

**FLOOD DIVERSION AUTHORITY
FINANCE COMMITTEE
AGENDA FOR MAY 7, 2012**

Cass County Commission Room
1:00 PM

1. Call to Order
2. Approval of the minutes from the previous meeting
3. Approval of Bills
4. Financial Update
5. Travel Reimbursement Policy
6. Expanding the Finance Committee
7. Other business
8. Next meeting date
9. Adjournment

cc: Local Media
Flood Diversion Board of Authority
CH2M Hill
AE2

**FLOOD DIVERSION FINANCE COMMITTEE
APRIL 9, 2012—1:00 PM**

1. MEETING TO ORDER

A meeting of the Flood Diversion Finance Committee was held on April 9, 2012, at 1:00 PM in the Cass County Commission Room with the following present: City of Fargo Finance Director Kent Costin; City of Moorhead Finance Director Wanda Wagner; Cass County Administrator Keith Berndt; Fargo City Administrator Pat Zavoral; Cass County Commissioner Darrell Vanyo; Cass County Auditor Mike Montplaisir and Clay County Auditor Lori Johnson.

Also present were Patrick Chaffee, AE2S and Mark Brodshaug, Cass County Water Resources.

2. APPROVAL OF MINUTES FROM PREVIOUS MEETING

MOTION, passed

Mr. Vanyo moved and Mr. Berndt seconded to approve the minutes from the March 8, 2012 meeting as presented. All members voted in favor. Motion carried.

3. APPROVAL OF BILLS, Approved

Mr. Costin explained the bills which were received and said CH2MHill is complying billing requirements as set forth by the Finance Committee.

MOTION, passed

Mr. Berndt moved and Mr. Zavoral seconded to approve the bills and forward them to the Flood Diversion Board of Authority after review and approval by Mr. Montplaisir and by Mr. Costin. Motion carried.

4. FINANCE UPDATE, Approved

Mr. Costin reviewed the financial statements for the month ending March 31, 2012. He presented the monthly financial summarization report.

MOTION, passed

Mr. Berndt moved and Mr. Vanyo seconded to approve the financial statement as presented. Motion carried.

5. TRAVEL REIMBURSEMENT POLICY

Mr. Costin said a travel policy is needed if diversion travel is going to be reimbursed through the Flood Diversion Board of Authority. Mr. Zavoral said a policy should be drafted but at this time each entity should be responsible for their own travel expenses. Mr. Montplaisir said a policy should be drafted as when administrative staff is in place it will be needed.

MOTION, passed

Mr. Vanyo moved and Mr. Zavoral seconded that each entity handle their own travel expenses and a policy should be developed. Motion carried.

6. RECEIVE AND FILE AUDIT REQUIREMENTS FROM CORP OF ENGINEERS

A letter was received from the Corp regarding audit requirements which apply to the diversion project.

MOTION, passed

Mr. Vanyo moved and Mr. Costin to receive and file the letter regarding Audit Requirements as received from the Corp of Engineers. Motion carried.

7. EXPANDING THE FINANCE COMMITTEE

Mr. Montplaisir said a request for expanding the Finance Committee was received from Tom Waters, CH2MHill. Mr. Zavoral said the purpose of the committee is not just about managing

dollars as setting fiscal policy is a key component and two additional committee members would be advantageous. Mr. Vanyo said additional members should be elected officials, one from the Minnesota side and the other from the City of Fargo.

MOTION, passed

Mr. Berndt moved and Mr. Vanyo seconded to recommend to the Diversion Board of Authority to allow two elected officials to be added to the Diversion Board of Authority Finance Committee, one from Minnesota and the other from the City of Fargo as appointed by their respective entities. Discussion: Mr. Vanyo said current Board of Authority Board members would fit into the Finance Committee well. Motion carried.

8. OTHER BUSINESS

Mr. Zavoral said a proposal was received from the Podesta Group for extending lobbying services amending the monthly fee from \$15,000 per month to \$12,000 per month. Mr. Berndt said this seems like a large amount of money for when their services are not needed. Mr. Vanyo said it may be best to wait. Mr. Montplaisir asked if we have seen results from the lobbying efforts. Mr. Zavoral said Podesta Group did a lot of legwork on the letter sent to the President.

MOTION, passed

Mr. Zavoral moved and Mr. Vanyo seconded to discontinue the lobbying services until October 2012 and reconsider at that time. Motion carried.

Mr. Zavoral distributed and explained a handout outlining four payments and funding models. The models will be presented to the Diversion Board of Authority at the April 12, 2012, meeting.

9. NEXT MEETING DATE

The next meeting will be held at 1:00 PM on Monday, May 7th in the Cass County Commission Room.

10. ADJOURNMENT

MOTION, passed

On motion by Mr. Vanyo, seconded by Mr. Costin, and all voting in favor, the meeting was adjourned at 1:40 PM.

