

**FLOOD DIVERSION FINANCE COMMITTEE
NOVEMBER 15, 2017—4:00 PM**

1. MEETING TO ORDER

A meeting of the Flood Diversion Finance Committee was held on Wednesday, November 15, 2017, at 4:00 PM in the River Room, Fargo City Hall, with the following present: Fargo Finance Director Kent Costin; Fargo City Commissioner Tony Grindberg; Clay County Auditor/Treasurer Lori Johnson; Fargo City Mayor Tim Mahoney; Cass County Auditor Mike Montplaisir; Fargo City Assistant Administrator Mike Redlinger; Cass County Commissioner Rick Steen; and Cass County Commission Representative Darrell Vanyo. Moorhead City Councilman Chuck Hendrickson was present via teleconference. Cass County Joint Water Resource District Chairman Mark Brodshaug; Fargo City Commissioner Tony Gehrig; and Moorhead Finance Director Wanda Wagner were absent.

Eric Dodds, AE2S; Robert Cowen, CH2M; and John Shockley, Ohnstad Twichell were also present.

2. APPROVAL OF MINUTES FROM PREVIOUS MEETING

MOTION, passed

Dr. Mahoney moved and Mr. Costin seconded to approve the minutes from the October 25, 2017, meeting as presented. Motion carried.

3. APPROVAL OF BILLS

MOTION, passed

Mr. Steen moved and Mr. Costin seconded to approve the bills in the amount of \$2,706,501.77 and to forward them to the Metro Flood Diversion Authority. Discussion: Dr. Mahoney asked if the playground in Oxbow has been completed. Mr. Redlinger said it has not been started. Eric Dodds of AE2S said the project was sent back to be redesigned and re-bid with the intent to limit Diversion Authority costs.

Mr. Costin said he has noticed that there is a very wide variance in the amount paid to property owners of buyout homes for moving costs, with the low around \$1,800 and the high as much as \$40,000. Some property owners have not asked for any reimbursement for moving costs. Mr. Costin asked if there is a management policy or procedure in place to limit these costs. Mr. Dodds said according to federal law, homeowners are required to seek bids for moving costs and the Diversion Authority must pay the minimum bid. Homeowners have 18 months to submit bids for moving costs. Mr. Montplaisir asked if the Diversion Authority will be responsible for paying moving costs twice for residents whose property is currently in storage while their new homes are being built. Mr. Dodds said he is unsure. On roll call vote, the motion carried unanimously.

4. FINANCIAL UPDATE

Mr. Costin reviewed the financial statement for October. About \$65.6 million has been expended from the FY 2017 budget, and the total disbursed for the project to date is \$398,035,014. The net position is \$72.2 million.

Mr. Steen said the Summary Budget Report shows a breakdown of FY 2017 appropriated funds but is missing data for approved budget revenue sources. Mr. Costin said at one time there was an issue with tracking certain revenue streams from the state, but going forward into 2018 these numbers can be provided.

MOTION, passed

Mr. Vanyo moved and Mr. Steen seconded to approve the Financial Statement for October as presented. On roll call vote, the motion carried unanimously.

5. PMC UPDATE

Robert Cowen of CH2M reviewed the Program Management Consultant (PMC) report, including the overall program status and the FY 2017 cash budget.

6. RECOMMENDED CONTRACTING ACTIONS

Mr. Cowen reviewed the following contracting actions:

Change Orders

- Riley Brothers, Inc. (County Road 17)—incorporate County Road 17 temporary bypass road; add ditch cleaning/reshaping; add standby time and partial demobilization costs in the amount of \$469,811.19.

Mr. Cowen said monetary impacts due to the federal injunction are being tracked. Mr. Grindberg asked what the total costs tracked to date are. Mr. Cowen said costs directly tied to the injunction are almost \$600,000.

- Schmidt and Sons Construction, Inc. (OHB Ring Levee)—relocation of access point in the amount of \$6,200.
- Landwehr Construction, Inc. (OHB Ring Levee)—add a temporary golf cart path in the amount of \$4,383.34.

Mr. Vanyo said an article on social media mentioned that all 18 holes of the golf course have been improved. Mr. Vanyo asked if this is true as this was never the intent. Mr. Dodds said he is not sure.

- Industrial Builders Inc. (2nd Street North)—add generator exhaust system components and installation; add 56 calendar days to final completion date in the amount of \$22,556.

MOTION, passed

Dr. Mahoney moved and Mr. Costin seconded to approve the appropriation of funds for the outlined contracting actions as presented, and to forward the recommendations to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.

Mr. Grindberg asked if all costs associated with the federal injunction are being tracked or only direct costs. Attorney John Shockley said once a final resolution is reached the associated costs will be able to be determined. There are many associated soft costs that are not being tracked at this time. Mr. Grindberg said in a final moment of deliberation the Governors' Task Force for the diversion may request this information and it would be prudent to have the data available.

7. LAND ACQUISITION STATUS REPORT

Mr. Dodds reviewed the Land Acquisition Status Report. Mr. Dodds said this will most likely be the last report for the year and the near future. Parcel counts have been altered for some categories due to parcel splits in the county.

8. PROPOSED 2018 BUDGET

Mr. Redlinger said due to the federal injunction the approval of the budget is behind schedule this year. The draft FY 2018 Cash Budget presented today shows two levels of detail; a third level is also available. The budget maintains flexibility to ramp up activities and spending if the injunction is lifted.

Mr. Redlinger said the Program Management Consultant has reduced involvement as the project has slowed, which is reflected in a decrease in staff and program expenditures.

Mr. Cowen said legal costs are also down.

9. NEXT MEETING

The next meeting is scheduled for December 13th at 4:00 PM.

Dr. Mahoney said perhaps a meeting should be held on December 20th as the Governors' Task Force meetings will be complete and there may be a clearer path forward, which would help define a more concrete budget. Mr. Costin said even if there is clear direction from the task force, it would take a minimum of 30 days to modify the budget. As has been previously suggested, the budget can be approved and re-examined and amended once a path forward is known.

Mr. Grindberg said he would like to see this committee take a deeper look at the 2018 budget. Mr. Steen said he would like to see the level three budget details before the next meeting.

Mr. Grindberg said the 2018 budget can be discussed at the December 13th meeting. An additional meeting on December 20th can be scheduled to address regular monthly business and to discuss any outcomes from the Governors' Task Force. Mr. Grindberg suggested a meeting time of 8:00 AM.

10. GOVERNORS' TASK FORCE

Mr. Vanyo said it is his understanding that several members of the Governors' Task Force were in attendance for the technical subcommittee meeting. The task force has been very educational for all sides and it has been a good tool to demonstrate the complexity of the project. Mr. Vanyo said he hopes the final resolution keeps the original project intent in mind, which is for the least costly plan with the least impacts.

11. **ADJOURNMENT**

MOTION, passed

**On motion by Mr. Vanyo seconded by Mr. Costin and all in favor,
the meeting was adjourned at 4:44 PM.**

Minutes prepared by Brielle Edwards, HR Assistant