City of Fargo
Finance Committee Meeting Minutes
January 9, 2017

A Finance Committee meeting was held on January 9, 2017 at 10:00 a.m. in the Mayor's Office.

Members Present: All except for Mayor Mahoney

Guests Present: David Todd (by phone) and Shawn Dobberstein

Minutes Approved

The minutes from the last meeting were reviewed and approved. They will be modified to clarify tax increment financing for a storm water pond and gas line lowering in the 23rd Ave. project between 42nd and 45th street. There were some name change requests as well that will be amended.

Municipal Airport Authority Police Officer Request

Shawn Dobberstein and Dave Todd discussed a request from the MAA for sworn police officers required to assist at TSA checkpoints. This is a new federal requirement. Currently the MAA is using armed guards, however, the federal laws require sworn police officers. A total of six officers would be required to handle this requirement. This cost will be 100% reimbursed by the Airport who will receive partial federal funding for this expenditure. The estimated costs for the year would be $602,000. Piepkorn asked Chief Todd if this will create a burden for the Police Department. Todd explained that with enough lead time this should not be a problem as they are getting caught up on hiring new officers. This new requirement would go into effect on July 3, 2017. Costin inquired about whether or not this was contemplated to be a contract with a fix amount or actual costs. Dobberstein stated that the agreement cites actual costs. Grubb moved to approve hiring the six required officers. Sprague seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
January 26, 2017

The monthly Finance Committee was held on January 26, 2017 at 9:00 a.m. in the Mayor's Office

Members Present: All

Guests Present: April Walker, Ben Dow, Nicole Crutchfield, Brenda Derrig

Minutes Approved

The minutes from the last meeting were presented and approved. Sprague moved to approve. Grubb seconded the motion and all voted in favor.

Fargodome Bond Issue Results

Costin reported on the recent negotiated bond sale with Baird as the underwriter. He said that the process went smoothly and that the rate was slightly better than expected. Rates dropped in early January as expected. The interest rate on the bonds was 3.44% with a ten-year amortization period. He also reported that Moody's initially issued a negative outlook on future bonding because of the large upcoming debt for the FM Diversion project. After follow up discussion regarding the timing of potential future bond issues, they removed their negative outlook and replaced it with a stable rating.

Fuel Purchase Contracts

Ben Dow reported on the status of fuel contracting. He executed contracts for the third and fourth quarter of 2017 so now the entire year has a price lock. The overall price is up somewhat over last year due to increase in prices earlier than normal trend. This budget management strategy has worked well in the past.

Sale of Fire Truck Approved

Ben Dow requested approval to sell an old fire truck. He posted this online for about a year and has now received a very good bid from an organization in Indiana. They have offered a price of $85,000, which is considerably better than what would have been realized at our auction. Sprague moved to approve the sale of the fire truck as recommended. Costin seconded the motion and all voted in favor.

Legal Services Contract Extra Hours Approved

The Committee reviewed a memo received from City Attorney Erik Johnson. Currently the contract calls out work of 2,600 hours per year. Hours above this estimate are normally paid on a per hour basis. There were 386.5 extra hours in 2016. Redlinger suggested that an hourly contract might be more appropriate in light of the difficulty in estimating level of effort. Sprague moved to approve the extra year-end billing for $66,368. Piepkorn seconded the motion and all voted in favor.

Sole Source Procurements Approved

The Committee reviewed three sole source procurement requests. The first one was for point of sales software at the Fargodome. This is a proprietary software system that is compatible with their existing point of sales hardware in place. The second request was from the Planning Department for boulders for the Fargo project. They have checked around and Asplin Excavating is the only local contractor that can provide this large of rock. The third was for Johnson Controls for HVAC management systems at the Fargodome. Costin moved to approve the sole source procurement requests as presented to North Country Business Systems, Asplin Excavating, and Johnson Controls. Grubb seconded the motion and all voted in favor.

Preliminary Year End Financial Results for General Fund

The Committee reviewed the preliminary year-end financial status report. Results were better than expected with a net surplus of approximately $773k. Budgeted revenue are $149.6 million and actual revenues are $148.7 million. Expenditures budgeted are $151.7 million and actual expenditures are $144.5 million. Costin reported that revenue variances were much tighter than they have been in the past and suggested that we consider what actions may be needed to manage the 2017 budget in light of declining State revenues. Current revenue projections from the State of North Dakota are dropping at a rate faster than anticipated last August. Piepkorn stated that we should continue to use conservative revenue projections. Committee felt that we should wait until the March revised revenue forecast before taking further action on the 2017 budget.

Budget Development Calendar Change Approved

Costin provided a first draft of the budget development calendar for 2018. He suggested that we start the process one month earlier in light of future changes to NDCC budget law and comply with truth in taxation notices. This change would mean that budget team meeting would occur in June instead of July and this will allow more time for discussion and deployment of budget strategies. Mahoney said that he was fine with starting early. Grubb suggested that we should schedule all of the meetings in one week in June so that the budget team meetings don't linger on as long as they have in the past.