Minutes prepared by Cindy Stoick, Principal Secretary

**FM Diversion Authority
Outstanding Contracts
As of April 30, 2012**

Date: 4/30/2012

Project Number	Account Number	PO No.	Vendor No.	P.O. Date	Vendor	Encumbered	Liquidated	Balance
V00101	790-7910-429-33-25	146629	9367	1/18/2012	DORSEY & WHITNEY LLP	\$50,000.00	\$1,570.06	48,429.94
V00101	790-7910-429-33-25	F12217	9367	12/31/2011	DORSEY & WHITNEY LLP	52,102.12	52,102.12	-
V00101	790-7910-429-33-25	F12289	9367	2/21/2012	DORSEY & WHITNEY LLP	58,693.38	58,693.38	-
V00101	790-7910-429-33-25	F12293	9367	2/21/2012	DORSEY & WHITNEY LLP	1,600.00	1,600.00	-
V00102	790-7910-429-33-20	AJ	COF	2/1/2012	CITY OF FARGO	1,300.00	1,300.00	-
V00102	790-7999-729-68-30	PCARD	18009	12/20/2011	GOOGLE LOVEIN THEOVEN	116.00	116.00	-
V00102	790-7910-429-31-10	F12082	647	12/31/2011	FORUM COMMUNICATIONS (LEGAL)	2,224.20	2,224.20	-
V00102	790-7910-429-38-69	F12079	8645	12/31/2011	SEIGEL COMMUNICATIONS SERVICE	1,490.00	1,490.00	-
V00102	790-7910-429-38-99	F11738	20660	11/15/2011	GALLAGHER BENEFIT SERVICES INC	250.00	250.00	-
V00102	790-7910-429-52-30	F12595	1772	4/16/2012	WARNER & CO	4,975.00	4,975.00	-
V00102	790-7910-429-53-60	F12218	13981	12/31/2011	NORTH DAKOTA TELEPHONE CO	81.20	81.20	-
V00102	790-7910-429-55-10	F12256	20829	2/14/2012	BROKERAGE PRINTING	153.85	153.85	-
V00102	790-7910-429-55-10	F12256	20829	2/14/2012	BROKERAGE PRINTING	202.10	202.10	-
V00102	790-7910-429-55-10	F12256	20829	2/14/2012	BROKERAGE PRINTING	202.10	202.10	-
V00102	790-7910-429-31-10	F11749	646	11/15/2011	FORUM COMMUNICATIONS (ADVERT)	494.24	494.24	-
V00102	790-7910-429-31-10	F11750	646	11/15/2011	FORUM COMMUNICATIONS (ADVERT)	345.97	345.97	-
V00102	790-7910-429-31-10	F11751	646	11/15/2011	FORUM COMMUNICATIONS (ADVERT)	296.56	296.56	-
V00102	790-7910-429-31-10	F11752	646	11/15/2011	FORUM COMMUNICATIONS (ADVERT)	17.05	17.05	-
V00201	790-7920-429-33-79	144170	20663	11/18/2011	CH2M HILL ENGINEERS INC	2,000,000.00	1,589,900.62	410,099.38
V00202	790-7920-429-33-79	148611	20663	3/15/2012	CH2M HILL ENGINEERS INC	3,750,000.00	-	3,750,000.00
V00301	790-7910-429-38-69	143936	11604	11/16/2011	ADVANCED ENGINEERING INC	50,000.00	50,000.00	-
V00401	790-7915-429-33-06	143937	165	11/16/2011	BRAUN INTERTEC CORP	54,060.00	32,778.00	21,282.00
V00501	790-7915-429-33-06	143938	165	11/16/2011	BRAUN INTERTEC CORP	36,150.00	8,382.00	27,768.00
V00601	790-7915-429-33-06	144975	20729	12/13/2011	IN SITU ENGINEERING	54,800.00	47,973.00	6,827.00
V00701	790-7915-429-33-05	144866	20723	12/9/2011	MINNESOTA DNR	230,550.00	230,550.00	-
V00801	790-7915-429-33-05	146973	801	1/27/2012	HOUSTON ENGINEERING INC	92,700.00	58,162.32	34,537.68
V00802	790-7915-429-33-05	146974	801	1/27/2012	HOUSTON ENGINEERING INC	195,000.00	28,977.91	166,022.09
V00803	790-7915-429-33-05	146975	801	1/27/2012	HOUSTON ENGINEERING INC	73,000.00	27,532.96	45,467.04
V00804	790-7925-429-33-05	148054	801	2/29/2012	HOUSTON ENGINEERING INC	175,200.00	148,391.72	26,808.28
V00805	790-7915-429-33-05	148058	801	2/29/2012	HOUSTON ENGINEERING INC	102,340.00	25,663.00	76,677.00
V00806	790-7915-429-33-05	148078	801	2/29/2012	HOUSTON ENGINEERING INC	118,540.00	88,765.83	29,774.17
V00901	790-7915-429-33-05	146976	1118	1/27/2012	MOORE ENGINEERING INC	93,675.00	84,321.55	9,353.45

**FM Diversion Authority
Outstanding Contracts
As of April 30, 2012**

Date: 4/30/2012

Project Number	Account Number	PO No.	Vendor No.	P. O. Date	Vendor	Encumbered	Liquidated	Balance
V00902	790-7915-429-33-05	146977	1118	1/27/2012	MOORE ENGINEERING INC	125,050.00	116,789.89	8,260.11
V00903	790-7915-429-33-05	146978	1118	1/27/2012	MOORE ENGINEERING INC	152,330.00	70,225.22	82,104.78
V00904	790-7930-429-33-05	148055	1118	2/29/2012	MOORE ENGINEERING INC	130,866.00	28,881.61	101,984.39
V00905	790-7930-429-33-05	148056	1118	2/29/2012	MOORE ENGINEERING INC	24,680.00	18,584.28	6,095.72
V00906	790-7915-429-33-05	148057	1118	2/29/2012	MOORE ENGINEERING INC	8,340.00	8,326.50	13.50
V00907	790-7915-429-33-05	148077	1118	2/29/2012	MOORE ENGINEERING INC	183,920.00	149,879.88	34,040.12
V01001	790-7915-429-33-05	146979	17791	1/27/2012	URS CORPORATION	27,678.49	27,678.49	-
V01001	790-7930-429-33-05	146979	17791	1/27/2012	URS CORPORATION	143,488.18	55,792.28	87,695.90
V01002	790-7915-429-33-05	148086	17791	2/29/2012	URS CORPORATION	192,000.00	-	192,000.00
V01101	790-7905-429-33-42	144681	20696	12/6/2011	DEPARTMENT OF THE ARMY	6,680,263.71	-	6,680,263.71
V01201	790-7930-429-33-25	149405	19734	4/10/2012	CASS COUNTY JOINT WATER RESOUR	20,652.04	20,652.04	-
V01201	790-7930-429-33-25	149405	19734	4/10/2012	CASS COUNTY JOINT WATER RESOUR	62,467.05	62,467.05	-
V01201	790-7930-429-33-25	F12069	19734	12/31/2011	CASS COUNTY JOINT WATER RESOUR	16,708.86	16,708.86	-
V01201	790-7930-429-34-65	F12069	19734	12/31/2011	CASS COUNTY JOINT WATER RESOUR	22,452.50	22,452.50	-
V01301	790-7915-429-33-05	147745	1118	2/17/2012	MOORE ENGINEERING INC	5,558.50	5,558.50	-
V01301	790-7931-429-33-05	148869	1118	4/23/2012	MOORE ENGINEERING INC	1,780.00	1,780.00	-
V01301	790-7931-429-33-25	F12593	1286	4/16/2012	OHNSTAD TWICHELL PC	1,408.00	1,408.00	-
						\$15,000,000.00	\$3,154,495.74	\$11,845,504.26

