

MINUTES OF JUNE 18, 2013

**GARFIELD COUNTY FEDERAL MINERAL LEASE DISTRICT
817 COLORADO AVE, SUITE 201
GLENWOOD SPRINGS, COLORADO**

1. Call to Order. Meeting Convened at 9:00 a.m.

2. Roll called by Patricia Payne Director Mike Samson, Present
 Director Eric Schmela, Present
 Director Gregg Rippy, Present

Quorum established.

Also in attendance: Andrew Gorgey, General Counsel
 Patricia Payne, Administrative Assistant to the Board
 Paul Backes, McMahan and Associates, L.L.C.
 Tom Baker, New Castle Town Manager
 John Wenzel, New Castle Public Works Director
 Dave Grey, New Castle Deputy Public Works Director

3. Additions or Changes to Agenda.

- a. Motion to advance 10.b.ii. to after Comments from Public on Items Not Scheduled on the Agenda by Director Samson, seconded by Director Schmela. Passed, Vote of 3-0.

4. Approval of Minutes.

- a. Motion to approve minutes of May 8, 2013, as submitted, by Director Samson, seconded by Director Schmela. Passed, Vote of 3-0.

5. Consent Calendar.

- a. Added for approval on consent agenda, \$275 to Colorado Bar Association, annual dues.
b. Motion to approve expenses as submitted, by Director Samson, seconded by Director Schmela. Passed, Vote of 3-0.

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

- 10.b.ii. Grant Considerations - Town of New Castle – 13-ST-05 of \$386,550.** Bids for this grant came in below budget, and Grantee sought approval to expand use of awarded grant funds to additional projects. New Castle Public Works Director Wenzel requested inclusion of additional work beyond the scope of work originally described. New Castle Deputy Public Works Director Grey presented details on additional crack sealing and chip sealing. No increase in grant award. Motion to allow the Town of New Castle to do additional work as proposed, within the same time frame and on the same terms as set

forth in Grant Agreement, by Director Samson, seconded by Director Schmela. Passed, Vote of 3-0. The representatives from the Town of New Castle took signs with them to display at their various project locations.

7. Presentation, PFM Asset Management LLC

- a. Director Rippy summarized relevant portions of District's investment policy. Because PFM had previously given a presentation to the Investment Advisory Board of Garfield County, General Counsel Gorgey reiterated legal representation was for the District only. Ben Mendenhall with PFM gave presentation on "CSIP" product. Board decided to table decisions regarding investments with PFM/CSIP to the August 2013 meeting.

8. Reports or Updates.

- a. Financial Reports presented to board. Balance Sheet and Profit & Loss reports now show account numbers, as requested by the auditor.
- b. Staff Reports
 - i. Ms. Payne will be taking Governmental Accounting Training
 - Fundamentals class was held on June 13
 - Beginning Government Accounting will be June 20
 - Intermediate Government Accounting will be July 11
 - ii. DOLA Budget Workshops to be held In Frisco on August 1st. Recommendation from staff for Ms. Payne to attend.
 - iii. July 10 Luncheon and Joint Meeting of Colorado's FML Districts to be held at the Hotel Denver in the Loft. Ms. Payne has sent out invitations to Weld, Park and Mesa Counties, with only one RSVP from Mesa County to date. The intent of this meeting is to share with other districts. Possible sharing of projects, i.e. DeBeque Fire District. Further discussion about the GNC meeting in August. Director Samson will be contacting Christina Reddin, Administrative Assistant with Mesa County FMLD.

9. Unfinished Business.

- a. FY 2012 Audited Financial Statements, in draft form, presented by Paul Backes with McMahon & Associates. Discussion on forfeited grants and posting to the general ledger properly. Overall the books are "very clean." Mr. Backes very impressed with the District's handling of funds and procedures, which are beyond most entities of this age. Employment Liability coverage is encouraged. Mr. Gorgey recommends an attorney with employment law background look over an employee manual. Motion, Director Schmela to approve the audited financial statements as approved by Mr. Gorgey, seconded by Director Samson. Passed, Vote of 3-0.
- b. Employment Practices Liability - attached for Directors' review. Premium of \$210 additional. See 9.c. below for motion.

- c. Employee Dishonesty Coverage – attached for Directors’ review. Premium of \$375 additional. Motion by Director Samson to approve payment for employment practices liability and employee dishonesty coverage, with authority for Director Rippy to sign, seconded by Director Schmela. Passed, Vote of 3-0.
- d. Update regarding laptops, server, file sharing – Physical server tabled until staff tries Google Apps for Business. Mr. Gorgey will be ordering MacBook Airs as soon as possible. Authority to President Rippy regarding specifications, expense.
- e. Employee Manual – staff will look at Mountain States Employers Council. Discussion of joining MSEC.
- f. Other – Discussion regarding the deadline date for the City of Glenwood Springs, which is June 30, 2013. They could forfeit funds if they are unable to respond.

10. New Business.

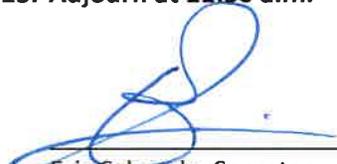
- a. Request for Payment
 - i. Town of Silt – 12-FT-07 – Orchard Ave request for progress payment of \$154,853.43. Discussion. Motion by Director Samson to approve payment, seconded by Directors Schmela. Passed, Vote of 3-0.
 - ii. Garfield County Housing Authority (“GCHA”) – 12-FM-03 – Request for payment of future expenses. Mr. Gorgey recommends rejecting the request for payment but recommends sending a letter of explanation regarding relevant portions of the Grant Agreement. GCHA, for example, should not send invoices. Operational expenses are not eligible for reimbursement by the District. Mini-grant reimbursements are in full and at the completion of the project. Motion by Director Samson to deny reimbursement request for reasons stated and to send letter to GCHA, seconded by Director Schmela. Passed, Vote of 3-0.
- b. Grant Considerations
 - i. Garfield County School District No. 16 – 12-FM-05 – Request to reimburse expenses to date. Project is being abandoned. Discussion regarding the risk with planning grants. Discussion that mini grant planning grant requests be changed, going forward, to 50% of total cost with cash matching funds only. Motion to approve final payment on presentation of payment of invoices, seconded by Director Schmela. Passed, Vote of 3-0. Further discussion regarding matching funds being strictly a cash match.

11. Other Business

12. Next Meeting Date and Location.

- a. Wednesday, July 10, 2013, 9:00 a.m. District Office, to be followed by joint FMLD meeting at the Loft in the Hotel Denver.

13. Adjourn at 11:36 a.m.



Eric Schmela, Secretary

7-10-13

Date