City of Fargo
Finance Committee Meeting Minutes
January 29, 2018

The Finance Committee met for its regular monthly meeting at 10:00 a.m. in the Mayor's Office.

Members attending: Piepkorn, Grubb, Redlinger, Sprague, Costin

Members absent: Mahoney

Guests present: Terri Heaton, Jim Gilmour, David Todd, Greg Schildberger

Minutes Approved

The minutes from the December, 2017 were approved as presented. Sprague moved to approve. Grubb seconded the motion and all voted in favor.

Sole Source Procurements Approved

The Committee approved ten sole source procurement requests as presented by Departments. Costin moved to approve requests. Motion was seconded by Grubb and all voted in favor.

Alternative Bond Sales Method Discussed

The Committee met with Terri Heaton, or Springsted representative to discuss two alternative ways of marketing City of Fargo bond issues. One type of bond has been marketed recently by a new company called Neighborly. They break out bonds into $1,000 denominations and allow direct sale by local citizens vs. directly to Wall Street investors. Ms. Heaton provided some examples from a recent bond sale in Kansas using this method of sale. Another way of selling our debt could be a negotiated sales option that includes the ability to sell bonds in a retail outlets (local banks or brokers) in conjunction with our normal bond marketing. She also highlighted Green Bonds that could be used for renewable energy projects. Neighborly bonds have been typically used for smaller bond issues, whereas retail options are more common and may provide a more efficient bond sales result. Piepkorn and others had several questions about how interest rates are established and who benefits from alternative sales methods. Committee was in favor of using these form of bonds sales where appropriate in the future due to the benefits to our local taxpayers.

General Fund Preliminary Financial Results

Costin reviewed the preliminary General Fund results for 2017. Revenues lagged budget projections by 2.7% while expenditures were lower than budget by about 4.8%. Final results will not be available until about March 31st, however he reported that the ending numbers will be close to the preliminary year end numbers.

Parking Facility Repair Status Reports

Gilmour presented facility maintenance reports from Carl Walker highlighting maintenance needs for the Island Park, Radisson and GTC parking ramps. There are several large dollar maintence projects that need to be scheduled in the future. The most urgent of these was a structural beam in the GTC ramp that is part of the main building structure that supports the upper deck used by Transit. He requested a sole source procurement action to have Carol Walker manage these repair projects and wanted to proceed with all of the report recommendations. The Finance Committee approved using Carol Walker as our project manager, however deferred a decision on the overall scope of repairs due to magnitude of the budget impact of all these facilities of about $1 million. The Parking Authority fund balance has been expended on the Robert Street Ramp. A prioritized project timeline and related funding plan needs to be completed. Redlinger moved to approve Walker as the project manager using a sole source procurement method. Grubb seconded the motion and all voted in favor. None of the projects were approved at this time.

Civic Center HVAC Retrofit Approved

Grubb reviewed what needs to be done to move current building infrastructure from the old City Hall into the Civic Center. There are some components of the HVAC currently housed in the existing City Hall. He said that HVAC replacement estimates were about $780,000, however, these assets, if purchased could be used in the future if the Civic is repurposed. These repairs need to be completed since is impacts the current functionality of the Civic Center. Sprague moved to approve moving forward with this equipment retrofit. Costin seconded the motion and all voted in favor.

Pledged Revenues Streams For Utility Funds State Revolving Loans Discussed

Costin reported that there are three new loans currently being processed or amended for the water treatment plant, the wastewater treatment plant and regional wastewater projects. He stated that existing loans have a primary or first pledge of sales tax revenues followed by a secondary pledge of utility revenues. Since these will be long term loans he wanted to revist the current pledge strategy due to the size of the loans and their long term nature. He said that he has been working with the SRF program administration DeAnne Amendt they are willing to work with us if a change in the revenue pledge is desired. He said that modifying the pledge language may provide future flexibility in using these revenue streams and should be considered since these loans are typical utility core infrastructure elements and that the utility funds have the financial capacity to repay these loans. Grubb wanted to assure he understood the implications of this concept so no action was taken on this item.

Border States IT Building Proposal

City officials learned that a building just north of the existing BSI building that Police are leasing is up for sale. Grubb received a proposal to lease this facility until such time as BSI moves to their new headquarters in about four years. This building is fully fit up and wired with technology. The City currently has a right of first refusal on this building. He stated that some options for using the building include moving the Red River Valley Dispatch Center, Public Safety expansion, Water meters, or Solid Waste Administration. Chief Todd thought it made sense to move the EOC to the PD building, and the RRRC to the Public Safety Building west of town in a more secure and strong facility. Costin moved to approve the right of first refusal pending and to come up with a financing plan. Redlinger seconded the motion and all voted in favor.

City Hall Video Panels

Grubb and Greg Schildberger reviewed proposals for video screens in the new City Hall lobby. The estimated cost of this project was about $65,000. Funding for this initiative will come from funds received from Midcontinent during our franchise negotiations in the amount of $50,000, plus budgeted funds from either IT or the City Hall budget. Grubb moved to approve this project. Costin seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
February 22, 2018

The Finance Committee met on February 22, 2018 in the Mayor's Office at 10:30 a.m.