FM Diversion Authority
Fiscal Accountability Report Design Phase (Fund 790)
As of 04/30/2012

	2011	2012	Cumulative Totals
Revenues			
City of Fargo	443,138	976,386	1,419,523
Cass County	443,138	976,386	1,419,523
City of Moorhead	98,475	216,974	315,449
State Water Commission (10% Cap)	-	-	-
Total Revenues	984,750	2,169,745	3,154,495
Expenditures			
7905 Army Corp Payments	-	-	-
7910 WIK - Administration	107,301	68,494	175,795
7915 WIK - Project Design	149,632	861,933	1,011,565
7920 WIK - Project Management (CH2M Hill)	679,037	910,864	1,589,901
7925 WIK - Recreation	-	148,392	148,392
7930 LERRDS - North Dakota	48,664	176,875	225,539
7931 LERRDS - Minnesota	-	3,188	3,188
7940 WIK Mitigation - North Dakota	-	-	-
7941 WIK Mitigation - Minnesota	-	-	-
7950 Construction - North Dakota	-	-	-
7951 Construction - Minnesota	-	-	-
7955 Construction Management	-	-	-
7990 Project Financing	-	-	-
7995 Project Eligible - Off Formula Costs	-	-	-
7999 Non Federal Participating Costs	116	-	116
Total Expenditures	984,750	2,169,745	3,154,495

**FM Diversion Authority
Summary of Cash Disbursements
April 2012**

Period/Year: 04/2012 Date: 4/26/2012

Account Number	Check Date	Check Number	Vendor Name	Transaction Amount	Description 1	Project Number	Project Description
790-7910-429.33-25	4/11/2012	224180	DORSEY & WHITNEY LLP	1,506.50	RED RIVER DIVERSION PROJ	V00101	Dorsey Whitney Legal WIK
	4/18/2012	224442	DORSEY & WHITNEY LLP	63.56	BUSINESS MEALS	V00101	Dorsey Whitney Legal WIK
Total Legal Services				1,570.06			
790-7910-429.52-30	4/18/2012	224607	WARNER & CO	4,975.00	GENERAL LIABILITY INSURAN	V00102	General & Admin. WIK
Total General Liability				4,975.00			
790-7915-429.33-05	4/25/2012	224759	HOUSTON ENGINEERING INC	29,102.47	INCEPTION THRU 2/5/12	V00801	Meander Belt Width Analy
	4/25/2012	224759	HOUSTON ENGINEERING INC	29,059.85	2/5-3/25/12	V00801	Meander Belt Width Analy
	4/25/2012	224759	HOUSTON ENGINEERING INC	900.00	INCEPTION THRU 2/5/12	V00802	Increase Flow In Town
	4/25/2012	224759	HOUSTON ENGINEERING INC	28,077.91	2/8-3/25/12	V00802	Increase Flow In Town
	4/25/2012	224759	HOUSTON ENGINEERING INC	300.00	INCEPTION THRU 2/5/12	V00803	Transportation Master Pin
	4/25/2012	224759	HOUSTON ENGINEERING INC	27,232.96	1/16-3/25/12	V00803	Transportation Master Pin
	4/25/2012	224759	HOUSTON ENGINEERING INC	25,663.00	2/14-3/21/12	V00805	Extreme Rainfall-Houston
	4/25/2012	224759	HOUSTON ENGINEERING INC	37,916.75	INCEPTION THRU 2/5/12	V00806	Post Feasibility-Houston
	4/25/2012	224759	HOUSTON ENGINEERING INC	16,634.82	2/8-3/25/12	V00806	Post Feasibility-Houston
	4/25/2012	224759	HOUSTON ENGINEERING INC	34,214.26	INCEPTION TO 2/5/12	V00901	HEC-RAS Modeling Moore
	4/25/2012	223977	MOORE ENGINEERING INC	1,280.00	HEC RAS MODEL UPDATES	V00901	HEC-RAS Modeling Moore
	4/25/2012	223977	MOORE ENGINEERING INC	30,344.55	HEC RAS MODEL UPDATES	V00901	HEC-RAS Modeling Moore
	4/25/2012	223977	MOORE ENGINEERING INC	1,245.00	LOWER RUSH/RUSH CONNECT	V00902	Lower Rush/ Rush Connect
	4/25/2012	223977	MOORE ENGINEERING INC	46,608.22	LOWER RUSH/RUSH CONNECT	V00902	Lower Rush/ Rush Connect
	4/25/2012	223977	MOORE ENGINEERING INC	742.50	LOCAL DRAINAGE PLAN	V00903	Local Drainage Plan
	4/25/2012	223977	MOORE ENGINEERING INC	45,024.72	CONNECTING DRAIN 14-MAPLE	V00903	Local Drainage Plan
	4/25/2012	223977	MOORE ENGINEERING INC	2,662.50	CONNECTING DRAIN 14-MAPLE	V00906	Drain 14 to Maple -Moore
	4/25/2012	223977	MOORE ENGINEERING INC	103,586.73	POST FEASIBILITY ENG	V00907	Post Feasibility - Moore
	4/25/2012	223977	MOORE ENGINEERING INC	15,652.52	POST FEASIBILITY ENG	V00907	Post Feasibility - Moore
	4/25/2012	224809	MOORE ENGINEERING INC	52,697.00	2/14-3/23/12	V00901	HEC-RAS Modeling Moore
	4/25/2012	224809	MOORE ENGINEERING INC	68,936.67	2/13-3/5/12	V00902	Lower Rush/ Rush Connect
	4/25/2012	224809	MOORE ENGINEERING INC	24,458.00	2/13-3/21/12	V00903	Local Drainage Plan

