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BOARD OF DIRECTORS MEETING

Date and Time: 2:00 PM on Wednesday, July 10, 2024

Location: Home Loan State Bank Community Room

In attendance:

Quint Shear
Dusti Reimer
Craig Springer
Matt Rosenberg
Bobbie Daniel
Chris McAnany
Corey Willey

Meeting Minutes

- I. Call to Order at 2:10pm.
- II. General Public Comment.
 - a. None.
- III. Review and Approval of the 2023 Audit.
 - a. Willy Corey presented the audit findings for 2023. There was not much that changed, and not much to go over. The main changes between internal financials and audit are what I will go over. In our findings in the auditor report that says the financials are within general accounting principles-you're operating under GAP. In our opinion, they are in accordance with GAP. In the MD&A are definitions. It's what you're used to seeing with for profit organizations. When you get into governmental financials, it doesn't change that much. If you had a bunch of capital assets it doesn't show up on the governmental fund. The statement of position is just cash and investments, what you don't see is the accounts payable. That's the big difference between these financials and the internal ones. You don't see this until the grantees get awarded and paid out. That's the main difference. Total cash investments are \$4.46 million at the end of the year. Statements of activities with the big distribution from the FML changed the position to \$817,000 for the year. That gives you the ending position of \$4.6. When you get to the governmental funds balance sheet, you'll see the cash and permanent fund that are your investments. And then the next page says statements of revenues will be budgets to actuals for expenses. The big difference is the grant expense

number, whether they were paid or not. On page 11, it talks about different fund balances and the different pieces you have for it. In the committed section, we show the grants awarded but not paid. That's really all we have. Not a lot to update. Dusti does a great job getting us all the stuff. Everything went smoothly and no questions.

- b. Q. Shear asked if there were any changes?
- c. W. Corey said no.
- d. C. Springer asked on the balance definitions, reference page 11, can you go over each one of those for unassigned, non-expendable, committed?
- e. W. Corey said the non-expendable is the contractual obligations with those, you are not able to spend those.
- f. C. Springer said those are grants that are awarded but not paid?
- g. W. Corey said that's your investments, the amounts you're contributing into there is that portion. Restricted, same on your permanent fund, where you have your growth in the account. You have that money, and you could spend it, but it's restricted to a different limitation on what you can spend or pull out. Contributions going into the fund and the growth of the fund is restricted. Committed is what you grant out to the recipients, but they haven't been paid.
- h. C. Springer said what's to keep a future board from spending the money. I think our council said there isn't anything that can keep a future board from doing that if they want to. You can almost read something different into it from this, couldn't you?
- i. C. Willey said, yea. I know we went through this in depth that first year we took over. We had everything lumped into one. I guess to answer your question on that, I thought, with this, that those contributions were more or less untouchable.
- j. C. McAnany said they are. You've adopted a policy that says the intention of other permanent fund will grow and only be drawn on in a situation where there is a compelling need and you've put some guard rails into your policy as far as you have to make a finding for a compelling need, and have a public hearing. We tried to put some procedures in place and establish a policy that says you won't touch the principle, with the intention of some future date to live off the interest. We haven't touched it at all.
- k. C. Springer said I just had questions on how they were labeled. Thank you.
- l. Q. Shear asked if we wanted to look at the policy for the Permanent Fund?
- m. C. McAnany said it would be a good time.