Attendees: Mahoney, Piepkorn, Grubb, Redlinger, Sprague, Costin

Absent: None

Guests: Matt Peterson

Minutes Approved

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

Sole Source Procurements Approved

The Committee approved nineteen sole source procurements as requested by Departments. Costin noted that one of these related to the water plant expansion was really an RFP, however it was not advertised as required so the Committee reviewed it and approved based upon the procurement effort undertaken. Costin moved to approve the sole source requests. Grubb seconded the motion and all voted in favor.

Contract Extension Proposals for Paymentus Utility Billing Services

Sprague reviewed a contract extension renewal with Paymentus. This company offers web-based payments including self-managed accounts and credit and debit card payments. He reported that over 9,000 customers are using this self-managed account strategy to pay their bills and review their bills online and that the City implementation strategy was working as intended. The City negotiated a 35% discount on our current contract rates due to the success of our implementation. Grubb moved to approve a three-year contract extension with Paymentus. Sprague seconded the motion and all voted in favor.

Transit Great Ride Bike Share Combination Pass Proposed

Matt Peterson presented a proposal to create a combined transit and great rides bike share pass. This would be offered to customers at a slight discount to encourage alternative transportation methods. He would like to begin to offer this pass with the IEGO campaign in March. Piepkorn that this was a great idea to provide more options to users of these systems. Grubb moved to approve a combination pass concept. Sprague seconded the motion and all voted in favor.

FEMA Updated Purchasing Policy Requirements

Costin discussed recent FEMA publishing of new purchasing policy that deals with state of emergencies and how this is viewed by FEMA. He wanted the Committee to be aware of this new requirement since it may have an impact on Federal disaster funding. He said that the Finance staff would add this to the purchasing policy as it is updated in the future. Piepkorn moved to add this to the purchasing policy. Grubb seconded the motion and all voted in favor.

Cyber Crime Insurance Coverage

Costin reviewed the City's cybercrime insurance policy coverage. This policy was placed last year in light of ever-increasing risk of theft or swindle over the internet. He said that the policy limits were increased and coverage was added for social engineering, or commonly called imposter theft. He wanted validation for increased coverage. There was some discussion about current IT controls in place and how they might affect claims processing in the future. Piepkorn moved to approve the policy limits at a higher level. Grubb seconded the motion and all voted in favor.

Buildings & Grounds Maintenance Approach to New City Hall

Costin stated he has been in conversation with B&G staff and that they were tasked with coming up with a detailed maintenance plan for the new City Hall. Our plan coordinator resigned recently and it would be a good long-term goal to enhance this Division and move toward a centralized Facilities Management approach like other larger organizations use. Examples cited include Sanford and NDSU and the Fargo Public Schools. Piepkorn suggested that we have an overall plan. Redlinger stated it makes sense to use a centralized approach to improve oversight, provide better long term planning and make it easier to budget for competing resources. Costin suggested that this function be removed from Finance management in the organizational chart since core finance responsibilities consume his time. No action taken on this item, however, it will be recommended during the 2019 budget process.

Centralized Procurement of Copiers for New City Hall

There are some departments needing new copiers when moving to City hall due to the terms of their existing leases or reconfiguration of physical space. The Administration staff was wondering if a joint procurement of copiers and multifunction devices should be contemplated. The Committee concurred with this idea.

Civic Center Radisson Ramp Inter-fund Loan

Gilmour reviewed the needs assessment for the Radisson ramp. The estimated costs for repairs was about $450,000. The concept of using an inter-fund loan from the utility was discussed. Costin reported that various projects have been done this way in the past including the Baseball stadium funding. Piepkorn moved to approve an inter-fund loan for this project with 1.5% interest. Costin seconded the motion and all voted in favor.

Solid Waste Department Lease Purchases

Costin reported that during the year a centralized lease transaction was approved that included multiple departments for heavy equipment. This new concept was designed to reduce the number of leases to manage by having one lease that covered several purchases and to lower the overall interest rate by aggregating needs. This Street Department administered this lease. More equipment was purchased during the year than what was contemplated in the lease transaction because Solid Waste assumed that the trucks purchased were covered by the lease agreement. Because of this confusion about $500,000 in trucks were purchased in 2017 cause them to be over budget in this budget line item. Mahoney suggested that the control over departmental spending not be overlapping since each Department manager has responsibility for their own budget. Piepkorn moved that a solution (potential inter-fund loan) be evaluated at the next meeting to resolve this issue. Grubb seconded the motion and all voted in favor.

Water Treatment Plant Sale of Generator

The water treatment plant currently has a spare electric generator. This was purchased prior to the EPA emission Tier 4 standards and was grandfathered in tier 2. The generator purchased will not work in the current project because the alternator has the incorrect voltage. A recommendation was discussed to sell this back to the dealer for $17,000. Costin moved to approve the sale for $17k. Grubb seconded the motion and all voted in favor.

Municipal Airport Authority Parking Expansion Plans

Commissioner Piepkorn requested discussion about the proposed skywalk project at the Municipal Airport. Gilmore stated that the estimate cost of a 500 stall parking ramp would be about $13 million. He also stated that the MAA has not competitively bid their parking operator contract for many years and doing so could increase revenues to help pay for a parking ramp. He stated that the proposed skywalk would not generate revenue and that grant funding is at the discretion of the grantor. Mahoney stated that some people would be willing to pay more for protected parking.

City of Fargo
Finance Committee Meeting Minutes
March 26, 2018

The Finance Committee monthly meeting was held on March 26, 218 at 10:00 a.m. in the Mayor's office.

