions. That might not be a bad thing. Less questions.
- vvv. C. McAnany said as you pointed out Dusti, if some of these are really not good scoring, it could be a throw away question.
- www. J. Justman said throw that one out.
- xxx.C. McAnany said maybe the real question is, if the grant is granted, what would this do?
- yyy. C. Springer said I've got one that might help me when I'm scoring. If we had a question that was something along these lines of if your organization is not successful in securing funding from the federal mineral leasing district, what will be the future of this project? In other words, if they say our town council is behind this, we're going to keep applying to grants until we get it, because it's that important to this community. Or we're just sort of taking a flyer. If you're crazy enough to give the money we're crazy enough to do the

- project. Put them on the spot with that question. What's the future of the project if funding from us is not successful?
- zzz. Q. Shear said I like that.
- aaaa. D. Reimer said I like that.
- bbbb. C. McAnany said that might fit in to their master plan and capital improvements and help score higher, than some off thing.
- cccc. C. Springer said I think that would help me to know where they are if they're unsuccessful.
- dddd. C. McAnany said that's really helpful, I'll come up with some revised language.
- eeee. C. Springer said stating the obvious, if we end up with three questions or seven, it doesn't matter to me. What matters are the answers to the questions.
- ffff. C. McAnany said we'll bring this back after your feedback today.
- gggg. C. Springer asked if Dusti had anything else.
- hhhh. D. Reimer said we will modify the mini grant questions as well. We've left all the same questions that were there. I don't think any of the question in the traditional aren't relevant to the mini grants as well. The only different is the match.
- X. **Unscheduled Business.**
- a. D. Reimer asked a quick question, I need to post the bylaws on the website for people to view?
 - b. C. McAnany said yes, post them as draft for people to view.
 - c. Q. Shear made motion to adjourn. J. Justman second. Voted. Approved.
 - i. Meeting adjourned at 4: 31pm.