- n. D. Reimer said it had to be a unanimous vote and there was no way to pull it out quickly. It needed to be posted, a public notice, and 30-day notice. I believe you had to have a complete unanimous board vote yes.
 - o. C. McAnany said I could see a compelling need if we had a natural disaster and bridges needed to be built or something, and this could be the rainy day we've been waiting for. This would be an extraordinary event. In truth, if you have a board that wants to change the policy in the future, they could.
 - p. C. Willey said on page ten we do have a description of the permanent fund written in there. It says a portion will be set aside to meet future needs. It's not to be expended.
 - q. Q. Shear asked if we wanted to review that, before the next meeting, policy for the board to review and revisit it.
 - r. C. McAnany said it's good to refresh our memory and review it.
 - s. Q. Shear said we can put it on the agenda for the next meeting in case anyone has any discussion around it.
 - t. C. Springer made a motion to approve the 2023 audit as presented. B. Daniel second. Voted. Approved.
- IV. Approval of the May Meeting Minutes.
- a. B. Daniel made a motion to approve the meeting minutes. C. Springer second. Voted. Approved.
- V. Staff Report.
- a. D. Reimer said we posted to our social media pages that the meeting agenda was posted, we live streamed the May meeting on Facebook, we uploaded the May meeting to YouTube, we shared about older grants with photos from projects of City of Fruita Parks and Rec Building Expansion, School District 51's safe and secure program, Grand Valley Drainage Districts' grant for the cultural resource study, Town of Palisade's Street Reconstruction Grant, the Downtown's post with the new barriers and a Happy 4th of July.
 - b. D. Reimer said we had no new media at this time, but I did go to KREX this morning with all their new reporters and introduced myself to them and gave them the list of our "Overview of Giving" of where almost \$12 million has gone. The plan is to go to KKCO and hopefully the Daily Sentinel and meet with them and re-introduce myself to them. We also have no grants requesting payments.
 - c. D. Reimer said the invoices for June were for Dusti Reimer invoice #196 for services and supplies for May for \$3,780.66, Dufford Waldeck Invoice #46234 for services for May for \$136.00, Soronen, Donley, and Patterson invoice #156128 for auditing services for \$3,500. Invoices for July are for Dusti Reimer invoice #197 for services and supplies in June for \$3,780.66.

- d. D. Reimer said upcoming events are the Approved Audit is due to the state by July 31, 2024, our Fall Grant Cycle opens August 1, 2024, and our next board meeting with Grant Presentations will take place on September 18, 2024.
- e. B. Daniel made a motion to approve the staff report. C. Springer second. Voted. Approved.

VI. Review of Investment Account.

- a. D. Reimer said this report wasn't included in your packet, but the final numbers were included in the financials.
- b. M. Rosenberg said the market closed at an all-time high today. I think we are creeping up on the high end right now. It's above one standard deviation. The concentration of the 10 biggest stocks of the S & P is 37%. That's the highest we've ever been. We are about 59% equities compared to the limit of 65%. There are always going to be the risk factors of the election and stuff like that, but right now markets are the calmest we've ever seen. You are not seeing big movements; we will see what the next few months hold. I'll talk about this more the next three or four months, but the president's election doesn't really impact the markets that much, just how people feel about it. We're up over \$900,000 today since we started, and just shy of \$3 million as of market close today. Things are good. The annual return right now is about 8% right now.
- c. Q. Shear said not that it matters to us, but we'll see a little turmoil between now and the election?
- d. M. Rosenberg said uncertainty, yea. But really, if Biden drops out or if you get a republican, republican house, which I think is likely, you're not going to see a change to the corporate tax rate. Politics don't influence the markets, but the companies abilities to make money does. Tax cuts and jobs acts expire 2025, so we have another year and a half. Our federal deficits are the major problem. Interest is a percentage of GDP.
- e. C. Springer made a motion to approve the investment report. B. Daniel second. Voted. Approved.
- f. M. Rosenberg said as a firm we need to update our advisory agreements, so we will need new signatures from you.

VII. Review of Financials.

- a. D. Reimer said our fund balance is \$1.6 million. As we just talked about the permanent fund, we have \$2.9 million as of the end of June 30th, but it's up. The grants payable is still \$400,000 but we should have a few more grants coming in. Our services and fees are still about the same. The interest we've earned is great-the Alpine Bank account \$6,748 dollars and that's bumped up in just the few months we've had it, we've gotten a total of \$17,498.75 in interest earned on the money market account. That's significant. Dividend income and investment fees of \$10,151.21.

- b. C. Springer made a motion to approve the financials. B. Daniel second. Voted. Approved.

VIII. Unscheduled Business.

- a. Q. Shear asked Chris if there is anything we need to attend to in September?
- b. C. McAnany said we can talk about revisions to the policy, if we find them necessary. Unless you have some new initiatives of some kind. We've retracted a lot because the mineral money has been less than in the past years. It's going to ebb and flow over time.
- c. Q. Shear said we need to work on educating people that the money coming from DOLA is not pot money. For some reason there is a misconception out there about it.

IX. Adjournment.

- a. B. Daniel made a motion to adjourn the meeting. C. Springer second. Voted. Approved. Meeting adjourned at 2:46pm.