Budget Carryover for Flint Contract in Traffic Engineering Approved

Jeremy Gordon made a request to carryover funds budgeted for the Flint Communications public communications contract totaling $64,200. He said that this contract was working well and that they would like to extend this through 2017. Grubb moved to approve the carryover request as presented. Piepkorn seconded the motion and all voted in favor.

Small Cell Implementation and Rate Structure Approved

Brenda Derrig led a discussion about the current small cell communications project. There are 20 sites currently scoped for Verizon estimated to produce revenues of about $40 - $60k depending upon the fees assessed. There was a lengthy discussion about the details of how to establish a rate structure. There was also discussion about the significant up-front costs incurred by the City for legal costs and the consultant working on this project. Derrig explained that there will be an application fee, an annual pole rental fee, and a permit fee. The suggested fee structure was for a $500 application fee, and a $1,500 annual pole rental fee that was in line with other regional communities. Grubb noted that the rate structure can be modified in the resolution as needed in the future. Redlinger suggested that this is a balanced approach and moved to approve. Piepkorn seconded the motion and all voted in favor.

Sale of Surplus Land in Harwood Township to FM Diversion Authority

Grubb reviewed an appraisal of farmland currently owned by the City of Fargo north of town that is in the proposed alignment of the Diversion project. There are 285 acres available at an appraisal price of $4,608 per acre. Proceeds of $1.313 million will be available in 2017. Costin moved to accept the appraisal proposal. Sprague seconded the motion and all voted in favor. Grubb reported that he intends to use some of the sales proceeds on the fit up of the Border States facility for the Police Department relocation project.

Non-Binding Letter of Intent for City Hall Parking

Grubb reported that he has a non-binding letter of intent for future parking needs for the City Hall project. The current City Hall design has 85 spaces of underground parking so we will need additional space to park everyone near City Hall. Northland Hospitality is proposing to provide parking pursuant to general terms and conditions. Piepkorn stated that the City should be in the position of owning its parking facilities. Grubb moved to approve negotiating pursuant to the non-binding letter of intent with Northland Hospitality. Bittner seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
February 27, 2017

The Finance Committee met for its regular meeting on February 27, 2017 in the Mayor's Office at 10:00 a.m.

There was discussion about membership and reducing the size of the Committee including only the budget team, the City Auditor and Commissioner Piepkorn.

Minutes Approved

The Committee approved the January meeting minutes as presented.

Sole Source Procurement Requests Approved

The Committee approved two sole source procurement requests for the Library (EBSCO and Overdrive) and on for Planning to Scott Bishop for the Fargo Project. Grubb moved to approve. Piepkorn seconded the motion and all voted in favor.

Year End Financial Status Report Executive Summary

Costin reviewed the executive summary financial report prepare to address year-end results and other economic issues that will affect budget decisions moving forward. The State of North Dakota's revised legislative revenue projections will come out on March 9th. He suggested that a special meeting should be considered to evaluate the impact of the revised projections. The final year-end 2016 overall budget numbers came out better than budgeted.

There was further discussion on fund balance reporting and how much fund balance is available for spending going forward. Costin stated that the final estimate fund balance would be about 30% of the budget, which complies with our overall fund balance goals. He will update this section to include more information relating the difference between total fund balance and the unassigned or spendable fund balance before sending out to City Commissioners.

Baird Approved for Bond Underwriter for Block 9 Project

Costin requested approval to proceed with the Block 9 project bonding using Baird as the bond underwriter. This was recommended because of the complexity of the financial arrangements relating to the project and the need to make sure the bonding community will understand the economic substance of this transaction. He said they had a good experience with Baird with the Fargodome video project. Piepkorn moved to approve using Baird for the Block 9 parking ramp bonds. Sprague seconded the motion and all voted in favor.

Employee Recognition Event Gift Vendor

Grubb explained the current process used to acquire gifts for the annual employee recognition event. He said that Artco, the current vendor is expanding the gift offerings and allowing an online gift selection process for employees that will streamline this process. Commissioner Piepkorn felt that this was a really great event and that the employees really appreciate this event. Redlinger stated he had

some experience with this type of set up and it worked well. Piepkorn moved to approve using Artco for the 2017 recognition event vendor. Costin seconded the motion and all vote in favor.

2018 Budget Development Schedule

Costin reviewed the updated budget development schedule that moves the budget process up by about one month. Mahoney felt that allowing more time would be beneficial. Grubb stated that the results were often directly correlated to the budget guidance mandated by the Mayor for the preliminary budget. Grubb felt that in the current economic environment more guidance would be needed to assure we could balance the 2017 and 2018 budgets.

FargoDome Investment Policy Amendments

The Committee reviewed a document received from the State Investment Board. This establishes performance benchmarks and establishes a five-year horizon in which to evaluate the investment manager. Mahoney asked how often this is reviewed. Piepkorn stated that the Fargodome Finance Committee looks at performance quarterly and has the investment manager attend a meeting on a periodic basis. Piepkorn moved to approve the revised language to include in the current Fargodome investment policy statement. Costin seconded the motion and all voted in favor. Costin mentioned that there is opportunity to improve the return on the cash balances held in Fargodome accounts. This will be revised later this summer.

