

Metro Flood Diversion Authority Finance Committee Meeting Minutes

4:00 P.M. – July 26, 2023

City of Fargo Commission Chambers

A regular meeting of the Metro Flood Diversion Authority Finance Committee was held on July 26, 2023. The following members were present: Bernie Dardis, Mayor, City of West Fargo; Chad Peterson, Cass County Commissioner; Rick Steen, Cass County Joint Water Resource District; Susan Thompson, interim Finance Director, City of Fargo; Lori Johnson, Clay County Auditor/Treasurer; Mike Redlinger, Administrator, City of Fargo; Tony Grindberg, Cass County Commissioner; Dave Piepkorn, Fargo City Commissioner; Shelly Carlson, Mayor, City of Moorhead and Brandy Madrigga, Cass County Finance Director.

Member(s) absent: Dr. Tim Mahoney, Mayor, City of Fargo and Mike Rietz, City of Moorhead Assistant City Manager.

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 JUNE 2023 MEETING

MOTION PASSED

Mr. Steen moved to approve the minutes from the June 2023, meeting and Mr. Peterson seconded the motion. On a voice vote, the motion carried.

3. APPROVE ORDER OF AGENDA

MOTION PASSED

Mayor Carlson 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

Ms. Thompson reported that the bills payable through July 19, 2023, total \$1,421,545 and are payable to the usual vendors.

MOTION PASSED

Mr. Piepkorn moved to approve the bills as presented and Mr. Peterson seconded the motion. On a roll call vote, the motion carried.

5. FINANCIAL REPORT

An amended version of the financial report was distributed. Ms. Thompson reported that the total assets to date are \$175,384,838, liabilities total \$352,462, and the current net position is \$175,032,376.

MOTION PASSED

Mr. Steen moved to approve the financial report and Mayor Carlson seconded the motion. On a voice vote, the motion carried.

6. EXECUTIVE DIRECTOR FINANCIAL REPORT

Mr. Paulsen reported that the sales tax revenue is being received as expected and a Legacy Fund draw of \$2,125,000 was received in July. The total revenue is \$8,300,000.

It is anticipated that there will be large MOUs and significant land acquisitions forthcoming, but the budget is expected to continue on track.

7. 2023 CASH BUDGET CHANGE REQUEST

Mr. Paulsen provided an overview of the following cash budget change request:

- A series of invoices were received in April-2023 from Aon Risk Insurance Services totaling \$5,448,765.42. This cost was not included in the FY2023 budget thus consequently caused an overrun on the non-construction program management Work Breakdown Structure (WBS). The initial FY2023 budget was set at \$8,274,200 to cover management software and consultancy fees. However, cost through 30-June (including Aon premiums) is \$8,666,341 showing a \$392,141 overrun. Hence, the non-construction program management WBS will need additional budget to support expected costs for the remaining year.

MOTION PASSED

Mr. Steen moved to approve the cash budget change request and Mr. Piepkorn seconded the motion. On a roll call vote, the motion carried.

8. CONTRACTING ACTIONS

There were no contracting actions.

9. MOUs AND AGREEMENTS

Mr. Shockley provided an overview and summary of the following MOU:

- **Cass County & MFDA MOU – Amendment 1, SWDCAI**
This is Amendment 1 to the Cass County & MFDA MOU for the SWDCAI. The purpose of Amendment 1 includes updates to Section 6.04 Frontage Road to reflect changes that were made to the technical requirements of the PA between the MFDA and the P3 Developer. There are no cost changes associated with this amendment.

MOTION PASSED

Mayor Carlson moved to approve the MOU as presented and Mr. Steen seconded the motion. On a roll call vote, the motion carried.

10. OTHER BUSINESS

a. WP47A Recommendation to Reject Bid

Mr. Fuchs provided an overview and recommendation to reject the bid for WP47A:

The contract for the WP47A utility relocations was publicly advertised, and one (1) bid was received at the virtual public bid opening on June 11, 2023, at 1:00pm. The bid was from Border States Paving, Inc., in the amount of \$2,216,525.50. The engineers estimate for the project was \$927,493.33.

Jacobs and the Authority’s legal counsel have reviewed and evaluated the bid documents and recommend the Metro Flood Diversion Authority reject the bid for WP47A. The basis for this recommendation is the bid amount was 239% of the Engineers Estimate (\$927,493.33) and only one bid was received.

We are also recommending that the utility relocation work associated with WP47A be rebid as two separate work packages.

MOTION PASSED

Mr. Redlinger moved to reject the bid as presented and Mr. Peterson seconded the motion. On a roll call vote, the motion carried.

b. MFDA 2022 Audit Report Financial Statements and Corrective Action Plan

Mr. Paulsen reported that two corrective actions were noted in the 2022 audit that was conducted by Eide Bailly. Mr. Paulsen stated that a corrective action plan has been submitted and the plan will be discussed at the August meeting.

11. NEXT MEETING

The next meeting will be August 23, 2023.

12. ADJOURNMENT

The meeting adjourned at 4:18 PM.