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BOARD OF DIRECTORS MEETING

Date and Time: 2:00 PM on Wednesday, October 16, 2024

Location: Home Loan State Bank Community Room

In attendance:

Quint Shear
Dusti Reimer
Craig Springer
Bobbie Daniel
Kevin Henderson
Chris McAnany

Meeting Minutes

- I. Call to Order at 2:10pm.
- II. General Public Comment.
 - a. None.
- III. Approval of the September Meeting Minutes and September Workshop Minutes.
 - a. C. Springer made a motion to approve. B. Daniel second. Voted. Approved.
- IV. Staff Report.
 - a. D. Reimer shared that she posted to our social media pages that the meeting agenda was posted, we livestreamed the September meeting and the Grant Presentation Workshops on Facebook and then uploaded both meeting videos to YouTube. She shared photos of the grant presenters to social media and tagged them to show their grants.
 - b. D. Reimer said we had no media at this time or grants requesting payment. We will be talking about the budget, and we received \$600,082.71.
 - c. D. Reimer said our next meeting would be on November 20th and we would be doing the grant contracts and approving the 2025 budget at that meeting. If we don't approve the budget in November, we have time. It just needs to be approved by December 31st. Our next scheduled meeting after November will be in 2025 on January 15th.

- d. C. Springer made a motion to approve the staff report and invoices. B. Daniel second. Voted. Approved.
- V. 2024 Grant Awards.
- a. D. Reimer said she compiled all the grant scores. They are in order from highest scoring to lowest scoring for the traditional. We only had one mini grant, and you can see the score.
 - b. D. Reimer said Plateau Valley School District score was 54.3, Plateau Valley Fire District was 48.3, Independence Academy was 48.0, City of Grand Junction was 45.7, East Orchard Mesa Fire Protection District was 44.7, and the Town of Palisade was 38.3. The mini grant score for Clifton Fire Protection District was 44.0.
 - c. D. Reimer reminded the board that they have the authority to award as much of the \$700,000 as they would like. She presented the board with three scoring options just to get the discussion rolling for awards.
 - d. D. Reimer said funding option a would award Plateau Valley School District and Plateau Valley Fire, because they received the highest scores of the grants at 91% and 81%. The award total would be \$440,498 leaving a balance of \$259,502.
 - e. D. Reimer said funding option b would be the top two traditional grants and add in the mini grant for Clifton Fire. That would total \$469,983 and leave \$230,017 remaining.
 - f. D. Reimer said funding option c would be to fund the top four traditional grants, with the understanding that Independence Academy would only be receiving \$160,000 for the part of their grant application that was shovel ready. Those awards would total \$691,498, leaving \$8,502 left over.
 - g. The board had some discussion on the partial grant funding for Independence Academy. Q. Shear commented that the engineering hadn't been done for the request for the high beam for the lighting and that the second tier funding option of \$160,000 request was for chairs and scoreboards.
 - h. Q. Shear asked if we had an extra \$50,000 in reserves we could use for this grant cycle.
 - i. D. Reimer said yes, we do.
 - j. C. Springer asked if it was fair to partially fund a grant that scored higher, to fund two grants that scored less.
 - k. Q. Shear said I understand. But there was no engineering done for that, and so that goes against the shovel-ready part of the project. They did split that request into different tiers. He asked if we had awarded Independence Academy prior.

- l. D. Reimer said they had applied last year for a \$6,000 planning grant and it wasn't awarded.
- m. The board discussed the grant awards and was curious if East Orchard Mesa Fire Protection would take a partial grant.
- n. D. Van Loon from East Orchard Mesa Fire said he could probably get away with partial funding. He said they run strictly off their tax base and don't have any additional funding.
- o. Q. Shear said we could dip into the extra \$50,000 to help fund.
- p. C. Springer said I don't mind dipping into the extra fund, but not just because we have it. If the grants don't score well, we shouldn't be using that money to fund them.
- q. Q. Shear asked how they felt about the choice of picking East Orchard Mesa over Clifton due to the higher score. He asked how much over that would take the scoring amount.
- r. D. Reimer said it would take the award total to \$720,983.
- s. C. Springer said we can make the case that if we went this direction with East Orchard Mesa, City of Grand Junction, Independence Academy as the partial, and Plateau Vally Fire and School District, we would be awarding the highest scoring grants.
- t. C. Springer asked in a normal grant cycle, what's normal the top scoring for a grant and what's the lowest we've typically funded?
- u. D. Reimer said you've always tried to maintain you won't award anything with a failing grade of 70% or lower. You have had discussions of 75% or lower being a failing grant. Two years ago, was the first odd ball grant cycle award where we jumped around.
- v. B. Daniel said she would be in favor of funding the high scorers. I like the fact that we would be scoring Plateau Valley. I think that's going to be a great community project. At this point, I guess it depends on the total amount of funding and where we want to be. I know our fire districts would appreciate it.
- w. Q. Shear said the additional reserves definitely helps. I think I prefer this scoring option, over the \$768,000 funding option.
- x. The board agreed.
- y. Q. Shear asked for a motion for the approval of Plateau Valley School District award for Athletic Field Lighting for \$296,546, Plateau Valley Fire Protection District for Exhaust Removal Systems for \$143,952, Independence Academy Charter School for new theatre and gym upgrades for \$160,000, City of Grand Junction for Fire Training Facility Enhancements for \$91,000, and East Orchard