Communications Assessment Contract with Flint Communications

Redlinger reviewed a proposal from Flint Communications relating to interdepartmental communications in the Planning, Engineering and Inspections Departments. This would be a research-based assessment that will help to improve customer service and improve our internal communications processes. Redlinger moved to approve a sole source procurement with a price range of $32,000 - $37,000 depending upon the final scope selected. Grubb seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
March 27, 2017

The Finance Committee met for its monthly meeting on at 10:00 a.m. on March 27, 2017 in the Mayor's Office.

All members were present. Guests included Jim Gilmour.

Minutes Approved

The Committee reviewed and approved the minutes from the last meeting. Grubb moved to approve. Piepkorn seconded the motion and all voted in favor.

Sole Source Procurement Request Approved

The Committee approved seventeen sole source procurement request from Department Heads. Costin requested clarification about how to handle the Fargodome approvals since they have their own Finance Committee in place. Piepkorn suggested that using the Fargodome Finance Committee approval was adequate since City staff also sit on that Committee and it would be redundant to have both Finance Committees approve their requests.

> ***Grubb moved to approve the sole source requests and to allow Fargodome approvals to happen at the Dome Finance Committee level with those over $25,000 approved by the City Commission. Sprague seconded the motion and all voted in favor.***

NDPERS Program Offering for Life Insurance Benefit Program

Redlinger discussed the potential to use the NDPERS life insurance benefit program since this is open and available to political subdivisions. A preliminary review of the rate structure indicated that significant savings would be available under this program. An analysis of the potential savings was presented. Grubb inquired about current coverage levels and if this was a City funded benefit or if it was a voluntary benefit. Costin reported that it is a voluntary benefit. Redlinger summarized that this would be something worth looking into since the rates are lower and it is managed by NDPERS.

> ***Piepkorn moved to approve moving forward with this program. Grubb seconded the motion and all voted in favor with this piggyback opportunity.***

IRS Section 179(d) Tax Deduction Pass-through for Energy Efficient Facilities

Costin provided an overview of current IRS regulations relating to energy efficiency and the ability allocate certain tax deductions to vendors that work on our facilities that include energy efficient design and construction methods. He reported that a consultant has been contacting the City on behalf of Robert Gibb and Sons who worked on the 2nd Street pump station. He also visited with the consultant about industry practices in how the allocation process works and stated that often times their first vendor to make the request receives the tax deduction. He stated that in this case since there could be a variety of allocation methods that the Committee should adopt a policy or procedure. There was further discussion amongst the Committee members about how this deduction affects our bid prices on project if they assumed the allocation of the tax deduction. Some discussion about showing this on the bid forms so that we could discern the value of the tax deduction and if allocating the tax benefits to the vendor provided any savings to the City projects.

> **Committee recommended development of a policy on the allocation and disclosure methods for Section 179(d) tax deductions for energy efficient projects. No further actions taken.**

Budget Development Guidance for 2018

There was a good discussion on budget development guidelines for Department Head to be aware of for the 2018 budget. The Committee expressed concerns about falling state revenues and the current projection of state revenues. Costin reported that the recent revenue projections just released show a bottoming of revenue decline in 2017 with a gradual increase in 2018 and 2019. There was also some discussion on how much increase there will be in the City's tax base for this year. The Board of Equalization meeting is scheduled for April 10th so we will know that soon. Based upon our evaluation of the current local economic conditions the Committee felt that there would be good growth but likely not as robust as the past two years that exceeded 12% each year. Grubb suggested that we need to continue to manage our costs in personnel, operational, and capital categories as we have in the past and that increases in operational costs should be moderate in light of the State revenue situation. Piepkorn suggested that the overall budget stay within a 2 – 3% range for 2018. Costin inquired about the current status of the furniture, fixtures and equipment budget request would be for City Hall since that was not included in the original project budget. Grubb stated that this assessment is near completion and we would know that number soon. There was discussion about using a more modest approach to new staff FTE's in the General Fund and potentially limiting requests to public safety.

> **Committee concurred that a 2 – 3% overall General Fund budget assumption was reasonable when evaluating our current conditions. No further action taken.**

Legislative Update

Costin reported that SB2178 (infrastructure loans), SB 2304 (Sidewalk assessments) and SB2288 (consolidated taxation notices) passed through the legislative process. There was some discussion on the remaining bills yet to come through the final process. There was some discussion on the new eligibility requirements for infrastructure loans. Loans are currently capped at $15 million per City and offer a 2% interest rate and a 30-year amortization. Costin reported that there has been some discussion internally about what year the new amortization process would begin on City special assessments. Mayor Mahoney wants to move this along immediately so that current project taxpayers get this benefit.

