

MINUTES OF FEBRUARY 8, 2023

GARFIELD COUNTY FEDERAL MINERAL LEASE DISTRICT

817 Colorado Avenue, Suite 201

Glenwood Springs, Colorado

1. Call to Order at 9:02 a.m.

- 2. Roll called by Administrative Assistant:** Director Gregg Rippy, Present (Zoom)
Director Mike Samson, Present
Director Steve Rippy, Excused
Quorum established.
Also in attendance: Andrew Gorgey, General Counsel
Stefanie Davis, Administrative Assistant
Sheana Fedirko, Balanced Books & Accounting (Zoom)
Cheryl Strouse, Executive Director, Garfield County
Housing Authority

3. Additions or Changes to Agenda.

District Counsel Gorgey suggested the directors move Agenda Item 9(a)(i) up in the agenda, because Ms. Strouse was present to report on 19-ST-02; Garfield County Housing Authority; Valley Senior Housing & Center Renovation and 21-SM-03; Garfield County Housing Authority; Valley Senior Housing ADA Unit #104 Renovation Update.

MOTION by Director Samson, second by President Rippy to change the agenda as recommended, PASSED vote 2-0.

4. Consent Calendar.

- a. Approval of Minutes: January 27, 2023

MOTION to approve minutes by Director Samson, second by President Rippy, PASSED vote of 2-0.

5. New Business

- a. Grant Issues & Updates

- i. 19-ST-02; Garfield County Housing Authority; Valley Senior Housing & Center Renovation and 21-SM-03; Garfield County Housing Authority; Valley Senior Housing ADA Unit #104 Renovation Update

Ms. Strouse reported on the progress of 19-ST-02, the Valley Senior Housing & Center Renovation. Buildings A and B are completed, with Building C due to be finished by February 17. This grant will meet its extended deadline of 2/28/2023, and Ms. Strouse said she will put in a Final Grant Report for payment by the March 8, 2023, meeting of the FMLD Board. The mini-grant, 21-SM-03, ADA Unit #104 Renovation still needs to be re-wired to be brought up to code, and some additional construction is required to make the unit ADA compliant. Ms. Strouse asked for another extension of time to complete this project.

MOTION by Director Samson, to extend the Completion Date for 21-SM-03 Garfield County Housing Authority; Valley Senior Housing ADA Unit #104 Renovation to May 31, 2023, second by President Rippy; PASSED vote of 2-0.

6. Comments from Public on Items Not Scheduled on the Agenda.

None.

7. Staff Reports.

a. Financial Reports

- i. Financial Overview
- ii. Bank Activity
- iii. Current Expenses
- iv. Requests for Payment
- v. Request to Authorize President to Transfer Funds; Total Requested Payments \$0.00 with \$0.00 to Forfeited Grants.
- vi. Budget to Actual
- vii. Other

General Discussion of Balance Sheet and P&L Report; expenses are as expected; reconciliation of bank accounts approved. MOTION to accept Financial Reports subject to audit by Director Samson, second by President Rippy, PASSED vote of 2-0.

b. Correspondence

Ms. Davis reported that the 2023 Spring Grant cycle was underway, as of February 1, 2023, and that there were a few e-mail exchanges with potential grantees about the application process. Paul Backes from McMahan and Associates sent some materials for preliminary review of the 2022 audit, to be discussed later in the agenda. The applicants from the Town of Gypsum were directed to the 2023 Spring Grant Cycle.

c. Administrative Assistant to the Board

Ms. Davis offered suggestions for the Annual Awards Luncheon going forward, such as naming the projects of each Traditional Grant recipient and including project photos. Also, she would like to provide original award packaging to the grantees, so plaques can be transported without damage. Ms. Davis is working with Ryan Mackley of Align Multimedia to update the FMLD video.

d. District Counsel

Mr. Gorgey reported that Team Meetings were held with Ms. Davis on 2/1/23 by phone, and with Ms. Fedirko via text exchanges. Mr. Gorgey also commented on the Annual Awards Luncheon, complimenting Ms. Davis on the special details of the event, and the effort to gather RSVP's, which increased attendance. He recommended expanding the printed program to include past Grantee of the Year winners and more statistics and milestones of FMLD. The 2024 banquet may be held earlier in January for administrative convenience.

The amended 2022 budget and the 2023 budget were both uploaded to DOLA before the deadline. The Spring Grant Cycle launched on time, including new language in the

application (1) regarding the bonding of construction projects and (2) that Projects may not be substituted through and including substitution of the Grant Agreement.

