

Metro Flood Diversion Authority Finance Committee Meeting Minutes

4:00 PM – September 25, 2024
City of Fargo Commission Chambers

A regular meeting of the Metro Flood Diversion Authority Finance Committee was held on September 25, 2024. The following members were present: Bernie Dardis, Mayor, City of West Fargo; Dr. Tim Mahoney, Mayor, City of Fargo; Shelly Carlson, Mayor, City of Moorhead; Rick Steen, Cass County Joint Water Resource District; Dave Piepkorn, Fargo City Commissioner; Susan Thompson, Finance Director, City of Fargo; David Ebinger, Clay County Commissioner; Chad Peterson, Cass County Commissioner and Mike Redlinger, Administrator, City of Fargo.

Member(s) absent: Mike Rietz, Assistant City Manager, City of Moorhead; Tony Grindberg, Cass County Commissioner and Brandy Madrigga, Cass County Finance Director.

1. CALL TO ORDER

Mayor Dardis called the meeting to order at 4:01 PM. Roll call was taken, and a quorum was not present. A second roll call was taken at 4:04 PM, at which time a quorum was present.

2. APPROVE MINUTES FROM THE AUGUST 2024 MEETING

MOTION PASSED

Mayor Mahoney moved to approve the minutes from the August 2024 meeting and Mayor Carlson seconded the motion. On a voice vote, the motion carried.

3. APPROVE ORDER OF THE AGENDA

MOTION PASSED

Mayor Mahoney moved to approve the order of the agenda and Ms. Thompson seconded the motion. On a voice vote, the motion carried.

4. APPROVAL OF BILLS

Ms. Thompson reported that the bills payable through September 18, 2024, total \$8,860,276, and are payable to the usual vendors, with CCJWRD being the largest at \$3,716,031, the City of Fargo being the second largest at \$3,343,740, followed by Clay County at \$1,031,659.

MOTION PASSED

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

5. FINANCIAL REPORT

Ms. Thompson reported the total assets as of August 31, 2024, are \$285,125,178; liabilities total \$78,851, and the grand total net position is \$285,046,327.

MOTION PASSED

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

6. CASH BUDGET REPORT

Mr. Barthel reported that there was a significant increase in sales tax receipts, totaling \$7,412,000. A Legacy Bond draw was received in the amount of \$20,891,000. Income for the month is \$31,018,000, and the fiscal year total is \$127,977,000.

Expenditures are below budget at \$96,347,098. There is \$11,963,464 remaining in the lands budget which may be tight, with the anticipated closeouts by year end. Management and engineering are tracking as anticipated, and the operations budget is in alignment as well.

7. MOUs AND AGREEMENTS

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

a. Clay County & MFDA 37-Foot MOU

The Clay County 37-foot Improvement MOU sets forth the roles and responsibilities for raises to specified county roadways on the north side of Moorhead that will allow the road to remain passable during comprehensive project operation. Pursuant to the terms of the MOU, the County will be responsible for designing, bidding, and constructing the road raises, with oversight and approval from the Authority. The County will require its contractor to secure insurance for the work and to indemnify the Authority. The Authority is responsible for reimbursing the County for all salaries, services, and/or related costs and expenses for surveying, land acquisition, design, construction, construction material, utilities, and inspections for the road raises.

MOTION PASSED

Mayor Carlson moved to approve the MOU as presented and Mayor Mahoney seconded the motion. On a roll call vote, with Mr. Piepkorn voting “nay”, the motion carried.

b. North Pleasant Cemetery Association & MFDA

In accordance with the Settlement Agreement and the PRAM, the Authority adopted a Cemetery Protection Plan to identify potential impacts and mitigation measures for cemeteries within the UMA. The North Pleasant Cemetery is in Mitigation Zone 1 of the Comprehensive Project. Potential impacts to the Cemetery include potential for grass and tree damage over existing conditions due to greater depth and duration of flooding if the flooding occurs during the growing season, potential for shifting or tripping over of headstones, potential for soil and crop debris from adjacent agricultural field to wash into the Cemetery with the flood waters, necessitating clean-up not needed under existing conditions, potential for headstones tipping over or moving due to flood waters, and potential for lack of access to the Cemetery for longer periods of time due to greater duration of flooding. The Authority and Church determined mitigation necessary to remedy or prevent potential impacts from the Comprehensive Project to the Cemetery include a levee/berm built to the 500-Year Flood Event, a water management and discharge system inside the berm (consisting of internal and external ditches and culvert and positive closure structure), fence removal, tree removal and replanting, and Post-Operation Debris and Clean-up (collectively, referred to as the “Project”). The Authority is responsible for initial and annual funds for the design, construction, operation, and maintenance of the Project as described in the Agreement. The Authority also agrees to pay the costs of reasonable professional fees.