Members attending Mahoney, Piepkorn, Grubb, Redlinger and Costin

Members absent: Sprague

Guests present: Dan Eberhardt, Nicole Crutchfield

Committee Minutes Approved

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

Property Lease for Community Garden Project Approved

Nicole Crutchfield presented a request to lease lots on S. University Dr. currently owned by the city for a community garden. This would be a low cost lease and would allow the community garden project to have access to the sites for planting gardens. This was part of the city commission's plan and therefore the Finance committee concurred with the lease recommendation to get this initiative started. The lease term will run for one year. Grubb moved to approve the lease agreement with Cass County. Redlinger seconded the motion and all voted in favor.

Sole Source Procurement Requests Approved

The Committee reviewed and approved all sole-source purchase request submitted by departments in March. There were no questionable items. Grubb moved to approve the sole source requests. Redlinger seconded the motion and all voted in favor.

Inter-fund Loans Approved

Gilmore presented a request to use inter-fund loans from the water utility or a $450,000 repair project for the Civic Center parking ramp. The Committee discussed the inter-fund loan concept that has been used in the past and agreed that this was a mutually beneficial proposal. The amortization term for the loan would be over a three-year period and would carry an interest of 1.5%. The City benefits from not having to pay outside sources for loans.

Costin presented a request to use in inter-fund loan from the wastewater utility for $518,000 to reimburse this solid waste facility department backup for trucks purchased in 2017 that were to be

included in a lease transaction. This Finance Committee discussed this concept at the last meeting of using the advanced funding protocol that would help to resolve this issue.

Peipkorn moved to approve two inter-fund loans. Grubb seconded the motion and all voted in favor.

2019 Budget Development Schedule Reviewed

The Finance Committee discussed the revised budget development calendar. The early option budget meetings with the budget team were deleted due to conflicts in the schedule. All meetings will take place in the first week of June. Much of the budget process would be completed by 4 July to make compliance with the new state law that requires a preliminary budget to be approved by July January July 31, 2018.

Special Assessment Deferral Request Approved

The engineering department requested a special assessment deferral request for project number be an 18 – G on County Road 20 project. A map was included to show the assessment request area in relationship to other properties. The Committee approved a deferral agreement with the property owner with no interest accrued on this arterial that is our standard arterial deferral. Grubb moved to approve this deferral request. Piepkorn seconded the motion and all voted in favor.

Special Assessment Sidewalk Amortization Period Modified to Conform to NDCC

Eberhardt reviewed current changes in the North Dakota Century Code that allows us to amortize the special assessment for sidewalks for a 20-year period. This change was initiated by the City of Fargo during the last legislative session and was approved. Our current policy includes a 10-year amortization that followed the former law so his request was to use the year amortization for all projects moving forward to lower the cost to the homeowner. Mahoney inquired about what the useful life of a sidewalk was. The Committee considered this request and approved using the 20-year term as allowed for in the North Dakota Century Code. Redlinger moved to approve the use of a 20 year- amortization for sidewalks. Peipkorn seconded the motion and all voted in favor.

Special Assessment Liquidated Damage Accounting

There was a discussion on the accounting treatment for liquidated damages related to capital projects. Under our current procedure the amount of the liquidated damages is credited to the project to they reduce the project cost. Eberhardt suggested that liquid liquidated damages are a penalty and could be redistributed to the general fund. Grubb suggested they be used in the capital project fund. Penalties that are assessed as liquidated damages have nothing to do with the initial cost of the project. These funds could be used to balance out capital projects due to timing differences on when projects are closed, allowing us to close out special assessment projects earlier than our current assessment practice. Piepkorn moved to approve a change in the accounting methodology for liquidated damages to remove them from the project and code them as a penalty into the capital project fund. Grubb seconded the motion and all voted in favor.

Special Assessment Revised Procedure Approved

Eberhardt proposed using a fixed fee method of assessing sidewalk administrative costs versus a factor that is currently used in this process change would help ease the administration of special assessments and treat everybody uniformly. The Committee approved this request. Redlinger moved to approve the use of a flat fee on sidewalk assessments of 18% & 20%. Costin seconded the motion and all voted in favor.

City Hall IT Purchases Provided by Project Owner

Grubb presented request from Ron Gronneberg for new IT equipment required in the new City Hall project. The total cost of the budget request was approximately $369,000. Owner provided equipment is not included in the City Hall budget. Grubb suggested keeping this on a timeline that this funding proposal should be approved. He recommended three different funding sources that would cover this obligation. The Committee approved this request and suggested that the capital project fund be used the funding source. Grubb moved to approve the list of purchases recommended by IT for the City Hall. Redlinger seconded the motion and all voted in favor.

There were no other issues discussed at the Finance Committee so the meeting adjourned at 10:45 a.m.

Finance Committee Meeting Minutes

April 30, 2018

The regular Finance Committee agenda for April 30, 2018 was held in the Mayor's office at 10 o'clock. All members attended. Guests included Nicole Crutchfield, Nancy Morris Sean Gaddie, Jason Strombeck Roger Kluck, Brenda Derrig, Scott Liudahl and Tim Dirks

1. The minutes from the March Finance Committee were approved as presented. Grubb moved to approve the minutes. Redlinger seconded the motion and all voted in favor.

2. The Committee members reviewed all of the sole-source procurement requests items a through g. There were no questions on the procurement requests. Grubb moved to approve the sole-source procurement request. The motion was seconded by Costin and all voted in favor.

