

**FLOOD DIVERSION FINANCE COMMITTEE
DECEMBER 19, 2018—4:00 PM**

1. MEETING TO ORDER

A meeting of the Flood Diversion Finance Committee was held on Wednesday, December 19, 2018, 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; Fargo City Commissioner Tony Gehrig; Moorhead City Councilman Chuck Hendrickson; Cass County Joint Water Resource District Chairman Dan Jacobson; Clay County Auditor/Treasurer Lori Johnson; Fargo City Mayor Tim Mahoney; Moorhead Finance Director Karla McCall; Cass County Auditor Michael Montplaisir; Fargo City Assistant Administrator Michael Redlinger; and Cass County Commissioner Rick Steen. Cass County Commissioner Vern Bennett was absent.

Martin Nicholson of Jacobs; and John Shockley of Ohnstad Twichell were also present.

2. APPROVAL OF MINUTES FROM PREVIOUS MEETING

MOTION, passed

Mr. Steen moved and Mr. Hendrickson seconded to approve the minutes from the October 24, 2018, meeting as presented. Motion carried.

3. APPROVAL OF BILLS

MOTION, passed

Mr. Costin moved and Mr. Jacobson seconded to approve the bills in the amount of \$93,902.43, and to forward them to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.

4. FINANCIAL UPDATE

Mr. Costin reviewed the financial statement for November. About \$34.5 million has been expended from the FY 2018 budget, and the total disbursed for the project to date is \$450,374,299. The net position is \$83.2 million. As reflected in the statements, revenues are presently outpacing expenditures due to the current pause in the project.

MOTION, passed

Mr. Montplaisir moved and Mr. Redlinger seconded to approve the Financial Statement for November as presented. On roll call vote, the motion carried unanimously.

5. PMC UPDATE

Martin Nicholson of Jacobs reviewed the Program Management Consultant (PMC) report, including the overall program status and the FY 2018 cash budget.

Mr. Nicholson said the newly approved project budget of \$2.75 billion is not currently reflected in the reports; the reports do reflect the line item revisions approved in October.

Mr. Steen asked why the Financial Statement from the City of Fargo shows expenditures to date of \$450 million and the PMC report shows expenditures to date of \$442 million.

Mr. Nicholson said timing and slightly different accounting methods play into the different

numbers. In addition, the PMC does not account for debt service.

Dr. Mahoney arrived for the remainder of the meeting.

MOTION, passed

Mr. Costin moved and Mr. Montplaisir seconded to approve the Program Management Consultant Report for November as presented. On roll call vote, the motion carried unanimously.

6. 2019 BUDGET

Mr. Grindberg said as agreed upon at the October meeting, a budget has been created for the first quarter of 2019. Once the outcome of the permit process is known, a full budget will be created for the remainder of the year.

Mr. Costin asked if it will be appropriate for the Diversion Authority to monitor the financial project management of the U.S. Army Corps of Engineers once the project is underway.

Attorney John Shockley said yes; going forward there will need to be a discussion concerning the level of oversight the Diversion Authority has for the Corps as the federal funds appropriated for the project ultimately belong to the Diversion Authority and excess funds will remain with the Diversion Authority after the project's completion.

MOTION, passed

Mr. Redlinger moved and Mr. Steen seconded to approve the FY 2019 Q1 Budget as presented, and to forward the recommendation to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.

7. 2019 MEETING SCHEDULE

Mr. Grindberg said 2019 Diversion Authority and committee meetings will follow the same meeting schedule that is currently in place. There may be additional Finance Committee meetings.

8. OTHER BUSINESS

Financial audit update

Mr. Costin said a sub-committee met with Eide Bailly to discuss a financial audit for the Diversion Authority, and what the parameters and timing of an audit might be. A recommendation will be brought back to the Finance Committee.

9. NEXT MEETING

The next meeting is scheduled for January 23rd at 4:00 PM. An additional meeting may be added in early January as well.

10. ADJOURNMENT

MOTION, passed

On motion by Mr. Steen, seconded by Mr. Hendrickson and all in favor, the meeting was adjourned at 4:30 PM.