Mesa Fire Protection District for a fire rescue unit for \$77,000. B. Daniel made a motion. C. Springer second. Voted. Approved.

- z. Q. Shear did make a comment that he feels it is important to host a grant workshop. The grants always come down to the oil and gas impact on the community. We are looking for factual, true, financial impact. I feel like they don't understand what we are looking for with that question. Plateau Valley does a great job of adding facts and figures and so did Independence Academy. I think we just need to do a workshop. Maybe we could run that in conjunction with another group in town, like Western Colorado Community Foundation to run a grant workshop.
- aa. D. Reimer said I was looking at dates and I think the summer before our grant launches would be good. I also want to say I do offer my services to all the grant applicants. I offer to read through, to give them tips of things to look for and include and I think some of these guys can tell you I've helped them. I do help the ones that want the help. We do have some great applications that we can showcase to help give some ideas.
- bb. Q. Shear said we know that during this, someone always gets left out. We wish we had a million dollars to give away, and maybe in a few years we will. Understanding we have several hundreds of thousands of acres and the government owns the minerals underground. When companies lease that land, oil and gas lease the land from the federal government. Part of that money goes back to the state and part of it goes back to the communities where the minerals came out. There is a part of the money that goes back to the communities based on the number of employees that work in oil and gas and then part of it comes back for grants – DOLA and FML grants. That money comes from federal mineral rights. There have been several moves to reduce that now. The amount of land available for leases in Mesa County and all Western Colorado. When you see less and less land being committed for leases, it cuts back on our money available for oil and gas grants. I think Plateau Valley school district gets 77% of their funding from the school district. But, this is the stuff we'd like to share in the workshop.
- cc. Q. Shear thanked all the grant applicants for coming and for their time.
- dd. C. Springer said we have seen a decline in sustainability. We need to be aware of this and score accordingly. Vehicles are tough and depreciating assets. We need to think if that's the best thing we can do with these vehicles. IT probably isn't, but we're scoring and buying vehicles.
- ee. D. Reimer asked if you want a better question on the applications? We have a sustainability question on there.
- ff. C. Springer said I think it's more on the three of us being aware of the scoring and funding.

- gg. B. Daniel said we need to also consider the years of those trucks-how long did that truck last? I think those specific vehicles are probably a little different.
- hh. Q. Shear said yes, some of those trucks are 15-20 years old.
- ii. C. McAnany said you can include in your direction to staff that the district favors long term, non-depreciable assets and will score accordingly. This doesn't mean you can't submit, but it might not score as well as a remodel.
- jj. B. Daniels said maybe we should ask that; will this truck depreciate in 5 years or 20? Maybe we should get a depreciation schedule.
- kk. Q. Shear asked the fire districts how their depreciation schedule is set up.
- ll. K. Henderson said the wildland equipment gets rated differently-there is more leniency.
- mm. C. McAnany said the funding has changed since we started. When we started, we had \$2 million to award. Now there is a lot less.
- nn. Q. Shear said we would like to go back to when we had \$2 million.
- oo. C. Springer said me too. It was easier. I was just saying, for the three of us, we should never score, for the sustainability question, for a vehicle the same or higher, as the stadium lights for a community.