3. Grubb presented two agreements related to our baseball stadium asset. One was for a preventative maintenance agreement with Robert Gibbs and Sons to increase the oversight and ongoing maintenance for this facility. The other agreement was for architectural services to develop a long-term capital planning for this facility. Piepkorn moved to approve these recommendations. Costin seconded the motion and all voted in favor.

4. Tim Dirks representing the Fargo Public Library presented a request to add two part time library associate positions as soon as possible. He detailed a variety of issues including disturbances and other altercations with the general public that seem to be increasing. He also cited that their part-time budget has been exceeded in the past four years by about $40,000 per year. The Committee discussed the nature of the incidences and the security concerns for staff and Library patrons and determined it was an appropriate request. Grubb moved to approve the request for additional staff and a midyear budget adjustment for security services. Piepkorn seconded the motion and all voted in favor.

5. Redlinger reviewed a proposal from Flint Communications regards to the cities communication-branding project. Phase 2 of this project would include a budget of $16,500 to continue the performance improvement process started last year during phase 1 of the initial project goal. Mahoney suggested that the vendor attend the next Finance Committee meeting to help us understand what was accomplished in phase 1 of this project. Piepkorn moved to approve this request. Steve Sprague seconded the motion and all voted in favor.

6. Sprague reviewed a request from interested parties purchased two parcels of land currently own by the city of Fargo. One parcel was less than the $5,000 limit to dispose of property. The

other parcel is much larger on Cass County 20 will take additional work to discern how they should be disposed of for if it should even be disposed of at the present time. Costin suggested that there may be special assessment burden on the property along Cass County 20 N. and that we should include a waiver of the right to protest future special assessments if this parcel is sold as is. Redlinger moved to dispose of the property to Craig Runck and to research the other property and bring that information back to the Finance Committee at the next meeting. Sprague seconded the motion and all voted in favor.

7. Nicole Crutchfield addressed the committee with regard to two tax increment-financing proposals one on South University and 14th Ave., South for a potential new Starbucks location and another on 9th St., South S. Main Ave. or a nine-plex apartment building. She wondered about the existing two-step process of the preliminary review and preliminary recommendation from the city commission in passing this along to our financial consultant. The committee felt that these projects had some merits and gave permission to proceed with gathering application information. No further approval was granted

8. Nancy Morris led a discussion with regard to the existing licensing of cigarette vendors and E cigarette vendors. Presently there is no requirement or a license for those who sell E cigarettes. The health department feels that compliance checks should be implemented for those vendors that sell E cigarettes. Piepkorn moved to approve a licensing procedure to include a licensing fee of $100 per vendor. Sprague seconded the motion and all voted in favor.

9. Scott Luidahl led a discussion related to dead tree removal for those trees impacted by Dutch elm disease. He felt that creating a program to assist homeowners with private property would be beneficial Dutch elm spreading from private property to public property is a risk. He said that the community development committee has discussed this and may make funds available to those income eligible people. Luidahl proposal included using special assessments over a five-year period at 5% interest to assist homeowners in paying for this mitigation work. They would have to petition into the special assessment process. Piepkorn moved to approve the recommendations for improving our ability to manage the spread of Dutch elm disease and implementing the special assessment process. Redlinger seconded that emotion and all voted in favor.

10. Grubb introduced the storm sewer analysis that was recently been updated to include a different approach to the proposed rate increases. The impact of this new structure includes a tiered pricing structure that is tied to the impervious area on parcels. This would expand revenues as desired for the storm sewer utility which are presently $3 dollars a month for residential and $15 per month for commercial properties. The change in the revenue plan is a direct result of the public informational meetings held last year and concerns by large property owners that the initial rate structure proposed last year was excessively high. Grubb felt that the

new revised plan was a more fair and equitable approach starting this process. The Committee provided input on amortizing special assessments related to this function as well as initiating a tiered rate structure approach. The goal of the new revenue policy would be to implement this during the 2019 budget development process.

11. Costin reviewed the results of the preliminary general fund operating performance for 2017. He stated that the audit is ongoing during the present time be completed in about two weeks. Overall revenues are projected accurately at 100% using the final year-end revenues. Expenditures came in under budget although there was about $1.5 million of deficit spending during 2017.

12. There was discussion by the Finance Committee members about the need to bury overhead power lines in the Roberts Common area that is currently being redeveloped downtown. There is a large power line owned by XL energy as well as multiple other utility lines that would need to be relocated as well as a main service line into individual businesses. Grubb stated that we might look at this as a pilot project since this is something new that the city was asked to participate in. The estimated cost was $1.2 million. There was further discussion about alternative ways of funding this project and the ability to sustain future projects that included burying overhead lines. There was also discussion about the need for private participation as well in the cost of this endeavor.

13. Brenda Derrig discussed the current small cell policy and informed the finance committee that she was receiving feedback from Verizon communications on the price of our small cell projects. Verizon would like to lower the fee from $2,000 per location per year to $150 per location per year. There was more discussion about the need to finalize this issue and lock in our prices prior to potential legislative actions that could be pending. Some states are choosing to regulate this activity and the Committee felt it was appropriate to make these decisions locally. Costin suggested that there is strong market demand for communication services offered by Verizon and other communication carriers and that they will be willing to pay a reasonable fee. Nancy Morris informed the Committee that the State of Minnesota chose to grandfather in existing rate structures in cases where communities have already implemented their fee structures. An example cited was the rate structure used in Bloomington Minnesota. The Committee recommendation was to leave the fee at the $2,000 per location per year.