> **Mahoney moved to use the twenty-year amortization method on assessments levied this year. Grubb seconded the motion and all voted in favor.**

Tax Increment Policy Review Process Deadline Established

The Committee reviewed input from Springsted and PFM regarding their review comments and scrutiny of our existing tax increment policy. Several comments were made and this input will be used as we move through the review process requested by the City Commission. The Committee discussed the process of the policy review by posting to our web site, running this through the Finance Committee and the Tax Exempt Review Committee and having public input opportunity at the Tax Exempt Review Committee and the City Commission. Grubb wondered if this could be accomplished as early as May 1st.

> **The Committee suggested a goal of approving a revised TIF policy after the Legislation session closes so that additional work can be completed on a proposed tax increment districts that could provide funding for municipal projects in an around the City Hall area.**

Merchantile Parking Ramp Concept Review

Jim Gilmour presented planning level concepts for a parking ramp on the Goodyear site on Broadway. He reviewed the net changes in parking capacity due to recent changes in City owned and private lots Downtown. There is a need for another parking ramp, however, City resources in the Parking Authority Fund have been drawn down with the recent construction of the Robert Street ramp. The estimated cost of the Merchantile ramp is $12 million. He requested approval to proceed with working with our Finance team to do some financial modeling for this project. Costin stated that this may not be financially feasible due to adding the new debt for the Robert Street ramp. Committee members felt that it would be good to begin the preliminary modeling process even though it may be a couple of years before this would mature.

> **Committee concurred with the request to begin a financial review for this project.**

C-1 Tax Increment District Close Out Process

Gilmour presented a plan to amend the C-1 Tax increment district to complete the development plan on the Island Park Ramp and other facility needs for parking downtown. Pursuant to the existing development agreement on the Island Park ramp we need to purchase the land beneath the parking ramp from the banks. This would be the last process needed to close out the district. The present cash balance in the C-1 TIF is about $1.1 million. The estimated cost of the land purchase is about $500k, and other improvements to the Island Park ramp and the GTC underground ramp are expected to consume the balance in this fund.

Grubb moved to approve moving forward with the plans to close out the C-1 TIF after purchasing the land and making improvements to the parking structures. Piepkorn seconded the motion and all voted in favor.

Refugee Cost Analysis Requested

Commissioner Piepkorn requested a cost report of what the City of Fargo is currently spending on Refugee programs be prepared. He felt it was important to have the information that covered all City operations.

Committee concurred with this request.

Sweat Lodge Discussed

Commissioner Piepkorn expressed some concern about liability issues surrounding the sweat lodge activities on City owned property. Grubb stated that we will be making efforts to move this to private property in the future.

No formal actions taken by the Committee

International Market Review

Commissioner Piepkorn reported that he has received calls about the International Market. He also expressed concern about using City funds to improve this property now knowing that in the future road projects may impact this facility. He said that there were CDBG funds going to this operation and a $400k grant to improve the facility. There was discussion about their business status and if they were a commercial entity or a not-for profit entity.

No formal action taken by the Committee

City of Fargo
Finance Committee Meeting Minutes
04/27/2017

The monthly Finance Committee meeting was held on April 27, 2017 in the Mayor's Office.

All members present. Guests included Julie Bommelman, Matt Peterson, April Walker, Tim Dirks, Brenda Derrig, and Ben Dow

Minutes Approved

The minutes from the March meeting were approved as presented. Piepkorn moved to approve. The motion was seconded by Grubb and all voted in favor.

Refugee Report

A report on refugee costs was reviewed with the Committee. Commission Piepkorn requested that this data be shared with the City Commission as would like to discuss this further

Transit Advertising Trade Agreement with FM Redhawks

Transit Director Bommelman and Matt Peterson presented a proposal to contract for advertising services with the Redhawks. They felt that this was a valuable proposal as 50% of the ridership on this route in on the NDSU campus. There is $25k of advertising value. Grubb moved to approve this proposal. Redlinger seconded the motion and all voted in favor.

Library Strategic Planning To Be Placed On Mid- Year Budget Listing

Tim Dirks led a discussion about the Library's desire to continue with a strategic planning initiative. The cost is estimated at $65k and this is done every five to six years. It helps identify community needs and desires for library services. They would like to do the research this fall and wanted to follow up on the potential to have a midyear budget adjustment. Piepkorn moved to approve placing this on the mid-year adjustment listing. Grubb seconded the motion and all voted in favor.

Sole Source Procurements Approved

Ten sole source procurement requests were approved by the Committee. There was some discussion on the newly enacted purchasing policy and idea of having higher limits on quotes that is currently $3,000. Redlinger also commented that there could also be different levels for professional services vs. other purchases.

Property Tax Base Growth Report

Costin reported on the tax base growth as reported at the Board of Equalization meeting. The overall growth was 7.6%, down from +12% over the last two fiscal years. This growth should provide additional budgetary resources for the 2018 budget.