VI. Review of Financials.

- a. V. Flores said we have a fund balance of \$2.2 million, permanent fund balance of \$3 million, we have the \$600,000 deposit from DOLA, and \$3,927 in expenses, \$8,249 in interest earned, and \$350,000 in grants payable. Budget to actual the top line of what was budgeted we had \$730,000, but we only got \$600,000 of that. We got that based on the budgeted calculations from the state. That's what we have for financials.
- b. V. Flores said that in creating the 2025 budget from the 2024 budget, what happens is this spreadsheet would roll over into a budget column using estimated actuals, except the estimated actuals have never been updated. Our beginning budget numbers were never accurate. Once I corrected that you'll see the budget to actuals on the 2024. You'll see I changed that number from 588,000 to what we actually had in the bank as of January 1, 2024. That was almost \$2 million there. You'll see for 2024, our estimated ending fund balance is projected to be \$1.8 million, and then \$2.8 for the permanent fund balance. If we take into consideration the \$700,000 for grants, but now it will be a little more than that, this leaves us with \$1.1 million leftover in the fund balance, not including any interest that we are getting from Alpine Bank. We have gotten about \$40,000 for the year.
- c. C. Springer said also the \$1.1 million does not contemplate the spending \$600,000 that we got from DOLA?

- d. V. Flores said yes this does include that DOLA money.
- e. C. Springer said after you take the \$600,000 out, we have \$1.1 million? And we have \$300,000 a year for operating, so we have \$800,000?
- f. V. Flores said yes.
- g. C. Springer said good.
- h. V. Flores said it was an update that wasn't made in the past, but this is good news thing. We have more money than we think. I talked to Cathy about this and we made the changes and presented it to you. In order to avoid this, when books close at year end, the estimated actuals will be updated to actuals.
- i. Q. Shear asked if we should be adding a cash flow?
- j. V. Flores said we can, but there isn't much cash flow. We can definitely show that.
- k. C. Springer said I think we're in a good place.
- l. C. Springer made a motion to accept the financials. B. Daniel second. Voted. Approved.

VII. Review of Draft 2025 Budget.

- a. D. Reimer said when she presented the numbers, she was under the original impression that we had less funds available, we can make any changes the board would like.
- b. V. Flores said this has the budget rolling forward accurately. We have an estimated fund balance of \$1.8 million with permanent fund of \$2.8 million. We kept the budget numbers very similar to last year, with the exception of the grant cycle.
- c. D. Reimer said we kept the audit the same, we did increase the insurance amount. Administration we haven't gotten near to that, but I had shared with Quint the laptop for the district is going to be nine years old next year and it's running slow, the battery life isn't the greatest and updates don't work for it anymore. If it's possible, I would like to update the laptop and transfer everything over to a new one, I would appreciate that. That's my only request for the budget numbers.
- d. B. Daniel said you have a 9-year-old laptop?
- e. D. Reimer said yes, this one is. We are super frugal and run the district very lean.
- f. Q. Shear said I think we definitely can have some equipment funding. How much can we put in the permanent fund?
- g. C. McAnany said you can put up to 50% of your income into the permanent fund. You have a lot of leeway, but you can't do more than 50%. If you have accumulated additional money in reserves, you can potentially earmark that

towards permanent, future grants or roll it over. Historically, you have either funded things or put it into the permanent fund.

- h. Q. Shear said he likes having some discretionary money. My view would be to start working that \$1 million and using a little bit of that for the next grant cycle. But what is the right amount for a discretion fund-\$200,000 or \$500,000?
- i. C. Springer said \$500,000 sounds good.
- j. B. Daniel asked if this would impact the amount we would make off the interest from Alpine Bank?
- k. D. Reimer said yes, right now we are looking to make \$100,000 from interest, but if the account goes down, the amount goes down.
- l. C. Springer said I think if we increase the grant cycle from \$400,000 to \$500,000 and add \$100,000 to the permanent fund and keep the rest of it for a rainy day.
- m. D. Reimer said \$500,000 for grants and \$250,000 for the permanent fund.
- n. B. Daniel said she feels good with that.
- o. Q. Shear said this would make next year's grant cycle better.
- p. D. Reimer said by doing this, we would have \$1.6, actually a little less. We spent another \$70,000.
- q. C. Springer said this sends the right message, with the decline in oil and gas activity there is a cost. We were able to back fill \$100,000, but we can't back fill \$500,000 a year, every year.
- r. The board asked about the \$350,000 outstanding in grants.
- s. D. Reimer said we only have a few left, and the City of Fruita is the oldest one on the list. She said she anticipates a payment request from CMU any day, because the theatre is open.
- t. B. Daniel said she attended the opening night and the governors event, CMU has a beautiful plaque with the Mineral Lease District on it. It looks very nice.
- u. Q. Shear asked if anyone had any questions on the proposed budget?
- v. C. Springer said no.
- w. Q. Shear asked for a motion to approve.
- x. C. Springer made a motion to approve the proposed 2025 draft budget with changes. B. Daniel second. Voted. Approved.

