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BOARD OF DIRECTORS MEETING

Date and Time: 2:00 PM on Wednesday, November 20, 2024

Location: Home Loan State Bank Community Room

In attendance:

Quint Shear

Dusti Reimer

Craig Springer

Bobbie Daniel

Matt Rosenberg

Vere Flores

Meeting Minutes

- I. Call to Order at 2:03pm.
- II. General Public Comment.
 - a. None.
- III. Approval of the October Meeting Minutes.
 - a. C. Springer made a motion to approve the meeting minutes. B. Daniel second. Voted. Approved.
- IV. Staff Report.
 - a. D. Reimer said we Livestreamed the October meeting and uploaded the meeting video to YouTube, Posted that our 2025 Draft Budget was available on the website for public comment, Shared the September meeting minutes were posted on the website, Shared all the news stories on the grant awards, Shared a post for Election Day, Shared a post for Veteran's Day, Shared about the 2013 Lower Valley Fire Department \$50,000 grant award for station remodel and posted the meeting agenda.
 - b. D. Reimer said we got a lot of media from the grant awards. Our media posts and shares were from The Business Times, KREX, AOL, KJCT and KKCO. They shared about the schools getting grant money as the highlight to most of the stories.

- c. Q. Shear said it was the most media he had ever seen on our grant cycles.
 - d. D. Reimer said we had one grant requesting final payment for Colorado Mesa University for the Theatre Orchestra Shell. The payment is \$175,000. We are listed on the donor's wall plaque, and they sent beautiful photos.
 - e. D. Reimer said our invoices for October were for Dusti Reimer Invoice #201 for services and supplies for September for \$3,780.66 and Dufford Waldeck Invoice #50173 for services for October for \$510.00.
 - f. D. Reimer said we did publish our public notice in the Daily Sentinel for our public review of the 2025 Draft Budget. I have not received any feedback from the public. Our upcoming events are the Dec. 10th Town of Palisade Board of Trustees meeting, the Proposed 2025 Budget needs to be approved by Dec. 31, 2024, and our first meeting of the new year will take place on Jan. 15th.
 - g. D. Reimer said we will also need to talk about re-appointments to the board. Craig Springer is up for re-appointment if he wants to stay.
 - h. B. Daniel made a motion to approve the staff report. C. Springer second. Voted. Approved.
- V. Review and Approval 2024 Grant Awards Contracts.
- a. D. Reimer sent over all the grant contracts. The grant recipients have all received them and signed their copies. If the board is agreeable to the contracts, you can approve them and sign them, and they will be fully executed. I looked over them and did not see anything wrong with them.
 - b. C. Springer made a motion to approve the grant contracts. B. Daniel second. Voted. Approved.
- VI. Review of Financials.
- a. V. Flores said for the end of October you have a fund balance of \$2,218,915.77. Grants payable still sit at \$350,000 and will get updated now that the contracts are signed. The Profit and Loss statement shows expenses of \$4,122.66, for accounts payable, this will be updated next month to show the new grants. We always show these are current, but is there a different way you'd like me to show these?
 - b. Q. Shear said that's fine.
 - c. There were no questions on the financials.

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

VII. Review of Approval of Draft 2025 Budget.

- a. D. Reimer said it was posted and available on the website. We shared it on social media and did the legal notice. We received no public comment, and we haven't made any changes to the draft budget that you approved for posting at the last meeting.
- b. Q. Shear asked if anyone could think of any changes?
- c. V. Flores said the only change I can see us making, based on the past, all the interest we've been getting had been going to the permanent fund. Now that we have bank interest, I can move that to the fund balance and that can get us closer to showing the exact amount.
- d. Q. Shear said we can't change it at this point?
- e. D. Reimer said we can.
- f. C. Springer said we do have an interest line, so we would need two lines of interest accounts.
- g. V. Flores said she was doing this the way it has been done and it has always been included in the permanent fund. But to better reflect what is happening with Alpine Bank, we could do a separate line for that.
- h. Q. Shear said with that change of adding the interest line item, do I hear a motion to approve?
- i. B. Daniel made a motion to approve with the interest line item change. C. Springer second. Voted. Approved.

VIII. Review of Permanent Fund Investment Account.

- a. M. Rosenberg said the market has been up since the election. This is a pro-business pro-growth agenda. We're about 60% equities. We're allowed up to 65% equities. There is good yield on bonds now, so it's not as penalizing to have another chunk of that. It's up 12.5% since inception. We're at 6.7% annualized. The actual balance is about \$3.02. Things are going well.
- b. Q. Shear asked if there is any reason to think it could go higher? Or do you think it will plateau?
- c. M. Rosenberg said I think, if we look back 5-10 years from now, I think it'll be a lot higher. I think the Fed was cutting planning on a continual down trend of inflation. I've heard talk of a December pause on a fed cut. Looking at the deficits and the balance of the government, future inflation ask for more money, I don't see that. Inflation and increased money supply will be here for 10-15 years. Equities are the new things for that. If you follow bitcoin, it hit all time high today. It's a little scary, because forever bitcoin was this thing to gamble