**FM Diversion Authority
Summary of Cash Disbursements
April 2012**

Period/Year: 04/2012 Date: 4/26/2012

Account Number	Check Date	Check Number	Vendor Name	Transaction Amount	Description 1	Project Number	Project Description
	4/25/2012	224809	MOORE ENGINEERING INC	5,664.00	2/13-3/5/12	V00906	Drain 14 to Maple-Moore
	4/25/2012	224809	MOORE ENGINEERING INC	30,640.63	2/16-3/22/12	V00907	Post Feasibility - Moore
Total Engineering Services				658,645.06			
790-7915-429 33-06	4/4/2012	223851	BRAUN INTERTEC CORP	9,000.00	UNDISTURBED SOIL TESTING	V00401	Braun Intertech-Undisturb
	4/4/2012	223851	BRAUN INTERTEC CORP	3,630.00	DISTURBED SOIL TESTING	V00501	Braun Intertech Disturbed
	4/4/2012	223851	BRAUN INTERTEC CORP	726.00	DISTURBED SOIL TESTING	V00501	Braun Intertech Disturbed
	4/25/2012	224674	BRAUN INTERTEC CORP	8,268.00	ENDING 3/29/12	V00401	Braun Intertech-Undisturb
	4/25/2012	224762	IN SITU ENGINEERING	47,973.00	2/6-2/16/12	V00601	In Situ Eng Pressure Test
Total Quality Testing				69,597.00			
790-7920-429 33-79	4/11/2012	224162	CH2M HILL ENGINEERS INC	560,457.16	PAY #2 FM AREA DIVERSION	V00201	CH2M Hill Management
Total Project Management				560,457.16			
790-7925-429 33-05	4/25/2012	224759	HOUSTON ENGINEERING INC	130,189.34	INCEPTION THRU 2/5/12	V00804	Rec. & Use Plan- Houston
	4/25/2012	224759	HOUSTON ENGINEERING INC	18,202.38	1/1-3/25/12	V00804	Rec. & Use Plan- Houston
Total Engineering Services				148,391.72			
790-7930-429 33-05	4/4/2012	223977	MOORE ENGINEERING INC	1,107.50	194 BRIDGES-AWD 00008	V00904	194 Bridges - Moore
	4/4/2012	223977	MOORE ENGINEERING INC	9,502.56	MAPLE RIVER TO OUTLET AWD	V00905	Maple Rvr Outlet - Moore
	4/4/2012	223977	MOORE ENGINEERING INC	7,961.95	MAPLE RIVER TO OUTLET AWD	V00905	Maple Rvr Outlet - Moore
	4/25/2012	224809	MOORE ENGINEERING INC	27,774.11	2/13-3/5/12	V00904	194 Bridges - Moore
	4/25/2012	224809	MOORE ENGINEERING INC	1,119.77	3/5-3/20/12	V00905	Maple Rvr Outlet - Moore
	4/4/2012	224065	URS CORPORATION	47,687.49	TECHNICAL SERVICES	V01001	URS Corp. - PED
	4/25/2012	224900	URS CORPORATION	8,104.79	2/17-3/9/12	V01001	URS Corp. - PED
Total Engineering Services				103,258.17			

FM Diversion Authority
Summary of Cash Disbursements
April 2012

Period/Year: 04/2012 Date: 4/26/2012

Account Number	Check Date	Check Number	Vendor Name	Transaction Amount	Description 1	Project Number	Project Description
790-7930-429.33-25	4/11/2012	224151	CASS COUNTY JOINT WATER RES	20,652.04	ND RIGHT OF ENTRY REIMB	V01201	Cass Joint Water ROE
Total Legal Services				20,652.04			
790-7930-429.34-65	4/11/2012	224151	CASS COUNTY JOINT WATER RES	62,467.05	ND RIGHT OF ENTRY REIMB	V01201	Cass Joint Water ROE
Total Right of Entry Requests				62,467.05			
790-7931-429.33-05	4/25/2012	224809	MOORE ENGINEERING INC	1,780.00	1/6-3/23/12	V01301	City of Moorhead ROE
Total Engineering Services				1,780.00			
790-7931-429.33-25	4/18/2012	224546	OHNSTAD TWICHELL PC	1,408.00	RIGHT OF ENTRY/LAND ACQUI	V01301	City of Moorhead ROE
Total Legal Services				1,408.00			
790-7910-429.57-60	2/15/2012	221862	BITTNER, MARK H	(266.40)	MEETING WITH USACE-MINNEA	V00102	General & Admin. WIK
Total Out of State Travel Exp				(266.40)			
790-7999-429.68-30	1/19/2012		P CARD WELLS FARGO	(51.76)	PARKWAY BP QPS	V00102	General & Admin. WIK
	2/3/2012		P CARD WELLS FARGO	(613.60)	DELTA 00687392342910	V00102	General & Admin. WIK
	2/21/2012		P CARD WELLS FARGO	(484.20)	UNITED 01687419138296	V00102	General & Admin. WIK
	3/5/2012		P CARD WELLS FARGO	(25.00)	UNITED 0164511877487	V00102	General & Admin. WIK
	3/14/2012	223228	WALKER, APRIL	(212.00)	FM METRO DIV-WASHINGTON	V00102	General & Admin. WIK
	2/8/2012	221559	BITTNER, MARK H	(30.00)	USACE/MN DNR MTGS-ST PAUL	V00102	General & Admin. WIK
Total Meeting Incidentals				(1,416.56)			

Memo

May 3, 2012

Regarding Travel Policy:

Travel policies from the City of Fargo, City of Moorhead, Clay County and Cass County are included in the agenda packet for the Flood Finance Committee meeting. Finance Committee Chairman Mike Montplaisir is recommending using the City of Fargo's travel policy as a model for drafting the Flood Diversion Authority travel policy.

