Metro Flood Diversion Authority Finance Committee Meeting Minutes

**4:00 P.M. – May 25, 2022**

City of Fargo Commission Chambers

A regular meeting of the Metro Flood Diversion Authority Finance Committee was held on May 25, 2022. The following members were present: Bernie Dardis, Mayor, City of West Fargo; Dr. Tim Mahoney, Mayor, City of Fargo; Chad Peterson, Cass County Commissioner; Dan Jacobson, Chairman, Cass County Joint Water Resource District; Lori Johnson, Clay County Auditor/Treasurer; Mike Redlinger, City of Fargo Interim City Administrator; Dave Piepkorn, Fargo City Commissioner; Shelly Carlson, Mayor, City of Moorhead; Mike Rietz, City of Moorhead Assistant City Manager and Brandy Madrigga, Cass County Finance Director.

Members absent: Steve Sprague, City of Fargo Interim Finance Director and Rick Steen, Cass County Commissioner.

**1. CALL TO ORDER**

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

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

**MOTION PASSED**

**Mayor Carlson moved to approve the minutes from the April 2022, meeting and Mr. Peterson 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. Peterson seconded the motion. On a voice vote, the motion carried.**

**4. APPROVAL OF BILLS**

Mr. Redlinger reported that the four bills payable through May 17, 2022, total $3,498,535.17 and are payable to the usual vendors.

**MOTION PASSED**

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

**5. FINANCIAL REPORT**

Mr. Redlinger reported that our current net position is $131,986,177 and there was nothing additional to note.

**MOTION PASSED**

**On a voice vote, the motion carried.**

**6. EXECUTIVE DIRECTOR FINANCIAL REPORT**

Mr. Nicholson reported that the revenue budget is $194,839,000; current month $36,748,000 and year to date $45,149,000. Mr. Nicholson also indicated that additional funds are expected to be spent in lands.

**7. CONTRACTING ACTIONS**

**a. DA Board Approval Contracting Actions**

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

New Services Agreement – Cleaning services – Provide cleaning services for the DA office at 4784 Amber Valley Parkway Ambassador, Inc. - $45,100

**MOTION PASSED**

**Mr. Peterson 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**

Mr. Nicholson reported on the following cash budget changes and indicated that only line items are being adjusted to reallocate $1,729,877 from BNSF O&M to NuStar & Magellan pipeline relocation:

SWDCAI\_C Channel Utility Relocations DB-1011 BNSF transfer amount ($1,729,877)

SWDCAI\_C Channel Utility Relocations DB-1011 NuStar transfer amount $1,664,977

SWDCAI\_C Channel Utility Relocations DB-1011 Magellan transfer amount $64,900

**MOTION PASSED**

**Dr. Mahoney moved to approve the cash budget changes and Mayor Carlson seconded the motion. On a roll call vote, the motion carried.**

**8. OTHER BUSINESS**

**a. DA Board Approved MOU and Agreement Actions**

Mr. Shockley provided an overview and summary outlining the purpose and necessity for the following MOU and MURAs:

i. BRRWD & MFDA MOU

ii. DCN & MFDA MURA

iii. Red River Telephone & MFDA MURA

**MOTION PASSED**

**Dr. Mahoney moved to collectively approve the MOU and MURAs as presented, and Mr. Peterson seconded the motion. On a roll call vote, the motion carried.**

**b. Recommendation for the Disposal of Organic Farmlands**

Ms. Smith provided the following overview of the organic farmlands disposal recommendation and asked the Finance Committee for approval to take to the Board.

1. Establish market value.

2. Identify organic farmland owners and producers who are impacted by the comprehensive project. Offer the organic farmland to the impacted organic farmland owners and producers in exchange for necessary land rights.

3. If the impacted organic farmland owners and producers do not accept the exchange of land for necessary land rights, then offer the organic farmland to landowners impacted by the Southern Embankment and Associated Infrastructure component in a land exchange.

4. If the impacted organic farmland owners and producers do not accept the exchange of land for necessary land rights, then offer the organic farmland to landowners impacted by the Southern Embankment and Associated Infrastructure component in a land exchange. If landowners impacted by the Southern Embankment and Associated Infrastructure component are not interested in a land exchange, then the parcels will be reviewed by the Metro Flood Diversion Authority executive director to determine if the parcels should be deemed excess lands.

5. Offer the organic farmland via public sale.

**MOTION PASSED**

**Mayor Carlson moved to approve the disposal of organic farmlands recommendation and Mr. Peterson seconded the motion. On a roll call vote, the motion carried.**

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

Mr. Nicholson provided the following update on the 2022 financial plan:

**Cost and Risk Inputs**

* **Lands**
* **Construction**
* **Mitigation Costs**
* **Utility relocations**
* **Non-construction costs**
* **Contingency**

**Closing Comments**

* **Costs through construction completion remain within short-term financing ability**
* **Long-term debt service and P3 payments remain within affordability limits**
* **Financed contingency remains about the same as before at ~$160M**
* **All long-term debt and payments are covered if sales tax receipts grow at 2.9% per year or greater**

**9. NEXT MEETING**

The next meeting will be June 22, 2022.

**10. ADJOURNMENT**

The meeting adjourned at 4:41 PM.