on. People thought it was cool. I Was surprised to hear president elects' endorsement of that. That threatens the sovereignty of the dollar. In my lifetime we've had low interest rates and a steady supply of money. If the dollar starts to get its placed threatened as a reserved currency, we're in for a different future. I didn't think that was a possibility with Bitcoin, but then to hear the president elect talk on it, there is just a lot going on with that and it's too early to say you have to buy bitcoin. And its more of a whatever happens to the us economy. Long-term stocks are the place to be. As an investor for the permanent fund, we're at where we are allowed to hold.

- d. Q. Shear said where are the mortgage rates? Did they come down?
 - e. C. Springer said they are 65-70 basis points high.
 - f. M. Rosenberg said the green dot in our market report shows the efficient frontier. That means, for the amount of risk we're taking, we're maximizing returns for the permanent fund.
 - g. The board had no questions.
- IX. Review of the Bylaws for the Permanent Fund.
- a. The board tabled this discussion for when C. McAnany is present.
- X. Unscheduled Business.
- a. Q. Shear wanted to talk about the upcoming meeting/presentation with the Town of Palisade Trustees. He was thinking about sharing two different fronts- the financial impact and social impacts. I would be happy to discuss the financial impact, if Dusti or Bobbie would talk about the social impacts. I would share the amount of money that comes in and how they receive their money. Make sure they are aware that when they dispute federal leases, or ask for them to be reduced, it reduces that pool of money.
 - b. D. Reimer said she has a power point that shows where all the grant money has gone. The Town of Palisade, and other entities within the area of Palisade, which have gotten funding that impacts their residents. I have included East Orchard Mesa, because it is in that area. They have received over \$1 million for that area. The Town got \$735,00 for the downtown beautification, police vehicle, and a brush truck.
 - c. Q. Shear said the letter said it was to protect their water shed, but since the 1930s, there haven't been any incident where any water shed has been damaged by oil and gas in Colorado. The regulations are much more stringent to deal with than that, too.
 - d. D. Reimer asked if we needed to address air contaminants?
 - e. Q. Shear said I don't think we need to push too hard. Maybe we just keep it educational. We can also recommend they attend our grant workshop.

- f. C. Springer said his suggestion would be to turn that around a little bit and from the board's perspective, it's difficult to support projects and scoring when they are against our revenue stream.
- g. Q. Shear asked if everyone wanted to talk? Quint asked how many minutes we would get.
- h. C. Springer said he didn't need to.
- i. D. Reimer said we get 5 minutes.
- j. C. Springer said we need to be careful with PowerPoints. Just looking at Matt's report, that pie chart is very useful, I think. To take a visual like that would be useful. If we could put a pie chart with the entities that have received money-the school, and infrastructure, and other places. Just have that slide up there while we are talking about it.
- k. D. Reimer said she could do that. I like the pie chart. I've always kept track of where everything has gone. We got hammered by it from the public when I first started, because everyone said all our money goes just to CMU. Most of it has gone to the fire departments. Since I've been here, for almost 9 years, and at least one if not more, fire departments have won grant awards every cycle.
- l. B. Daniel said I think that would be good. I do want to adjust our application where we can have some questioning and education in the application where we filter out this stuff along with the depreciation of the vehicles. Are we talking 5 years or 20 years of depreciation? Do you support oil and gas? Have you gone to any symposiums this year? Maybe the Mineral Lease Districts can buy tickets to support people to go. They're very educational. If people do have concerns, they can ask the experts. I think it would be good for a questionnaire in the application.
- m. C. Springer said that would be an interesting question on the application. Is your governing board on record for supporting oil and gas?
- n. B. Daniel said or asking what educational event you have been to for oil and gas. The big part of the equation is workers who work in oil and gas. If we don't have any workers, we don't get any money. I think this would be getting up stream a little bit. And if it doesn't align with their values, then they just don't apply.
- o. Q. Shear asked about the workshop dates?
- p. D. Reimer said I was thinking of doing it this summer.
- q. Q. Shear said doing it a few months before the grant cycle would be good.
- r. C. Springer said the qualifier questions would help with the score.
- s. B. Daniel said the depreciation application would be helpful, too.
- t. Q. Shear said they always take a stab at it. They hope it will last 20 years.

- u. B. Daniel said that helps them think about it. If this is going to wear out in 5 years or should be going for something that will last a little longer and sustainability. Maybe a building or something. This gets them thinking some more about their best ask.
- v. Q. Shear said we to pop up in your budget, we want the why.
- w. The board didn't have any other questions.
- x. C. Springer made a motion to adjourn the meeting. B. Daniel second. Voted. Approved. Meeting adjourned at 2:43 pm.