City of Fargo

Finance Committee Meeting Minutes

May 21, 2018

The Finance Committee met on May 21, 2018 at 10:00 a.m. in the Mayor's Office.

All members of the Committee attended. Guests included Terry Ludlum, Ron Gronneberg, Brenda Derrig, and Dan Eberhardt.

The Committee approved the minutes from the last meeting as presented.

Eight sole-source procurement requests were reviewed by the Committee and approved as presented. Motion by Piepkorn seconded by Grubb. Individual requests included Leica, Hannahers, Newman Fence, Metro COG, Real Property Services, NDSU School of Natural Science and Houston Engineering. All voted in favor.

Ron Gronneberg described a sound masking and paging system proposal for the new City Hall. The system produces white noise that is capable of being zone specific and includes the paging feature and is very helpful to control noise levels in open offices. He recommended proceeding with this project using Tricorne Audio for the amount of $69,212. Costin inquired about the ability to control this at the office level. Piepkorn moved to approve the recommendation. The motion was a seconded by Redlinger and all voted in favor.

Terry Ludlum, Solid Waste Director provided information on a complete overhaul of the landfill gas system. He received quotes from CAT in Fargo who previously sold us the equipment and Ziegler CAT in Fergus Falls. There was a significant cost advantage to working with Ziegler CAT. Cost saving estimated at approximately $103,000. Grubb moved to approve working with a low cost provider. Costin seconded the motion and all voted in favor.

Costin reported on an upcoming bond sale for special assessment bonds. The sale is scheduled for June and he is working with Springsted on the bond sale process. Bond issuance of $43 million will be issued reimburse our capital project on for project that were completed last year. Piepkorn moved to approved proceeding with the bond sale. Redlinger seconded the motion all voted in favor.

There was a discussion about the current special assessment policy and some history of the review in April, 2015. Construction costs were increasing and non-flood sales tax resources were decreasing due to the long term financing of the in-town levee projects. Special assessment caps were removed in the new policy and a fixed percentage was used. Piepkorn requested that a more detailed review of how arterials are spread because this is the most highly misunderstood parts of our special assessment process and it is very complicated. Committee agreed that it will take time to review the special assessments process. There was more discussion about what projects would be impacted by a change in funding policy and how to fund the City share of the recent policy revision.

Grubb presented a list of appliances for the new City Hall offices. He received quotes for these items and requested permission to proceed with the idea of working with a single vendor. Grubb moved to approve and charging this to the City Hall incidental capital project. Redlinger seconded the motion and all voted in favor.

Costin provided an update report on staff attendance at the Government finance officers Association annual conference in St. Louis. Several educational sessions attended by staff members. He said it was a good opportunity to compare Fargo's operation against other peers across country. He reported that the City of Fargo has already implemented many of the ideas being shared at the conference.

City of Fargo

Finance Committee Meeting Minutes

July 9, 2018

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

There were seventeen sole source procurement requests reviewed and approved by the Committee. Costin inquired about the MySidewalk software application and the extent of its use. This is the software product that was used in the GO2030 interaction with the public during plan development. Costin moved to approve the sole source procurement requests. Peipkorn seconded the motion and all vote in favor.

Bruce Grubb presented memorandum highlighting the original bids and current change order for the City Hall construction project. In the project bid specs there were several items of owner supplied extra items. He highlighted two categories of additional needs to complete the project. The resources for the owner supplied extra items were not included in the bond sale or the construction budget as it was anticipated at that time that these items would be appropriated as budget items. A total of $907,000 will be needed for special IT equipment, furnishings, and other miscellaneous items and $1,215,000 for the City Hall Chambers broadcasting and AV equipment. Piepkorn suggested that we need to pursue quality components and Redlinger suggested that we need to use state of the art technologies. This will provide quality broadcasting ability beyond our current capacity. Grubb stated that franchise fees are collected in the General Fund and that would be an appropriate use of these funds out of the General Fund. Mayor Mahoney moved to authorize the budget request of $2,122,000 for the final items to complete City Hall using franchise fees to pay this obligation over time. Piepkorn seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
August 13, 2018

A Finance Committee meeting was held on August 13, 2018 in the Mayor's Office at 8:00 a.m.

All members attended.

Guests included Nicole Crutchfield and Mark Williams

Minutes from the last meeting are pending and have not been drafted.

Sole Source Procurement Requests Approved

The following sole source procurement requests were approved as presented:

a. Communications – ECCE Art Jay Pfeiffer
b. Communications – ECCE Art for Bob Crowe
c. Water Plant – Vessco
d. Water Plant – CO2 Systems
e. Engineering – KCB Legacy
f. Planning – Prairie Restoration
g. Planning – Reach Partners
h. Water Plant – Core and Main
i. Water Plant – HACH
j. Water Plant – PKG Contracting
k. Water Plant – Magnum Electric
l. Water Plant – Integrated Process Solutions IPS
m. Solid Waste – Terracon
n. Buildings & Grounds – Steins
o. Buildings & Grounds – Cole Paper
p. Street Dept – RootX
q. Fire Department – Great Plains Fire Equipment
r. Fire Department – Pro-Hydro Testing
s. City Administration – Cooper Commissioning

Grubb moved to approve the requests. Piepkorn seconded the motion and all voted in favor.