City of Fargo Travel Policy

Policy Purpose

The purpose of this policy is to describe the City's approved administrative procedures and operating policies to be used by all operating Departments and Divisions and elected officials for travel events and related cost reimbursements.

To provide concise guidance and instructions for employees to follow to ensure compliance with existing Federal, State and local regulations. The City's travel reimbursement policy shall be considered an accountable plan within the definition of Internal Revenue Code.

To set forth authorization and documentation standards that are acceptable for cost reimbursements by the City of Fargo establishing proof of amounts claimed, date, time, place and business purpose for each travel event.

Definitions

Travel costs:

Travel costs are defined as any reasonable and necessary expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the City of Fargo. Traveling by City Employees will typically fall into common categories of travel and will vary depending upon the employee's overall job description and responsibilities and Departmental management and educational practices. For the purpose of this policy travel has been broken down into in town travel, in state travel, out of state travel, and foreign travel.

Business Purpose of Travel Events:

The purpose of the travel event shall be directly related to the employee's overall job responsibilities and the business function shall directly relate to the governmental functions provided by the City of Fargo. It may also include travel events that help employees understand and adopt new and innovative ways of providing services that are not currently provided by the City of Fargo. The employees can make travel arrangements directly or through Departmental staff.

Approval and Accountability for Travel Events

Travel Approval Required

All employee travel shall be authorized by the employee's immediate supervisor or Division Head in advance of the travel event. Supervisors shall approve all travel reimbursement requests prior to submission to the City Auditor's Office for payment.

Budgetary Authority for Travel Costs

All travel costs shall be budgeted at the Divisional level and shall be broken down into two levels of accountability to include in state travel and out of state travel.

Eligibility of Travel Costs

Travel costs shall be defined to include any form of transportation and related expenditures in support of traveling for legitimate business purposes. Costs shall be reasonable, necessary and customary.

Transportation for any mode of commuting to include airlines, automobile, charter bus, rail or subway, taxi or trolley, ferry, rented automobile, city fleet vehicles, or a personal vehicle. Employees shall determine the lowest cost transportation. Airfare shall be for coach class including baggage fees. Preferred seating assignments may be eligible depending upon the adequacy of coach seating. Fees charged by airlines for booking or re-booking are eligible as long as they are reasonable. Airfare costs in excess of the customary standard commercial airfare (coach or equivalent) are allowable when coach or equivalent airfare would:

- (a) require circuitous routing;
- (b) require travel during unreasonable hours;
- (c) excessively prolong travel;
- (d) result in additional costs that would offset the transportation savings; or
- (e) offer accommodations not reasonably adequate for the traveler's medical or physical needs. A Department Head must justify and document these conditions on a case-by-case basis in order for the use of first-class airfare to be allowable in such cases.

An airline ticket receipt that identifies an itinerary shall be used as the official documentation supporting cost reimbursement and substantiation of the business travel requirement.

Car rental is eligible if the rental of a car provides a more cost effective means of transportation during a travel event. Employees who rent vehicles shall purchase rental car insurance which shall be eligible for reimbursement. This insurance coverage protects the employee and the City.

Personal expenses shall not be reimbursed.

Accommodations for hotel and motels rooms are eligible and a receipt is required to determine eligibility. Tips for service workers at hotels are eligible as long as they are reasonable, however, they will be counted toward daily per diems. Cost limits may apply as detailed in the lodging cost section of this policy depending on the destination traveled.

Incidental travel costs shall include parking fees, tolls, insurance on rented automobiles, fax fees, internet fees, reasonable long distance charges for business usage, booking fees for travel accommodations and other business-

related direct expenditures not listed as ineligible. Incidental travel costs will be reimbursed if a receipt is provided in support of the expenditures claimed. They are not counted toward daily per diems or allowances.

Ineligible Travel Costs:

Ineligible travel costs shall include all personal expenditures not related to the travel event including but not limited to:

parking fines, traffic tickets, first class air travel, excessive fees charged by airlines, entertainment or amusement expenses, leisure tours, personal cell phone charges, excessive meal or service tips, room service and other room related extras, liquor, passport approval fees and immunizations relating to foreign travel.

Department and Division Heads shall monitor eligibility of travel related expenditures and may deny any item of expense that is not reasonable, necessary, or customary. The Director of Finance will assist in determining eligibility if necessary to resolve disputed items.

Determining the Amount of Eligible Travel Costs

In-town travel and personal mileage reimbursement

Employees who are considered mobile and have work assignments in the field are provided a city vehicle to use for city business under certain utilization thresholds. Employees who do not meet that threshold shall use their personal automobiles and will be reimbursed for business related mileage. Mileage reimbursement requests shall be completed on a monthly cycle.

Employees are eligible for reimbursement of in town mileage incurred using their personal vehicles if approved by the Division Head. Division and Department Heads are responsible for monitoring mileage driven and reimbursed to their employees. The rate of reimbursement shall be the rate in effect at the time of travel as determined by the IRS and shall be substantiated with a mileage log that shows the dates traveled, the destinations and reason for in town travel. Mileage log documentation shall be included with the travel reimbursement voucher at the time of payment requests to capture an adequate level of substantiation including the date of travel, reason for traveling, destination traveled, and number of miles driven.

