



# State of Utah

## Utah Navajo Trust Fund



### MEETING MINUTES

UNTF Board of Trustees Meeting

Room 105, State Capitol Building

2:00 pm – 6:00 pm, Wednesday, July 06, 2016

Salt Lake City, UT 84114

### AGENDA

I. CALL MEETING TO ORDER

- a. Roll Call:
  - v David Damschen
  - v John Reidhead
  - v Ken Matthews

***The meeting was called to order at 2:15 pm, all board members were present and a quorum was established. Other guests included Tony Dayish, Maury Bergman (Trust Fund Staff), Melvin Capitan (DAC Committee Chair), Kathy Kinsman and Brian Nalder from the Office of the Attorney General.***

II. REVIEW & ACCEPTANCE OF MINUTES

- a. June 27, 2016 UNTF Board of Trustees Meeting, Aneth Chapter House

***Deferred to the next meeting.***

III. OLD BUSINESS

- a. UNTF Policies to be Submitted to Administrative Rules ..... Board Members and Staff

***Kathy Kinsman announced that the revisions as discussed by the board members at the last meeting regarding the Chapter Projects Rule had been made and it was ready to be resubmitted for public comment. John Reidhead motioned to approve the UNTF Rules R-661-4 Chapter Projects and Accounting as amended for resubmission for Public Comment process and Ken Matthews seconded. Votes (3) for the motion: Mr. Reidhead, Mr. Damschen, and Mr. Matthews. Votes in opposition of the motion: None.***

- b. Approve UNTF Rules that have completed the Public Comment period ..... Board Members

***No other rules were discussed.***

IV. NEW BUSINESS

- a. Request to the State of Utah-Olene Walker Housing Trust Fund to Forgive a Loan to the UNTF-owned Blue Mountain Apartments.

***Enterprise, Inc., a subsidiary of American Express company, provided tax credit money for this project. In the original setup, several loans were set up including two loans from the Olene Walker Housing Loan Fund, one for \$100,000 and one for \$200,000. Blue Mountain Apartments pays***

**small payments that are less than \$100 per month on the \$100,000 loan and this loan has a balloon payment due in October of 2016. UNTF is preparing a letter and documentation to request for loan forgiveness to be presented to the Olene Walker Housing Loan Fund in their board meeting on July 28, 2016. The documentation is to show how there will be massive maintenance upkeep costs during the life of the property, that the property is providing low cost housing services to the community, and UNTF cannot charge the maximum rents because of the condition of the units. In the past, UNTF has sought to restructure the entire arrangement but could not because of agreements made for development. The loans have to be kept in place and the payment amounts could not be altered. There was only one loan that could be altered and UNTF decided to pay off the balance of the Zion's Bank loan in 2003 that had a loan rate of 11% and replace that with a loan from UNTF at a 6% rate. The content, format, and wording of the letter was reviewed but was revised only slightly. One of the main revisions was in the last paragraph of the letter that states, "Therefore, UNTF is requesting that OWHLF write off forgiveness of the accrued interest on its loan with UNTF by the OWHLF. Additionally, UNTF requests OWHLF agree to reduce the amount of interest to 0% and defer payment until the project is sold or otherwise ceases to be used for low income housing." The discussion centered around whether or not to leave in the last sentence. The board decided to delete the last sentence, "Additionally, UNTF requests OWHLF agree to reduce the amount of interest to 0% and defer payment until the project is sold or otherwise ceases to be used for low income housing." The board also recommended that more background information is needed to be added to the documentation that might include a bullet list of the loans and balances, monthly payments, etc. John Reidhead motioned to have the board chair work with legal counsel to finalize the letter to the OWHLF board and Ken Matthews seconded. Votes (3) for the motion: Mr. Reidhead, Mr. Damschen, and Mr. Matthews. Votes in opposition of the motion: None.**

V. REPORTS

- a. UNTF Higher Education Report ..... Dorothy Phillips
- b. UNTF Financial Report ..... Maury Bergman

**Verbal reports were not made due to time constraints but written reports are included that can be read by the board members at a later time.**

VI. ANNOUNCEMENTS / BOARD ISSUES

- a. Dine' Advisory Committee Meeting – July 08, 2016, Tecnospos Chapter Administrative Building
- b. NRF Board Meeting – July 12, 2016, Aneth Chapter House
- c. **Cultural Exposure for the board members. Mr. Damschen recommended that a little bit of time should be provided for Navajo culture.**
- d. **Meeting with San Juan School District – Melvin Capitan asked if David Damschen's meeting with the San Juan School District out-going superintendent Douglas Wright was going to be re-scheduled. Mr. Damschen reported that meeting did not happen as scheduled on June 08, 2016 and another meeting is not planned to be held at this time because the out-going superintendent has already left.**
- e. **Family Dollar Proposal – David Damschen reported that he and his office are continuing the review on the Family Dollar proposal. He reported that the break-even point in the arrangement will be about 22 years but if the Operation & Maintenance cost was lower at about \$2.00 per square feet, then the break-even point would be more like 18 years, which would make it more palatable for UNTF. He also reported that from an investment standpoint, it would be advisable Not to participate in this arrangement because it is not a diversified investment, but the proposal would provide an ancillary benefit of store products that would available in that whole area and jobs to the local Navajos that it is still be considered and reviewed.**

- f. **UNTF Investments – Mr. Damschen recommended that the investment work from State Treasurer’s office should be put on the next board meeting agenda.**

VII. **NEXT MEETING**

- a. Board of Trustees : July 29, 2016 – Red Mesa Chapter House or Salt Lake City 10am-3:00pm

***Because of the high cost to fly the State plane to Blanding it was determined that the next meeting would be held in Salt Lake City instead of the Red Mesa Chapter House and that the board meeting schedule will be adjusted to follow a pattern of two consecutive meetings at one of the seven Chapter Houses that UNTF coordinates with or at a location within the Blue Mountain Dineh Community and every third month would be in Salt Lake City.***

VIII. **ADJOURNMENT**

**John Reidhead motioned to adjourn at 3:15 pm. Ken Matthews seconded. Motion passed 3-0**