MOTION PASSED

Mr. Peterson moved to approve the cemetery agreement as presented and Mayor Mahoney seconded the motion. On a roll call vote, the motion carried.

8. DA BOARD APPROVAL CONTRACTING ACTIONS

Mr. Barthel provided an overview and summary of the following contracting actions:

a. Task Order 1, Amendment 14 - Consulting Services - AE2S, Inc. - \$1,591,000.

This amendment adds scope and budget to cover the acquisition of necessary property for the Sheyenne Benching Project, the Christine Project and the Wolverton Project.

b. New Service Agreement - Snow Removal Services 2024-2025 - JT Lawn Services & Landscaping, LLC - \$10,000.

Perform snow removal services on property owned by the Metro Flood Diversion Authority.

c. Task Order 07, Amendment 0 - Relocate Oxbow Substation - 15kV Materials Only - Minnkota Power Cooperative, Inc. - \$913,880.

Purchase materials for the Oxbow Substation relocation. The existing Oxbow Substation is located 1 mile north of Oxbow and within the backwater flowage easement of the southern embankment. The major materials included in this TO as part of the substation relocation include steel structures, switches, breakers, control enclosures, communications, and protection.

d. Task Order 24, Amendment 0 - WP38C - OINs 9423, 9436 and 9440 - Property Structure Mitigation - Industrial Builders, Inc. - \$296,000.

Perform structural demolition and/or removal services of residential, commercial and agricultural structures, including but not limited to houses, out buildings such as barns, silos, garages and workshops and other components as identified in the site plans.

MOTION PASSED

Mr. Piepkorn moved to approve all the contracting actions as presented and Mr. Steen seconded the motion. On a roll call vote, the motion carried.

9. OTHER BUSINESS

a. Cass County HR MOU Amendment 1

Mr. Shockley provided an overview and summary of the above-referenced MOU.

After lengthy dialogue regarding the COLA determinations for MFDA staff, Mayor Carlson stated that the Planning Committee had approved a blended increase at the last meeting.

MOTION PASSED

Mr. Steen moved to utilize the Cass County process for now since there are several unknown factors such as salary classifications, steps, etc. Based on the outcomes of the salary study, the COLA determination can be revisited and adjusted accordingly. Mr. Peterson seconded the motion and, on a roll call vote, the motion carried.

b. First Draft of the 2025 Cash Budget

Mr. Barthel provided a “draft” overview of the preliminary 2025 cash budget. It is anticipated that there will be milestone payments due totaling approximately \$232,000,000. The lands budget is anticipated to be \$11,900,000, however this number is pending based on the 2024 closeouts. If there is carryover of the closeouts, it is anticipated that another \$49,000,000 will be spent.

Funding Sources

Fargo Sales Tax	\$52,124,313
Cass County Sales Tax	\$22,000,000
Legacy	\$70,000,000
SRF	\$15,000,000
WIFIA Draws	\$232,000,000
Reimbursements	\$25,000
Lease/Rental Payments	\$500,000

Asset Sales	\$1,000,000
Investment Income	\$7,500,000
Miscellaneous	\$100,000
Draws from Horace Infrastructure Escrow account	\$1,500,000
Draws from BRRWD Escrow account	\$2,000,000
Total Sources	\$403,749,313

MOTION PASSED

Mr. Peterson moved to approve the first “draft” of the preliminary 2025 cash budget and Mayor Mahoney seconded the motion. On a roll call vote, the motion carried.

10. NEXT MEETING

The next meeting will be on October 23, 2024.

11. ADJOURNMENT

The meeting adjourned at 5:17 PM.