Rose Creek Fence Proposal

A proposal to participate in a fence replacement project in the Rose Creek area was discussed. The City owns four lots in this neighborhood. The cost would be $2,000 per year for three years. Piepkorn suggested that they might not be able to place a fence on a levee. Sprague stated that special assessment financing could not be used for this type of expenditure. April Walker stated that other neighborhoods have let the city out of this process and not include them in project funding. Piepkorn moved that this item be referred back to April and Nancy Morris. Redlinger seconded the motion and all voted in favor.

Contract Records to Be On File with City Auditor

Sprague reported that some departments have been reluctant to forward contracts for procurements. Mayor Mahoney affirmed that all contract should be forward and maintained on file with the City Auditor.

Property Tax Cap Bill 1361 Discussed

Grubb led a discussion on the current provisions of HB 1361 relating to property tax caps by the State Legislature.

Year End Summary of Capital Project Assets Reviewed

Costin presented a year- end summary of capital assets for FY 2016.

Special Assessments on NDSU Property for Project BN 17B – 19th Avenue North

Walker informed the Committee members that project BN17B will include a significant assessment on NDSU property and it will affect the Horse Park. The estimated cost allocation to NDSU parcels was estimated at $3 million. NDSU has not requested a deferral or any other relief at this point. Costin noted that this project would also include the Airport. No action taken this was intended to be an information item only.

Xcel Power line Easement

Brenda Derrig reviewed a proposed easement for Xcel to install a pole. A recommendation was made to approve this easement. Grubb moved to approve the easement request. Sprague seconded the motion and all voted in favor.

Fall Restraint System Procurement Approved

Ben Dow reviewed the status of the fall restraint procurement. They did an RFP but only one bidder submitted. There is a critical timeline for using transit grants to receive 80% funding. He requested to reach out and use the quote method since there was only one bidder. Piepkorn moved to approve this recommendation. Sprague seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
June 26, 2017

The regular monthly meeting was held on June 26, 2017 in the Mayor's Office at 10:00 a.m.

Members Present: Mahoney, Piepkorn, Redlinger, Sprague, Costin

Members Absent: Grubb

Guests Present: Ben Dow, Steve Dirksen, David Todd, Jim Gilmour

Minutes Approved

The minutes from the last meeting were approved as presented. Piepkorn moved to approve the minutes. Sprague seconded the motion and all voted in favor.

Land Sale Proposal Rejected

Sprague presented a land easement proposal with Arnold Berg. The Engineering Department went through a competitive bid process for this land; however, only one bid was received. They expected to receive about $20,000. The single offer was for $16,000. Piepkorn moved to reject the offer. Costin seconded the motion and all voted in favor.

Sole Source Procurements Approved

The Committee approved sole source procurement requests A-R as detailed in the procurement requests presented by Departments. Piepkorn moved to approve all the requests. Sprague seconded the motion and all voted in favor.

Youthworks Funding Approved

David Todd presented a request to use asset seizure funds to pay for Fargo's share of the Youthworks operations. Other regional law enforcement agencies are funding this organization that save agencies money by placing juveniles with adult supervision. They have used Youthworks for the past fifteen years and it is a huge time saver for the Police Department. Redlinger moved to approve this funding request. Costin seconded the motion and all voted in favor.

Fire Department Early Hiring Request

Chief Dirksen reviewed a proposal to complete an early hiring process for two positions that are currently open with two more retirements in September and January. He would like to start a class of four now vs. later. They are expecting to have salary savings in the Fire Department budget of about $270k. The early hiring strategy will consume about $68k of the expected savings. Dirksen stated that he would secure a firm retirement date before proceeding with those that are anticipating a retirement this year. Sprague moved to approve the early hiring proposal. Piepkorn seconded the motion and all voted in favor.

Tax Increment Financing Policy Update

Jim Gilmour reviewed plans to update the current tax increment financing policy. He said that changes in legislation now include a provision that other taxing districts can opt out of TIF's. Piepkorn stated that the City should be doing more with Economic Development and not less. Mahoney stated that the Bank of ND is interested in expanding and helping Fargo and other smaller communities. He wondered what Fargo's ask might be. Gilmour reviewed the current policy provisions and stated that our financial advisors have made a few suggested improvements as well. He plans to include the school and the county in future discussions on this policy and how the new provision will be implemented.

Sweat Lodge and the International Market

Commission Piepkorn requested an update on the sweat lodge and the International Market. Gilmour reported that the City has funded sweat lodges in the past. Piepkorn requested that the sweat lodge be moved off City property due to potential liability issues, or at a minimum sign a liability waiver to protect the City. He requested this by done in July, 2017. Gilmour also provided a recap of City funding for the International Market. Mahoney requested that Gilmour and Dan Mahli work on a path forward for the sweat lodge issues.

Biodiesel Fuel Additive

Ben Dow was seeking guidance from the Committee concerning the current practice of adding biodiesel additive to our fuel of the City fleet. It raises the cost of our fuel purchases and it cannot be used in the winter months. It can also build up in filters and raise our repair costs. He wanted affirmation or rejection of our current practice that came initially from the Renewable Energy Committee. Piepkorn moved to discontinue using biodiesel fuel additive. Costin seconded the motion and all voted in favor.