Purchasing Policy Update Discussed

Costin reported that the federal purchasing standards will be updated soon and that he favored using the federal purchasing standards as our citywide standard. Changes contemplated include increasing the micro-purchase (small purchase) threshold from $3,000 to $10,000. Other changes include potential to change the dollar threshold for City Commission approval. Committee favored using the federal standard.

Bank of North Dakota Loan Program

Grubb reported that a preliminary application for the Bank of ND loan has been formulated to include street rehabilitation projects that also included burying some overhead power lines in the Roberts Street project. There are significant costs related to power line and other utility reconnections. This application has been delayed pending resolution of who would pay for the power line costs. Redlinger met with Xcel Energy officials who have refused to participate in this cost. Conduits were placed in the alley as part of the paving project. The same issue needs to be resolved for the Dillard project just north of the ROCO ramp. The City intends to submit another application without inclusion of the power lines to take advantage of this newly created low interest loan program.

Architect Selection for Baseball Stadium Capital Improvement Plan

Grubb requested permission to award a contract to RL Engebretson for development of a capital improvement plan for the City owned baseball stadium. Presently, there is no long-term maintenance plan for this facility. Two firms responded to the RFP and RL Engebretson was recommended since they were involved during the initial design and construction of the facility. The long-term plan will help identify gaps where major and minor maintenance issues might occur the the magnitude of funding required to keep this facility updated. Costin moved to approve this request. Redlinger seconded the motion and all voted in favor.

ROCO Ramp Energy Project

Crutchfield and Williams reported to the Committee that a recent presentation by Mike Williams relating to an energy project was not included in the budget and that during the Parking Commission meeting staff informed the Commission that there was not funding available due to significant maintenance obligations already in the budget. Crutchfield expressed her concern about how this was addressed at the last City Commission meeting. State grant funding may be available and may provide additional resources for this project. Staff felt that a focus should be on parking issues.

State Radio System Funding Proposal with Cass County

Grubb reported that Cass County is considering two alternative for funding the Cass County radio system upgrade that would include all law enforcement agencies in Cass County. They are contemplating a ½-cent sales tax and or dedicated property tax mills to pay for this project. The project would include collaborating with the State of Minnesota. Piepkorn stated that the public safety personnel should have the best systems available for their work. Committee felt that sales tax resources should be reserved for larger projects.

City of Fargo
Finance Committee Meeting Minutes
9/17/2018

The Finance Committee met on September 17, 2018 in the Mayor's Office at 10:00 a.m.

All members were present.

Guests present included Jim Gilmour, Ben Dow, David Todd, Steve Dirksen, Brenda Derrig, Julie Bommelman

Minutes Approved

The minutes from the last meeting were approved as presented.

Sole Source Procurements Approved

Six sole source procurements were approved as listed to include Owl Engineering, Berg Johnson and Associates, Frontier Precision, Moorhead Electric, and Indigo Sign Works and Border States Paving.

Court Bailiff Position Retirement and Rehiring

Chief Todd presented a proposal to upgrade the court bailiff position, which is currently a 32-hour position to a full time position. Randy Lindgren is retiring at the end of this month and the Chief would like the flexibility to move people from the Department in and out of that responsibility. He estimated the cost difference to be approximately $5,000, which can be absorbed by the Police Department budget. Redlinger moved to approve this change. Sprague seconded the motion and all voted in favor.

State of ND Sales Tax Growth

Costin presented sales tax growth statistics recently announced by the Office of State Tax Commissioner. There has been two consecutive quarters where significant growth has occurred. The most recent quarter was up by 10% as compared to last year. He explained that statewide growth is good for the General Fund because we receive a proration of overall statewide sales tax revenues in our state aid. He also reported that Fargo's local tax collections increased by .67%. Both Bismarck and Grand Forks sales tax declined.

Early Hiring for a Firefighter

Fire Chief Dirksen requested permission to do an early hire on a firefighter position. This can be absorbed into his budget. He reported that there has been some loss of staff to other Minnesota Communities due to compensation reasons. Piepkorn moved to approve this request. Redlinger seconded the motion and all voted in favor.

Public Works Remodeling / Bergseth Building Modifications

Ben Dow reviewed a proposal to make some repairs to the Central Garage to include roof and foundation issues. The roof costs is about $95,000 and the foundation repairs would be about $30,000. Funds would come from the appropriations currently approved in the 2018 budget that was planned for

the Central Garage remodeling in fund 475. Grubb reported that he and staff would be working on a master plan for this area to include the BSI IT building. Grubb moved to approve this proposal. Piepkorn seconded the motion and all voted in favor.

Robert Street Alley Power line Transformer Relocation

Grubb reviewed the history and background for needing to relocate a bank of transformers and related H poles in the Robert street alley to allow completion of the ROCO and Dillard development projects. The estimated cost was $150,000 for this infrastructure relocation and staff have negotiated a cost share arrangement between Kilbourne, Xcel Energy and the City of Fargo. Costin suggested that the contract be modified from a fixed lump sum amount to a three way percentage contract so that future costs issues would be paid for equally. Piepkorn suggested that the power lines need to be buried eventually and that Kilbourne needs to pay their share of future project costs. Brenda Derrig suggested that we contact the Public Service Commission and have Julie Fedorchek come to a meeting so that this concept can be fully explained. Sprague reiterated that this is related to the ROCO project and since we are partners in this project that we should move ahead with this phase. Piepkorn moved to approve an agreement to relocate a transformer bank and H poles using a three-way percentage cost share between current stakeholders. Sprague seconded the motion and all voted in favor.

