Metro Flood Diversion Authority Finance Committee Meeting Minutes

**4:00 P.M. – April 27, 2022**

City of Fargo Commission Chambers

A regular meeting of the Metro Flood Diversion Authority Finance Committee was held on April 27, 2022. The following members were present: Bernie Dardis, Mayor, City of West Fargo; Dr. Tim Mahoney, Mayor, City of Fargo; Dan Jacobson, Chairman, Cass County Joint Water Resource District; Steve Sprague, City of Fargo Interim Finance Director; Lori Johnson, Clay County Auditor/Treasurer; Mike Redlinger, City of Fargo Interim City Administrator; Rick Steen, Cass County Commissioner; Dave Piepkorn, Fargo City Commissioner; Mike Rietz, City of Moorhead Assistant City Manager and Brandy Madrigga, Cass County Finance Director.

Members absent: Chad Peterson, Cass County Commissioner and Shelly Carlson, Mayor, City of Moorhead.

**1. CALL TO ORDER**

Mayor Dardis called the meeting to order at 4:00 PM. Roll call was taken, and a quorum was present.

Mr. Redlinger introduced Mr. Steve Sprague. Mr. Sprague will be serving as the interim city finance director until Mr. Costin’s replacement is hired.

**2. APPROVE MINUTES FROM THE MARCH 2022 MEETING**

**MOTION PASSED**

**Dr. Mahoney moved to approve the minutes from the March 2022, meeting and Mr. Steen seconded the motion. On a voice vote, the motion carried.**

**3. APPROVE ORDER OF AGENDA**

**MOTION PASSED**

**Dr. Mahoney moved to approve the order of the agenda and Mr. Steen seconded the motion. On a voice vote, the motion carried.**

**4. APPROVAL OF BILLS**

Mr. Sprague reported that the four bills payable through April 19, 2022, total $612,932.27 and are payable to the usual vendors.

**MOTION PASSED**

**Dr. Mahoney moved to approve the bills as presented and Mr. Redlinger seconded the motion. On a roll call vote, the motion carried.**

**5. FINANCIAL REPORT**

Mr. Sprague reported that our current net position is $101,003,494.

**MOTION PASSED**

**Dr. Mahoney moved to approve the financial report as presented and Mr. Steen seconded the motion. On a roll call vote, the motion carried.**

**6. EXECUTIVE DIRECTOR FINANCIAL REPORT**

Mr. Paulsen reported that $2.6 million has been received from city sales tax revenue, $1.3 million from county sales tax revenue and $4 million from the state 50% match this year. Mr. Paulsen indicated that we have approximately $8.4 million in revenue receipts to date this year.

Mr. Paulsen also reported that approximately $26 million in expenses have been submitted to the state for reimbursement from the Legacy Bond funds.

**7. CONTRACTING ACTIONS**

**a. DA Board Approval Contract Actions**

Mr. Paulsen provided an overview of the following contracting action:

New Services Agreement – Weed Control and Mowing Services for 2022 - JT Lawn Service $37,900.00

**MOTION PASSED**

**Dr. Mahoney moved to approve the contracting action as presented and Mr. Jacobson seconded** **the motion. On a roll call vote, the motion carried.**

**b. 2022 Cash Budget Changes**

There were no cash budget changes for approval.

**8. OTHER BUSINESS**

**a. Program Budget & Financial Plan Re-Baseline**

Mr. Nicholson reported on the budget cost update and project funding using 2018 comparisons.

The three areas that have seen the highest increases are:

1) Lands – up $120 million

2) LRED legal fees – up $60 million

3) Settlement agreements and mitigation – up $110 million

The total increase from 2018 to 2022 is approximately $280 million. These increases have not created any project affordability issues. The increase in revenue from sales tax has been beneficial along with the WIFIA loan interest rate.

**b. Rural Impact Mitigation Program Loan**

Ms. Smith provided an overview of the RIMP program and its purpose. The RIMP is a 10-year forgivable loan for active farmsteads and rural businesses being displaced by the project, including the Southern Embankment and Associated Infrastructure (SEAI), SWDCAI and the Upstream Mitigation Area (UMA). The RIMP is a voluntary program being implemented by the Cass County Joint Water Resource District (CCJWRD) in North Dakota and the Moorhead Clay Count Joint Powers Agreement (MCCJPA) in Minnesota but is funded by the Metro Flood Diversion Authority (MFDA). Approximately, fifteen farmsteads will qualify for the loan.

Ms. Smith asked that the budget be increased to $15 million to meet the needs of the program. Mr. Paulsen indicated that this increase has already been included in the cash budget as an anticipated cost.

**MOTION PASSED**

**Dr. Mahoney moved to approve the $10 million increase to the RIMP budget and Mr. Steen seconded the motion. On a roll call vote, the motion carried.**

**c. City of Fargo 2022 Work Plan**

Mr. Bakkegard provided an update on the progress and budget changes on the in-town projects currently being bid by the City of Fargo. The City is requesting that the Authority review and approve the estimated amounts prior to when the bids are received to allow for them to award the bids prior to the next Authority Board meeting.

**FM-19-C (Phases 1 and 2):** 2018 Estimate = $13,055,000; 2022 Engineer’s Estimate = $10,037,060

**Estimated Cost Reduction = ($3,017,940)**

**FM-22-C1:** 2018 Estimate = $5,782,000; 2022 Engineer’s Estimate = $9,242,000

**Estimated Cost Increase = $3,460,000**

**FM-22-B1:** 2018 Estimate = $3,146,000; 2022 Engineer’s Estimate = $1,727,000

**Estimated Cost Reduction = ($1,419,000)**

**Total 2022 Estimated Cost Reduction of the Three Projects = ($976,940)**

Mr. Bakkegard proposed that the current estimates be approved with the following motion:

*Per the “Resolution Approving the Procedure for Requesting that the City of Fargo Undertake Development of Comprehensive Project In-Kind Work Elements and Authorizing the Reimbursement of Such Development Costs and Expenses” I move to approve the Development Plan Summary Sheets and the Estimated Total Project Costs for the three City of Fargo project to begin construction in 2022. The three projects include Project No. FM-19-C – Woodcrest Flood Risk Management, Project No. FM-22-C1 – Storm Sewer Lift Stations #55 & #56 Reconstruction, and Project No. FM-22-B1 – Storm Sewer Lift Station #15 Modifications.*

**MOTION PASSED**

**Mr. Steen moved to approve the resolution and Mr. Redlinger seconded the motion. On a roll call vote, the motion carried.**

**d. MFDA Common Terms Describing the Comprehensive Project**

Mr. Paulsen shared an updated list of combined project terms. It is for reference only and will be updated and re-distributed periodically.

**9. NEXT MEETING**

The next meeting will be May 25, 2022.

**10. ADJOURNMENT**

The meeting adjourned at 4:34 PM.