FMDA Bank Loan Extension and Renewal

Costin reviewed the current bank loan proposal from Wells Fargo for the FM Diversion project. He said that two existing loans will be merged into on loan and that the stand by fee was reduced from 30 bps to 15 bps. The Finance Committee of the FMDA and the FMDA approved moving forward with the loan proposal at their May meeting. He said that this would be placed on the City Commission agenda on July 17th. Piepkorn moved to approve the terms of the loan proposal. Redlinger seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
July 31, 2017

The July Finance Committee was held on July 31, 2017 in the Mayor's Office.

Members Attending: All members were present

Guests Present: Brenda Derrig, Dan Eberhardt

Minutes Approved

The Committee approved the minutes from the May meeting. Redlinger moved to approve. The motion was seconded by Piepkorn and all voted in favor.

Sole Source Procurements Approved

The Committee reviewed and approved seven sole source procurement requests. Piepkorn moved to approve. Sprague seconded the motion and all voted in favor.

702 Communications Easement Proposal Approved

An easement proposal was reviewed with the Committee. Engineering staff members reported having no issues with the proposal. This is for an underground line on City owned property at 302 42nd Street South. Grubb moved to approve the easement as presented. Costin seconded the motion and all voted in favor.

Special Assessment Impact on Horsepark Properties from 19th Ave North Project

Costin inquired about upcoming discussions with Horsepark representatives and the impact of the 19th Avenue North project. Commissioner Piepkorn suggested that we need to be firm in our discussions with them and that we cannot simply write off specials already levied.

Special Assessment Deferral Request for Montplaisir Ag and Rental, LLP

Engineering staff led a discussion on a potential special assessment deferral for the Montplaisir parcel. This parcel is north of the Horsepark and is currently all agricultural property that is undeveloped. Committee approved a deferral on this parcel due to past deferral practices and potential for future development. There is a need for two storm water ponds and a connection of wastewater services with West Fargo. The consensus of the group is that this area will develop fast after the 19th Ave. North project is completed. Piepkorn moved to approve a deferral a ten-year deferral with normal triggering events. Costin seconded the motion and all voted in favor.

Moody's Credit Report for Bonds Series 2017C and 2017D

Costin stated that Moody's provided a very good credit report on our upcoming bond issues and urged Committee members to read the report that is an independent critique of our economy and management practices. Committee suggested that the report be distributed to all City Commissioners to review.

City of Fargo
Finance Committee Meeting Minutes
September 25, 2017

The regular monthly Finance Committee meeting was held on September 25, 2017 in the Mayor's Office.

Members Attending	Piepkorn, Grubb, Redlinger, Sprague, Costin
Members absent	Mahoney
Guests Attending	Jim Gilmour, Matt Peterson, Lynn Fundingsland, Dan Eberhardt, Dan Mahli

Minutes Approved

The Committee approved the minutes from the August meeting.

Sole Source Procurements Approved

Fourteen sole source procurement actions were approved as presented. There was detailed discussion with Matt Peterson from Transit about Square and how this payment processing system would integrate into our system. Square was the platform of choice that helps improve the custom service and accounting for activities at the GTC. Redlinger moved to approve the sole source procurement requests. Costin seconded the motion and all voted in favor.

Special Assessment Deferral with Howard Gensler

Dan Eberhardt reviewed a map of a proposed special assessment deferral with Howard Gensler along 52nd Avenue South adjacent to the Sheyenne River. This area is instrumental with utilization of the ditch across this property for the future Red River Water Supply project. Costin moved to approve the special assessment deferral proposal. Sprague seconded the motion and all voted in favor.

Fee Waivers on Low Income Housing Units

Lynn Fundingsland reviewed three low-income housing projects. They are seeking fee waivers for building permits and landfill fees. Their request is consistent with a past Commission action to grant fee waiver authority to the Planning Director. One of the projects include the High Rise in Downtown Fargo. This will be remodeled four floor at a time. As part of this request, additional CDBG funding was to be included in support of low-income housing projects. Mr. Fundingsland was requesting a letter of support from the City that highlights what is being considered. Dan Mahli stated that these projects would get two years of state tax credits. Grubb moved to approve the fee waiver and to support of up to $850,000 in CDBG funding. Redlinger seconded the motion and all voted in favor.

Effluent Re-Use Plant Expansion Request

Grubb reported on the status of the current wastewater reuse facility. There is a request from Tharaldson's to add another skid unit to increase the plant output. There was some discussion on how this equipment would be procured. At the request of the City Attorney, the new items will be publically bid. As part of this negotiation, a request was made to have the City fund the initial purchase to be repaid within one year on a monthly payment basis. Costin asked if this would be a City owned asset.