Bus Wrap Trade Agreement with WDAY

Julie Bommelman presented a proposal to enter into a bus wrap trade agreement with WDAY for about $24,000 worth of services. We would get the equivalent dollar amount of advertising airtime of the cost of providing the wrap on a bus. Trade agreements have been done in the past. Redlinger moved to approve the trade agreement proposal with WDAY. Sprague seconded the motion and all voted in favor.

Jefferson Line Request to Rent GTC Space

Jefferson Line contacted Julie Bommelman about renting space for their transit operations in the GTC. They received a grant from the ND Department of Transportation for $125,000 for this relocation and renovating. She reviewed the space proposal and will develop an appropriate rental agreement. Piepkorn moved to approve rental of space to Jefferson Lines as requested. Costin seconded the motion and all voted in favor.

Transit Mobile Ticketing System

Transit forwarded a proposal to launch a mobile ticketing system that operates on the transit buses so that customers can use their smart phones to purchase tickets. The system will create greater efficiency and will make it easier to riders to access the transit system. They do not charge set up fees but do charge an 8% gross revenue fee. The net cost was estimated at about $4,400 per year. They stated that fees would be raised to cover this additional system cost. Sprague moved to approve the mobile ticket project. Costin seconded the motion and all voted in favor.

Northland Hospitality Lease Amendment

Gilmour presented a draft of the lease agreement with Northland Hospitality that was recently updated. This is the facility just north of the new City Hall where we are renting 110 parking spaces. Grubb moved to table this item until a legal review of the draft could take place. Redlinger seconded the motion and all voted in favor.

Block 9 Architect / Engineer Solicitation

Gilmour requested permission to solicit an architect / engineer to oversee the construction of the parking ramp construction for the Block 9 project. He said that these expenses would be reimbursed by the Block 9 development. The cost of this work is estimated to be about $125,000. Grubb moved to approve this request. Piepkorn seconded the motion and all voted in favor.

Island Park Repair Change Order

Gilmour presented a change order request for the Island Park ramp repair project. There is a desire to maintain the membrane on the surface of the ramp. The estimated cost was about $36 to $40k and this repair will be good for about five years. They decided to delay on installation of new cameras in this facility. This facility has 370 spaces and about 525 people rent this facility. It is used to about 70% capacity so they is room to grow our customer base in this location. Piepkorn moved to approve the change order request. Costin seconded the motion and all vote in favor.

Purchasing Policy Update

Costin reviewed a draft update to the City's purchasing policy. The Finance Department is recommending updating the existing City purchasing policy to mirror more closely to recently updated Federal standards. The micro purchase limits would increase from $3,000 to $10,000 and other approval authorities would increase commensurately. Piepkorn moved to approve the changes subject to a legal review before final review by the City Commission. Sprague seconded the motion and all voted in favor.

But For Tax Exemption Testing Approval Change in Process

Gilmour stated that the "but for" tests that were previously routed to the Finance Committee for review and approval will now be routed to the Tax Exempt Review Committee to streamline the tax exemption request process. Piepkorn suggested that this make sense and also to have joint meetings with the other taxing entities to further streamline the process. Piepkorn moved to approve this change. Redlinger seconded the motion and all voted in favor.

Air BNB Lodging Tax Agreement

Costin reported that he has been working with Charlie Johnson of the CVB to initiate tax collection from Air BNB rentals in Fargo. A draft agreement was discussed. Piepkorn requested that this be sent to the City Attorney for legal review of the contract before approving.

City of Fargo
Finance Committee Meeting Minutes
October 22, 2018

The October Finance Committee was held at 11:00 a.m. in the Mayor Office.

All members were present.

Guests included Steve Dirksen, Ron Gonneberg, Jim Gilmour

Minutes Approved

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

Fire Department Capital Request from Carryover Funds from 2017

Fire Chief Dirksen requested a proposal to proceed with furnishing offices as the Fire station. They have carryover funds in the 2018 budget however; it was felt that repurposing these funds should be subject to Finance Committee approval since this was not requested in the 2018 budget. Eight sets of workstations were approved totaling $19,600. The Committee favored having departments present proposals when using carryover funds since changes in scope often happen and there is not presently a process of preapprovals. Costin moved to approve the request. Grubb seconded the motion and all voted in favor.

Nexus Innovations Services Agreement Approved

Ron Gronneberg presented a service contract with Nexus Innovations. He has used them in the past and wanted to have a service agreement on file for future work, if any. They are used for Microsoft product development and integration. Piepkorn moved to approve the form of contract as presented. Redlinger seconded the motion and all voted in favor.

Sole Source Procurements Approved

A listing of sole source procurements was approved. Some discussion on repainting the former City Commission and HR offices prior to leasing to the MCOG and the Downtown Community Partnership. The contract proposal with Bishop Land Design was also reviewed with the Committee by Bruce Grubb. This company was previously involved with the in-focus groups and siting analysis for a potential performing arts center. Peipkorn moved to approve the sole source contracting requests. Grubb seconded the motion and all voted in favor.