VIII. Review of Permanent Fund Investment Account.

- a. Q. Shear said Matt was unable to be here, but we do have his report.
- b. D. Reimer said he said the fund balance is \$3,075,096 year to date return is around 12%. The return no significant changes to the portfolio since the last meeting.

- c. C. Springer made a motion to approve the investment account report. B. Daniel second. Voted. Approved.

IX. Review of the Bylaws for the Permanent Fund.

- a. C. McAnany said he looked at it, and said this holds up pretty well. It states your policy, we've stayed on course for many years now. If there are things you'd like to tinker with, both to be clearer guidance for future boards or if you want to change your policy, I'm open to whatever suggestions you have. The nice thing is we have sunk money into the permanent fund every year and no one has even suggested touching it. A lot of this language is laying dormant. We haven't had to apply it to anything. But, something could happen where we have a community situation and the needs change dramatically. We could have a request for the funds in the permanent fund. I missed the last meeting, are there things you want?
- b. D. Reimer said we tabled it.
- c. Q. Shear said the concern was open channels to take money from the permanent fund, is the language clear as to the process.
- d. B. Daniel said the language was a little unclear.
- e. C. McAnany read the language for the policy. He said the guard rails are you get a written notice, you publish it and wait 30 days to get public comment, have a public hearing to solicit input, and if it's a good idea you'd enact a resolution that would say we find an emergency or compelling need as to why you're doing this. If you want to change that, we can.
- f. D. Reimer said is 30 days long enough?
- g. C. McAnany said we used to meet once a month, and we could make that longer. If we had an emergency, and wanted to act quickly, that might be an issue.
- h. Q. Shear said if we have an emergency, we could get it done quickly.
- i. C. Springer said thinking about guard rails, I'm not advocating, but just discussion, if you wanted, we could require unanimous consent.
- j. D. Reimer said I think we discussed that before.
- k. C. McAnany said he didn't remember that discussion in the past. But, there are three of you, and it isn't an unreasonable request to have the three of you agree.
- l. C. Springer said the permanent fund was that royalty income, over time, would go to zero. If we were prudent about it, and we put money away, we would have sustainability to take earnings off corpus. If we raid that, with an emergency, means this is completely gone. That should maybe be a unanimous decision.
- m. C. McAnany said I can make that change.
- n. B. Daniel said if there is truly an emergency, we would all three be in agreement.

- o. C. McAnany said we could limit the amount or percentage of the fund. We might need to make these decisions.
 - p. Q. Shear said when we had that fire in the Bookcliffs, how many pieces of equipment were left there and what if East Orchard Mesa, Plateau Valley or others lost all their equipment?
 - q. C. McAnany said even the town of Debeque was potentially at risk of being lost.
 - r. C. Springer said in my mind, that fund is more at risk of being raided by a politician. That is more of the risk.
 - s. C. McAnany we had that risk-with the Anvil Points money.
 - t. D. Reimer we had a six-month ordeal. My only other concern is the difference between a compelling need vs public emergency. Compelling need could be vague.
 - u. C. McAnany said he would tinker with this and come up with some drafts to review.
- X. **Unscheduled Business.**
- a. Q. Shear asked if D. Reimer had any ideas on who to partner with, for a grant workshop.
 - b. D. Reimer said she was thinking DOLA, because a lot of our applicants apply for DOLA funding, as well.
 - c. Q. Shear said that looks good.
 - d. B. Daniel said if there is a way to incorporate some energy education into our grant cycle, that would be good. If these board members are actively educating themselves, or a tie to some application funding each year, we can make sure we are connecting education with our grants would be something we can look into. We have energy symposiums here often.
 - e. Q. Shear said many of people out in the community do not realize that's where the money comes from.
 - f. C. Springer made a motion to adjourn the meeting. B. Daniel second. Voted. Approved. Meeting adjourned at 3:23 pm.