

Metro Flood Diversion Authority Finance Committee Meeting Minutes

4:00 PM –October 23, 2024

City of Fargo Commission Chambers

A regular meeting of the Metro Flood Diversion Authority Finance Committee was held on October 23, 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; Mike Rietz, Assistant City Manager, City of Moorhead; Tony Grindberg, Cass County Commissioner and Mike Redlinger, Administrator, City of Fargo.

Member(s) absent: Brandy Madrigga, Cass County Finance Director.

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 THE MINUTES FROM THE SEPTEMBER 2024 MEETING
MOTION PASSED**

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

**3. APPROVE THE ORDER OF THE AGENDA
MOTION PASSED**

Mayor Carlson moved to approve the order of the agenda and Mr. Piepkorn seconded the motion. On a voice vote, the motion carried.

4. APPROVAL OF BILLS

Ms. Thompson reported that the bills payable through October 16, 2024, total \$8,638,140, and are payable to the usual vendors, with the City of Fargo being the largest at \$4,131,705, and CCJWRD being the second largest at \$3,866,238.

MOTION PASSED

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

5. FINANCIAL REPORT

Ms. Thompson reported the total assets as of September 31, 2024, are \$294,973,488; liabilities total \$188,176, and the grand total net position is \$294,785,312.

MOTION PASSED

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

6. CASH BUDGET REPORT

Mr. Barthel reported that the annual revenue is on track, however, there has been a slight leveling versus growth in sales tax revenue. A Legacy Bond draw was received in the amount of \$10,260,000; \$80,206,000, has been received to date from the Legacy Bond fund. \$18,502,000, was received in income this month for a YTD total of \$146,479,000.

Expenditures are tracking as expected. It is anticipated that there will be milestone payments due to the developer by year-end along with an anticipated closing of several properties. The operations budget continues to track well and is significantly under budget.

7. MOUs AND AGREEMENTS

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

a. Holy Cross Township & MFDA MOU

The Holy Cross Township MOU addresses both the Township and MFDA’s rights and obligations related to the design, construction, operation and maintenance of Reaches SE-4 and SE-5, the Clara Cemetery Project, Field Access Improvements and the Field Access Road or Mobility Improvement. USACE is the responsible party for design and construction of Reaches SE-4 and SE-5 and the Wolverton Creek Crossing. The Authority is the responsible party for the design and construction of the Clara Cemetery Project, Field Access Improvements and the Field Access Road. The Authority is responsible for reimbursing the Township for up to \$71,000 in attorney fees; a one-time lost tax revenue payment of \$23,000; and a one-time road maintenance payment of \$165,000 for approximately three miles of new township roadway (known in the MOU as the Field Access Road).

MOTION PASSED

Mr. Grindberg moved to approve the MOU as presented and Mr. Peterson 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. SE-3 Water & Sanitary Sewer Utility Installation – Utility Relocations – USACE - \$862,654.

This utility work for Reach SE-3 consists of two 8” HDPE water mains with an air release valve offset from the embankment crest, one 6” and one 8” DHPE sanitary sewer force main with air release valves both at the southern extents of the project limits, and at the crest of the embankment. The sewer and water utilities will be separated by 5’ and will be encased in controlled low strength material (CLSM) through the horizontal extents of the crest and the embankment. The work will also include connection of the water and sanitary sewer conduits to their respective existing systems on either side of CR 81. Subsequent removal of all existing utilities inside the extents of the borrow ditch and embankment of Reach SE-3 is also included. The remaining utilities inside the project limits will be abandoned.

b. Task Order 19, Amendment 0 – WP38C – OIN 1893 & 9462 – Property Structure Mitigation – Schmidt & Sons Construction, Inc., - \$269,975.

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

Mayor Mahoney moved to approve both contracting actions as presented, and Mayor Carlson seconded the motion. On a roll call vote, the motion carried.

9. OTHER BUSINESS

a. MFDA 2023 & 2024 Contract Summary

Mr. Barthel provided an overview of the MFDA 2023 & 2024 contracts summary that includes all the vendors and contractors, broken down by category, and what is included in each of them.

The Jacobs team will ‘scrub’ the list based on the historical trend of dollars paid, to determine the needs of the vendors and contractors in 2025.

b. Sales Tax Update

Mayor Dardis and Mr. Barthel provided an update of the monthly tax revenues for the years 2022-2024 and what is forecasted for the remainder of 2024.

Ms. Thompson reported that the numbers that were provided are not factual based on the city’s accrual methodology. Ms. Thompson will work with Mr. Barthel to get the numbers updated for the November meeting.

Mr. Grindberg stated that this needs further research and the 2025 budget needs to be fully understood by the board so it is known what is being spent and the awareness of what is coming down the pike in the next two years.

Mayor Carlson suggested reaching out to the University of Minnesota Extension to do a study of the sales tax income that would provide an analysis of the revenue sources and provide projections for coming years.

c. Second Draft of the 2025 Cash Budget

Mr. Barthel provided an update of the “draft” 2025 cash budget and indicated that there have been a few minor changes; \$2,000,000 was added in the expenditures category due to the anticipated milestone payments and legal fees were adjusted slightly. Version three will likely be presented in December.

d. Land Acquisition Directives

Ms. Smith provided an overview of the following LADs for approval:

LAD-ND-Sheyenne River Benching R01- Sheyenne River Benching Project

OINs 1205, 1206, 1209, 1210, 7235, 7239, 9345, 9346, 9351, & 1199X – Property Acquisition Budget = \$165,000.

LAD-ND-00038-R07-Christine ROW- Upstream Mitigation Area (WP-38) Flowage Easements

City of Christine owned public right of way – Property Acquisition Budget = \$44,000.

MOTION PASSED

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

e. MFDA Award Solicitation/Procurement Policy

Mr. Wilson provided a conceptual overview of the above-referenced policy. This policy would require the executive director to have prior approval from the board chair and vice chair before submitting any award applications. The “draft” policy will be presented at the November board meeting.

f. MFDA Sponsorship Policy

Mr. Wilson provided a conceptual overview regarding sponsorship, and it is recommended that the executive director not pursue or enter into any sponsorship agreements. The “draft” policy will be presented at the November board meeting.

10. NEXT MEETING

The next meeting will be November 20, 2024.

11. ADJOURNMENT

The meeting adjourned at 5:02 PM.