Cabinet members who are not assigned a City vehicle are provided a \$75 per month vehicle allowance that is intended to cover normal in town miles. Department Heads that travel in excess of this amount shall account for their excess miles over and above the vehicle allowance using a standard mileage log that shows the dates traveled, the destinations, and reason for in town travel.

No reimbursement shall be made for employee commuting expenses (to and from work and their home). If reassigned because of a natural or other disaster from their normal working location their new location will be their reassigned place of work for commuting purposes.

Meals Reimbursements

In-State:

Reimbursements are valued based upon the quarter system established in NDCC 44-08-04. Rates updated to coincide with legislative changes amendments approved by the State Legislature.

The rates in effect for 2011 are:

First quarter – 6 a.m. to 12 noon -	\$ 5.00
Second quarter – 12 noon to 6:00 p.m.	7.50
Third quarter 6:00 p.m. to 12 midnight	12.50
Total Per Day.....	\$ 25.00

Taxation of Meals – The City of Fargo has determined that an overnight stay that provides an opportunity for rest is required to make meal reimbursements non-taxable and has taken the position that the cost of tracking “day trips” for IRS compliance is not practical, and therefore, no meal reimbursements will be made for travel that does not include an overnight stay.

The cost of a meal included in the registration fee of an event is not eligible for employee reimbursement. Meal reimbursements will be documented on a travel reimbursement voucher at the rates in effect during the time of travel.

Out of State Travel:

High-Low Substantiation Method of Substantiation

“High-low substantiation” is another deemed substantiation method that may be used in place of the per diem method. The IRS designates key cities or localities as "high-cost" areas. There are presently seventeen states and multiple cities within these states that are listed as high cost areas. All other localities are considered "low-cost" areas. Use of this method eliminates the need to keep records of the current rate for each city. A single per diem rate is assigned to all high-cost areas and all other areas are assigned the low cost rate. An employer that uses the high-low method for an employee must use the high-low method for that employee for all travel in the continental United States that year, unless an actual expenses method or the meals and incidental expenses method is used. See Publication 1542 for more information and current high-low rates. *Rev. Proc. 2009-47*.

Rates in effect for high and low cost travel areas are:

High cost travel areas - \$65.00 per day

Low cost travel areas – \$52.00 per day

The allowance for out of state meals within the continental United States is equal to per diem meal rates for the City in which a claim is made on that day as established by the US GSA. Travel rate changes approved by the Internal Revenue Service will automatically apply to this policy, however, the City will recognize the rate changes on a calendar year basis and the employee will be reimbursed at the same rate for the entire calendar year, regardless of the date of the change approved by the IRS.

Lodging Costs

In-state lodging costs:

Employees are free to choose where they stay and will be reimbursed based upon the current rate structure within the North Dakota State Century Code. An original receipt is required for reimbursement.

Out of state lodging costs are eligible for reimbursement. Employees shall produce a receipt from the business providing the accommodations that includes the location and dates spent at that location. Itemized documentation is required by this policy. Credit card receipts are not acceptable if they do not contain the required level of documentation. Employees are free to choose where they stay and are encouraged to select a location that reduces the potential to incur substantial out-of-pocket expenditures for travel incidentals.

Other Incidental Costs

Employees shall itemize other eligible incidental travel costs and submit a cost reimbursement voucher which has been approved by their immediate supervisor.

Foreign Travel:

The allowance for out of state meals within the noncontinental United States and overseas nonforeign areas, including Alaska, Hawaii, and Guam is equal to per diem meal rates for the City in which a claim is made on that day as established by the rule for Federal employees established by the United States per diem committee and must be allocated 20% to the first quarter, thirty percent to the second quarter, and fifty percent to the last quarter. The City of Fargo intranet will contain a listing of foreign travel locations with an appropriate meal allowance under this provision.

Documentation and Substantiation Standards for Travel Expenditures

Transportation and lodging costs:

Requires a receipt documenting transportation costs and submission of a travel reimbursement voucher which has been approved by the employee's immediate supervisor. Airline tickets or receipts must contain an itinerary of the trip to determine business related locations and dates traveled.

Other Incidental costs:

Must be eligible to be considered reimbursable to the employee or elected official and must include a receipt to substantiate the expenditure being claimed.

Unsubstantiated Cost Reimbursements:

The traveling employee is responsible to account for their own travel costs in accordance with this policy. Failure to provide the required level of documentation will cause the expenditure reimbursement request to be denied as unsubstantiated.

Monitoring Compliance with Travel Policy

All employees including the traveling employee, their supervisor, Office Manager or Principal Office Associates, Division Heads and Department Heads are responsible for following the provisions contained in this policy. The City Auditor's Office may request additional information from either employees or their supervisors to clarify data which is not consistent with this policy. This data may include cost/ benefit justification where applicable. All employees must apply the travel rules on a reasonable, fair and consistent basis.

Method of Funding /Accounting for Travel Costs

Employees may choose to pay travel costs by utilizing the City's purchasing card, charging them on an open account, or paying them personally and submitting a cost reimbursement request for eligible expenditures. Prepayment by the City of Fargo for hotel rooms is allowed if the employee cannot use the payment methods listed above.

Travel Advances - Travel advances are not generally authorized, except for special circumstances as approved by the City Administrator or the Director of Finance.

Properly approved travel reimbursement vouchers will be paid not less than weekly by the City Auditor's office in accordance with standard bill payment procedures.

2. When an employee plans to take leave under this policy, the employee must give the county 30 days' notice. If it is not possible to give 30 days' notice, the employee must give as much notice as is possible. An employee who is to undergo planned medical treatment is required to make a reasonable effort to schedule the treatment in order to minimize disruptions to the county's operations.

L. Employer Response to FMLA Request

1. Upon receipt of notice that an employee may be entitled to leave under the FMLA, the Human Resources Department will send notification of this entitlement to the employee.
2. Employees may be required to submit a "Fitness for Duty" certification/statement before returning to work from leave. In addition, employees may be required to provide periodic updates to his/her supervisor during leave. The employer response will outline the employee's specific requirements in these regards.