Paul Backes of McMahan and Associates conducted the audit on January 18 in the District offices assisted by Ms. Fedirko and Ms. Davis. The draft audit appears later in the agenda.

8. Items Removed from Consent Calendar.

None.

9. Unfinished Business.

10. New Business

a. Grant Issues & Updates

- i. 19-ST-02; Garfield County Housing Authority; Valley Senior Housing & Center Renovation and 21-SM-03; Garfield County Housing Authority; Valley Senior Housing ADA Unit #104 Renovation Update (see item 5 above)
- ii. 22-FT-06; City of Rifle; Gateway Roundabout Project -- Report on changes to the granted project.

Ms. Davis researched the timeline and public information about the City of Rifle's Gateway Roundabout Project. The grant agreement is suspended, pending a review of the "new" project and its cost compared to what was applied for in the 2022 Fall Grant Cycle. The City of Rifle was awarded \$600,000.00 for a roundabout project that was subsequently re-designed as a project without a roundabout. The grant agreement is suspended, pending a review of the "new" project and its cost compared to what was applied for in the 2022 Fall Grant Cycle. She reported that the project was funded by additional grants from CDOT and DOLA, and that its scope and design seemed to alternate between two designs.

Mr. Gorgey stated that he had sent a letter to City Manager Tommy Klein, asking him and the City Engineer to attend the February or March FMLD Board Meeting to speak about their project and its changes. Subsequently, Mr. Gorgey spoke to Mr. Klein, who asked if he should re-submit the grant in the Spring cycle; he assumed that the prior award of \$600,000.00 was void.

Discussion. Given this information, President Rippy and Director Samson spoke about looking forward to a potential new grant that properly characterizes Rifle's needs, and not to go backward trying to adapt the original grant to their new parameters and pricing. It appears the initial application was submitted prematurely. They directed District Counsel Gorgey to reach out to the City Manager Tommy Klein today, to communicate what he should do next, and to explain that he need not attend the March 8, 2023 meeting.

MOTION by Director Samson to cancel 22-FT-06; City of Rifle; Gateway Roundabout Project, while remaining generally supportive of a project at that intersection, and that District Counsel Gorgey contact City Manager Tommy Klein today, informing Rifle that 22-FT-06 is CANCELLED; that Board generally supports a project; and that Rifle is invited to participate in the 2023 Spring Grant Cycle. PASSED vote of 2-0.

b. Election of Officers

The Board elected officers for the coming year: Director Samson nominated Steve Rippy for the office of Secretary, second by President Rippy. Steve Rippy was elected by acclamation. Director Samson nominated Gregg Rippy for the office of President, second by President Rippy. Gregg Rippy was elected by acclamation.

c. Review of Investment Policy

District Counsel Gorgey reported that there are no recommended changes to the Board's current investment policy. He spoke with Ben Mendenhall of Chandler Asset Management regarding investment advice. Chandler's initial proposal of \$2,000/month seemed expensive given that the FMLD's investment activity is minimal. Mr. Mendenhall offered his expertise as an industry expert. President Rippy stated that if Mr. Mendenhall qualifies as an expert per state statute, perhaps we can explore an hourly rate. In the alternative, the FMLD may need to put out an RFP for financial advisory services. Meanwhile, the Directors decided to keep monitoring our financials as they are until our earnings offset our realized losses.

d. 2022 Audit – Preliminary Review

The Directors reviewed the preliminary 2022 audited financial statements. The President was authorized to sign the representation letter from our auditors, McMahan and Associates. District Counsel and Ms. Fedirko will work on updating the MD&A section of the audit with financial highlights for presentation of the final audit at the next meeting.

11. Other Business.

President Rippy extended thanks to Ms. Davis and Mr. Gorgey for the luncheon.

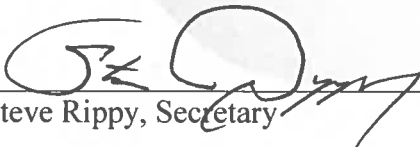
Mr. Gorgey noted four grants are beyond their Completion Date. Ms. Davis is already following up on these.

12. Executive Session

13. Next Meeting: Wednesday, March 8, 2023, 9:00 a.m. in the District Office

14. Adjourn.

Meeting adjourned at 10:43 a.m.


Steve Rippy, Secretary

3-8-23

Date