Piepkorn asked if other projects could use this asset. Grubb reported that the North Dakota State Health Department has permitted about 400% more re-use water than is currently being used. Grubb moved to approve purchase of the new skid and funding from the Wastewater Sales Tax Fund 455. Costin seconded the motion and all voted in favor.

Demolition of the Old City Hall

The Committee received an update from Grubb on the estimated costs of demolition of the old City Hall. The current estimate is $695,000. He was requesting authority to move this along in coordination with the move into the new City hall. There was discussion on potential funding sources to include the 2017 year end surplus, a potential tax increment financing district for the public plaza, potential future building sales in the Downtown. Grubb moved to approve development of a demolition plan with funding recommendation to come in the future. Costin seconded the motion and all voted in favor.

South University Buyout Pricing Considerations

Gilmour updated the Committee on the current estimated value of the houses on South University. The price was previously $202,000; however, the City Assessor recently reassessed this property at $226,000. The City has been paying 110% of the market that would be $248,600. Sprague moved to approve and acquisition price of $250,000. Redlinger seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
10/30/2017

The regular monthly Finance Committee meeting was held on October 30, 2017 at 10:00 a.m. in the Mayor's Office.

All members were in attendance. No guests were present.

Minutes Approved

The Committee approved the minutes from the last meeting. Grubb moved to approve. Sprague seconded the motion and all voted in favor.

Sole Source Procurements Approved

The sole source procurement requests were approved as presented. Piepkorn moved to approve. Redlinger seconded the motion and all voted in favor.

Donations Policy Discussed

The Police Department inquired about reporting donations and if there is, a policy should be considered to set a level of contribution that would require City Commission acceptance on a more formal basis. The Committee felt like this was a good idea and wanted staff to explore development of a donations policy. One suggestion was to set a limit of $500 that did not require any reporting, however, donations greater than this amount would be placed on the City Commission agenda for acceptance. There was also discussion of the idea of setting up web pages to solicit donations for major projects. This was referred to staff for development of a donations policy.

Third Quarter State Aid Payment

Costin reviewed the third quarter state aid payment and the projected year-end numbers for this revenue source. State aid has been trailing revenue projections, however, has been increasing slightly each quarter. Grubb mentioned that State Legislators indicate that economic activity is improving as anticipated.

RFP for Bond Counsel Services

Costin updated the Committee on an RFP that is pending to replace Paul Tietz who passed away last month. Proposals will be considered by November 22 and a final decision is planned by year-end. There was additional discussion about our past co-bond counsel configuration using Erik Johnson. Mike Redlinger volunteered to sit in on the interviews. Grubb moved to endorse the RFP process. Piepkorn seconded the motion and all voted in favor.

Health Premiums Savings Analysis

A spreadsheet showing the savings associated with the recent move from Sanford to BCBS for our health insurance carrier for 2018 was discussed. No actions recommended. We will handle this during the 2019 budget development process in conjunction with the overall budgetary needs of the City. The overall savings are $2.7 million.

Health Department Staffing Adjustment Request

The Health Department requested a reclassification of an employee from the status of FT 30-39 hours, to full time 40 hours. The increase will be covered by additional revenues generated within the Health Department. Redlinger moved to approve this request. Grubb seconded the motion and all voted in favor.

City Attorney Contract Extension Approved

Grubb led a discussion and reviewed a matrix of legal services provided by Erik Johnson. The legal services contract is coming up for renewal at the end of the year. Based upon the discussion of the Committee members it was decided that a contract extension was in the best interest of the City. Costin moved to recommend a contract extension. Sprague seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
November 27, 2017

The regular meeting of the Finance Committee was held on November 27, 2017 at 10:00 a.m. in the Mayor's Office.

All members attended. Guests included Ben Dow, Matt Peterson, Julie Bommelman, Bruce Taralson

Minutes Approved

The minutes from the last meeting were reviewed and approved. Piepkorn moved to approve the minutes. Grubb seconded the motion and all voted in favor.

Sole Source Procurement Requests Approved

The Committee approved the sole source procurement requests. Costin moved to approve the requests. Grubb seconded the motion and all voted in favor.

Transit Advertising Trade Agreement Discussed and Approved

Matt Peterson and Julie Bommelman reviewed a proposed transit advertising trade agreement with the Scheels arena. They will exchange the cost of a bus wrap with an equivalent value of advertising at the arena events. A five-year contract was proposed. Piepkorn moved to approve the agreement. Redlinger seconded the motion and all voted in favor.

Expanded Transit Service on NDSU Campus

Transit administration reviewed a new system of allowing transit users to request ride using a smart phone application on the NDSU campus. This would serve evening hours for the entire campus. The app cost was estimated at $2,500. This will improve safety for students. Redlinger moved to approve this initiative. Grubb seconded the motion and all voted in favor.