SECTION 15 EXPENSE REIMBURSEMENT

A. Policy Statement

It is the policy of Clay County to reimburse employees for expenses incurred while performing duties required by the employer.

B. Allowable Expenses

1. Employees are encouraged to utilize County fleet vehicles when traveling for business purposes. Mileage reimbursement rates for use of a personal vehicle for authorized business travel are as follows:
 - If no fleet vehicle is available or if specific circumstances, which are at the discretion of the Department Head, warrant the use of a personal vehicle, the reimbursement rate shall be equal to the **current IRS rate**
 - If a fleet vehicle is available and an employee chooses to use his/her personal vehicle the reimbursement rate shall be **40 cents per mile**

Mileage will be recorded beginning and ending at the office unless total mileage would be less when recorded from home.

Department Head approval is required in all instances where a personal vehicle is used for business travel. Approval must be obtained prior to commencement of travel.

2. Fare while using public transportation. Receipts shall be required for amounts over \$25.00.

3. Meals within the County while attending meetings and/or conferences directly related to county business will only be reimbursed if the meeting requires a working meal and the meal is at the employee's expense
4. Meals while on travel status shall be reimbursed according to the maximum per day and per meal as set by the County Board and outlined below:

Breakfast	\$8.00
Lunch	\$12.00
Dinner	\$17.00

In order to receive reimbursement for breakfast and/or or dinner expenses, employee's travel must include an overnight stay and/or the employee's departure/return time must be more than 2 hours outside of the employee's regular workday schedule.

When meals are part of a tuition or registration fee, no additional reimbursement request for such meals can be claimed.

5. Tips shall not be reimbursed.
6. Lodging when overnight travel is required. Receipts shall be required. If an employee has an opportunity to stay at a place of lodging that offers a discount rate, the employee shall take advantage of this opportunity.
7. Frequent flyer mileage will be credited to the employer and not the employee.
8. Toll calls (non-County business) will not be made from county phones. In emergency situations, calls will be permitted and reimbursement will be made to the Auditor's Office by the caller for actual charges. Calls made from hotel/motel phones charged to the room and reimbursed by the County shall have a documented business purpose.

C. Authorization

1. The Department Head shall be responsible for authorizing travel.
2. The employee shall be representing the interests of Clay County.
3. All out-of-state travel, other than routine Fargo-Moorhead community travel, shall receive County Board approval prior to departure.

D. Procedure for Reimbursement

1. The employee shall submit an expense report and receipts to verify expenses. Receipts shall be required for lodging expenses and for any other expense except meals and mileage which exceed \$25.00.

2. The Department Head shall approve expenses claimed before submitting the bill to the County Auditor.
3. A special check shall be issued for expense reimbursement.
4. Reimbursement requests should be submitted as soon as possible after the expenses are incurred. Expenses submitted for reimbursement more than 60 days after the expense is incurred may be deemed taxable and subject to the appropriate withholdings.

SECTION 16 OVERTIME PAY AND COMPENSATORY TIME OFF – Non-Exempt Employees

A. Policy Statement

It is the policy of Clay County to compensate for time worked in excess of 40 hours in a regular work week. This policy is in accordance with the Minnesota Fair Labor Standards Act (M.S. 177.25) and the Federal Fair Labor Standards Act, 29 U.S.C. § 201, et al.

B. Eligibility and Compensation

1. All overtime (work in excess of 40 hours in a regular work week) requires prior authorization by employee's department head/supervisor. With the employee's agreement, overtime may be taken as compensatory time. Compensatory time or overtime payments will be paid at one and one-half (1½) times the hourly rate, or in the case of compensatory time, it is overtime hours times one and one-half (1½) for equivalent time off. This provision does not apply to those employees who are defined as exempt by the Fair Labor Standards Act. Clay County will follow the Minnesota Fair Labor Standards Act and the federal Fair Labor Standards Act with respect to overtime pay for law enforcement personnel (commonly referred to as 207(k) employee).
2. "Work" for purposes of this Section is defined as actual performance of job duties for Clay County.
3. During the week of a holiday, for the purposes of this Section, holiday hours will be counted as time worked.
4. There is no pyramiding, duplicating, or compounding of overtime.
5. For purposes of computing overtime, the workweek commences at 12:00 a.m. Saturday and ends at 11:59 p.m. Friday.
6. An employee may elect to receive compensatory time off in lieu of overtime. No employee shall accumulate more than 40 hours of compensatory time. Compensatory

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I. POLICY

Portions of the expenses associated with travel, required as part of an employee's work assignment, are paid by the City of Moorhead.

II. ALLOWABLE EXPENSES**A. Meals****1. Meals for Employees:**

Employees are reimbursed for meals while they are traveling on city business overnight or beyond a twenty-mile radius from Moorhead City Hall.

The maximum daily meal allowance is based on the standard meal allowance in the current I.R.S. guidelines. Individual meal values shall be determined as follows:

Breakfast	25% of standard meal allowance
Lunch	25% of standard meal allowance
Dinner	50% of standard meal allowance

When leaving, to be eligible for the breakfast allowance, travel must be in progress prior to 7:00 a.m.; for lunch, prior to noon; for dinner, prior to 6:00 p.m.

When returning, to be eligible for the breakfast allowance, travel must go beyond 7:00 a.m.; for lunch, beyond noon; for dinner, beyond 6:00 p.m.

When meals are included, as part of a conference or meeting registration, reimbursement will not be made for that meal. For example, if a two-day conference registration includes lunches, the employee would be eligible for the breakfast allowance and dinner allowance.

For overnight travel outside the five-state area (North Dakota, Minnesota, South Dakota, Iowa and Wisconsin), employees may use either the standard meal allowance or actual receipts for reimbursement. The two methods may not be combined.

If actual receipts are used, gratuities will be reimbursed up to a maximum of 18% of the meal. Actual receipts must be either a cash register printout, dining check stub or hotel bill, which indicates the date, time, vendor name, and amount. Liquor is not an allowable expense.

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2. Meals For Others:

Elected officials, the City Manager, department directors, or other designated City employees serving as representatives of the City may occasionally provide a meal for other persons who have official business with the City. The cost of providing such meals, including tax and a reasonable gratuity, will be reimbursed provided the following conditions are met:

- The name and official capacity of each person attending must be listed.
- The public benefit of the meeting must be described.
- The cost may not include alcoholic beverages.
- A receipt must be provided.
- The designated approving authority must approve the expenditure.

The City Manager may approve exceptions to this policy for unusual circumstances.

B. Lodging

The City pays actual cost.

Original lodging receipts are required and must be attached to the Expense Report form.

The employee is responsible for the cost of personal telephone calls, room service and other extras. (A personal call may be paid by the city, in an emergency situation, if approved by the supervisor.)

C. Transportation**1. Commercial Air Lines:**

The City pays actual cost, coach class. Submit the original ticket receipt(s) with the Expense Report form.

Minnesota Statute Section §15.435 requires that benefits earned by public employees and elected and appointed officials for airline travel paid by public funds must be transferred to the City. This law includes all credits or benefits issued by an airline, including free tickets and upgrades. If a transfer or assignment is not honored by the airline, the individual must still report receipt of the benefit to the Finance Department within 90 days of its receipt.

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If an employee elects an alternate mode of transportation, reimbursement is made based on the lesser of the alternate mode or the standard mode.

2. Personal Automobile:

Use of a personal vehicle requires the department director's approval.

If a City vehicle was not available:

Employees using their personal vehicles for work-related travel will be reimbursed at the prevailing Internal Revenue Code allowance, the current per diem rate per mile, to be adjusted automatically with I.R.S. guidelines.

If a City vehicle was available:

Employees using their personal vehicles for work-related travel will be reimbursed at 75% of the prevailing Internal Revenue Code allowance.

Employees who are being reimbursed for actual fuel expenses must submit original fuel receipts with the Expense Report.

In the event of an accident, when using a personal vehicle for work-related travel, insurance coverage is not provided by the City, but by the individual's personal automobile insurance.

3. Automobile Parking/Taxi or Bus Fares:

The actual cost is reimbursed when the original receipt is submitted.

III. TRAVEL REQUESTS/ADVANCES

A. In-State Travel

A Request for Travel Leave form, with supporting documents, must be submitted for travel requiring an overnight stay, if it is not itemized in the detailed budget. The department director must approve this, and the original forwarded to the City Manager's Office. It must be set up as an obligation, if it qualifies for an advance.

B. Out-of-State Travel (excluding Cass County)

A Request for Travel Leave form, with supporting documents, is required. The department director must approve this, and the original forwarded to the City Manager for his approval.

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C. Supporting Documents

These documents include:

- Conference brochures
- Meeting notice
- Agendas
- Itineraries
- Description of Meeting

D. Advances/Check Requests

An advance may be issued if the anticipated expenses exceed \$250.00.

Obligations are required, with appropriate approval and documentation, for payment of registration, transportation, and/or advance. Some organizations and/or hotels will accept purchase orders to register or reserve a room and will then bill the City. This method is preferred.

Obligations for an advance should be received by the Finance Department at least two weeks prior to departure.

Advances may be issued on shorter notice if a department director has deemed the situation an emergency.

Advances are held by the Finance Department until one day prior to departure.

IV. TRAVEL EXPENSE REIMBURSEMENT

All employees returning from travel are required to submit an Expense Report form, even if the advance equals actual expenses. Expense Reports must be submitted to an employee's supervisor within one week after returning. Original receipts for lodging, parking and travel tickets must be attached to the Expense Report. Original receipts for all meals must be attached if not using the standard meal allowance – see meals portion of this policy.

If actual expenses exceed the advance, the Expense Report is attached to an obligation, signed by the department director, and submitted to the Finance Department for payment. No check will be issued for less than one dollar.

If the amount of money advanced exceeds actual expenses, the Expense Report, signed by the department director, is submitted with cash or a check for the amount of overpayment to the Finance Department. No payment is required for less than one dollar.

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V. ADDITIONAL INFORMATION

The Request for Travel Leave and Expense Report forms are available electronically under the Human Resources forms portal. Assistance with these forms and other matters pertaining to travel expenses is available by contacting the Finance Department.

SUBJECT: TRAVEL AND EXPENSE REIMBURSEMENT

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Employees who are authorized to travel at County expense are required to submit a travel reimbursement voucher. The reimbursement rate is set by the County Commission and follows the state reimbursement rate or the federal reimbursement rate, which is greater. Copies of the current rates are available at the County Auditor's Office.

Travel from residence to work base is not reimbursable travel. Employees must be away from their normal place of employment a minimum of four (4) hours to receive reimbursement for meals. Notwithstanding the (4) hour requirement, meals within the county, while attending formal meetings required by the department head and/or conferences directly related to county business, shall be reimbursed. This policy applies only when an employee is required to stay on-site at the meeting and/or conference during the meal. The state rate shall apply when applicable, however, reimbursement for in-county meals shall be actual expenses, not to exceed ten dollars.

If an employee may save substantial transportation costs by incurring additional meals/lodging, the employee is encouraged to travel at the lowest overall cost. If an employee chooses to travel in an alternative method, he/she will be responsible for the payment of the difference of any costs incurred and any additional travel time will need to be reported as annual leave.

The Board of Commissioners has directed that employees furnish their insurance company name and policy number to the County Auditor at the time of requesting payment on the County voucher, before they can be reimbursed by personal auto use on County business.

Persons submitting expense vouchers shall assure that the expenses are not being reimbursed by any other governmental agency or business. Payment of travel expense over \$100 will be reimbursed as soon as vouchers are processed. Payment under \$100 will be done monthly.