Inspection Fee Increase Reviewed and Approved

Bruce Taralson reviewed recommended fee increases for the Inspection Department. Building permit fees were increased three years ago. He is recommending increasing the overtime rate, increasing the plumbing and mechanical fees, and adopting a standard valuation process based upon industry data vs. accepting the submission of value from the proposer. The fee increase for plumbing will not agree with the State of ND standard fee schedule. Piepkorn recommended that Inspections visit with the FM Homebuilders for the changes recommended and get their feedback before bring to the City Commission for final approval. Piepkorn moved to approve the Inspection Department fee recommendations and standardization of the valuation process. Grubb seconded the motion and all voted in favor.

Public Works Facility Design Engineer Approved

Ben Dow reviewed plans to update the circa 1968 public works facility with a remodeling plan. The estimated costs is about $3 million. He was seeking approval to use KLJ as the lead engineer on the project using the MSA process. Plans include a 24x72' addition on the front of the building and increasing the height of the doors and coming into compliance with ADA requirements. Grubb moved to approve the recommendation to select KLJ for this project. Funding was included in the 2017 budget to start on this project. Piepkorn seconded the motion and all voted in favor.

Third Quarter Investment Report Received

Costin provided a copy of the third quarter investment portfolio report from PFM. He stated that the Finance Department has been pleased with the relationship with PFM since inception and that we have a diversified investment strategy and that investment income is starting to increase with the rise in interest rates.

Early Pruning Proposal for Forestry Approved

Scott Liudahl requested authority to move ahead with pruning planned in 2018 now due to favorable weather conditions. Costin stated that we could simply adjust the budget for 2017 and decrease the 2018 budget due to this opportunity to get more work done more efficiently. Grubb moved to approve this request. Sprague seconded the motion and all voted in favor.

Bond Counsel Selection Process On going In December

Costin reported that the RFP for bond counsel services has been solicited and that four legal firms have submitted proposals. Redlinger has offered to assist in the interview process. There was discussion about the important of selecting a seasoned bond counsel due to the extensive nature of our debt profile and the related financing on the FM Diversion project.

Sanitary Sewer Easement Approved

The Committee approved an easement request to allow for a sewer connection into a newly developing area. Grubb move to approve the easement request. Piepkorn seconded the motion and all vote in favor.

Committee Considered a Donations Policy

The Committee discussed the potential to solicit private donations from the public. There was some discussion about using the FM Area Foundation or simply accepting gifts directly. Grubb moved to refer this issue for consideration by our legal counsel. Piepkorn seconded the motion and all voted in favor.

Finance Committee Meeting Minutes December 26, 2017

The Finance Committee conducted its monthly meeting on December 18, 2017 at 10:00 a.m. in the Mayor's Office.

All members were present. Guests attending included Jim Gilmour, Nicole Crutchfield from Planning.

Minutes Approved

The Committee approved the minutes from the November meeting.

Sole Source Procurements Approved

The Committee approved all sole source procurement requests.

Financial Status Report All Operating Funds Reviewed

Costin reviewed the financial status report of all operating funds as of November 30, 2017. He commented that revenues are slightly below revenue projections, while expenditures were considerably below the approved budget. He expects the positive expenditure variance to decline somewhat in December but anticipates we will end the year below budget for overall expenditures.

Utility fund revenues are in line with budget projections and expenses are lower than budget.

Indigent Defense Contract Extension Requested

The current contracts for indigent defense services expire on December 31, 2017. Costin requested approved to extend the current five-year contract with the incumbents Stormy Vickers and Joe Johnson. He stated that the clause in the prior contract allowed a mid-contract period compensation review, however, this issue was not raised during the life of the prior contract. Compensation for a new agreement will be negotiated and forwarded to the City Commission for approval in January. The Court has been satisfied with their services during the prior contract term.

Development Agreements with Border States and Matrix Properties

Gilmour and Grubb reviewed the terms and reported on the status of the development agreements with Borders States and Matrix Properties. Draft agreements were circulated. Project costs included in the development agreements will be paid by tax increment funds and special assessments. This allows expansion of a currently undeveloped area south of I94 adjacent to I29.

City Commission Document Execution Standard Procedure Adopted

Sprague reported that the Auditor's Office is having some difficulty in getting contracts, agreements and other executable document processed on a timely basis. He felt that obtaining the other party signatures upon presentation to the City Commission would be a more effective and efficient way of handling documents. The Committee agreed with this recommendation and approved this operating procedure effective January 1, 2018. All agreements and related documentation handled by Departments will be forwarded to the City Auditor's Office as part of our City records.

Purchasing Policy Revisions

Costin reviewed current purchasing policy provisions and proposed amendments. There was discussion about increasing purchasing limits in certain categories to streamline the purchasing process. There was also discussion of excluding the Municipal Airport Authority from the policy provisions since they have they own purchasing policy. Mahoney requested that the MAA send a copy of their policy to the City to assure that they are compliant.

Staff will draft policy amendments and bring back the changes for final approval in January.

Sweat Lodge Status Report

Planning staff provided a historical account of the Native American sweat lodge locations. Commission Piepkorn expressed his concern about potential liability associated with this activity. There has been some past discussion about relocation of the sweat lodge to non-City owned location.