C-1 Tax Increment District Extension Request

Jim Gilmour reviewed the status of the C-1 TIF. The City Commission approved closing out this district last year; however, the obligation for land acquisition underneath the Island Parking ramp is still not completed and may be more expensive than last year's estimate. He reported that there is a significant difference between the current appraisal and the asking price for the land. Gilmour requested permission to extend the TIF until the land obligations and other projects are completed. Piepkorn moved to approve an extension as requested. Redlinger seconded the motion and all voted in favor.

AirBNB Lodging Tax Collection Agreement

Costin reviewed a proposed lodging tax collection agreement with AirBNB for Fargo as requested by the Convention and Visitors Bureau. This was reviewed by the City Attorney's Office and is recommended for approval. Sprague moved to approve the contract as drafted. Piepkorn seconded the motion and all voted in favor.

Architect / Engineering Services for Block 9 Progress Payment Review

Jim Gilmour reviewed the proposals received for architect services to monitor cost incurred and ultimately reimbursed by bond issue proceeds for the Block 9 project. There were three proposals evaluated and Walker was the lowest cost at $72,000 all that will be reimbursed by Block 9. Redlinger moved to approve the proposal with Walker. Costin seconded the motion and all voted in favor.

Bank of North Dakota Loan for Special Assessment Projects

Costin reviewed a project listing for inclusion in a Bank of North Dakota loan offered through special legislation during the last legislative session. He reported that the reconstruction projects that were removed from the last bond issue were included in this loan application. The projects total $15 million with the loan interest rate a 2%. Piepkorn moved to approve the project listing for this loan application. Sprague seconded the motion and all voted in favor.

Third Quarter Financial Status Report

Costin presented the third quarter financial status report through 9/30/2018. He stated that revenues are in line with budget projections. He also reported a significant increase in the third quarter state aid payment that will help us achieve our projected revenue from this source by year-end. This was good news since prior payments of state aid have been lagging our 2018 budget amounts.

Asbestos Abatement Update for Old City Hall

Grubb reported that the asbestos contractor has discovered significantly more asbestos in the old City Hall. There was an estimate of about 11,000 s.f. needing to be removed prior to demolition. The estimated additional cost was about $30,000. The demolition contract was estimated at $695k and the final bids came in at $450k. The change order will be covered by the original contract estimates and funding already approved.

Water Plant Request to Advance Purchase Small Capital Items

The Water staff presented a request to purchase several small capital outlay items that were included in the 2019 budget as part of the completion of the water plant project. They are significantly below budget for electricity for the year and this line could cover all of the items requested. Grubb moved to approve these purchases as requested and funded in the operational budget. Sprague seconded the motion and all voted in favor.

Parking Garage Roofing Change Order

Gilmour presented a change order request for $36,960 for a parking garage project. The contractor presented some alternative specs different from the original bid specs for this work. He did not favor going to a lower quality standard and recommended proceeding with the original bid spec. Costin moved to approve this request. Sprague and all voted in favor approved the motion.

Police Department Helmet Grant Approved

Redlinger reviewed a grant proposal for the purchase of helmets for the Police Department that was 100% grant funded. Grubb moved to approve the grant request. Redlinger seconded the motion and all voted in favor.

Dakota Beach Development Project Fee Proposal

Gilmour discussed the present policy on fees for PILOT's and tax abatement for development projects. The current policy requires a $5,000 fee up front. He wanted to know if the Committee would favor using the revised and proposed fee rules on the pending Dakota Beach project. The new policy suggests using a lower fee on smaller projects. Costin moved to approve using the new fee policy. Grubb seconded the motion and all voted in favor.

Eide Bailly Auditing Services Contract Extension

Costin reviewed a three-year auditing services contract extension with Eide Bailly. He stated that they have been very fair on pricing and that they do high quality work. He recommended approving a three-year contract through 2020. Redlinger moved to approve a three-year contract for auditing services. Grubb seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
November 29, 2018

The Finance Committee met on November 29, 2018 for its monthly meeting at 1:00 p.m. in the Mayor's Office.

All members attended.

Guests included Ben Dow, Jim Gilmour, Desi Fleming, Nicole Crutchfield

Minutes Approved

The Committee approved the minutes as presented.

Sole Source Procurement Requests Approved

Eighteen vendor sole source procurement requests were approved as presented by Department Heads. Costin noted that some Department Head have begun to process sole source requests on an after the fact decision basis and that they should follow the pre-approval process by Finance Committee prior to selecting the vendor.

Engineering / Design for Bergseth Building Approved

Ben Dow presented a proposal from KLJ to do some preliminary design work on remodeling of the Bergseth building. There is some mold mitigation work being done now that is the responsibility of the property owner and he would like to proceed with Phase I fit up of this facility. The proposal amount was $48,000 and funding is included in the 2018/2019 budget. Redlinger moved to approve this proposal. Sprague seconded the motion and all voted in favor.

Fargo Cass Public Health Staffing Adjustment Approved

Desi Fleming reviewed a recommendation to adjust nursing resources for one LPN doe to a vacancy in a clerical position to assist in the employee health program. Hours would be increased from 32 hours to 40 hours. The net overall budget impact was estimated at $2,500 and will be absorbed into the current budget. Piepkorn moved to approve this request. Grubb seconded the motion and all voted in favor.

CDBG Housing Acquisition Plan Approved

Nicole Crutchfield presented a request to move forward with acquisition five to six blighted properties with willing sellers through the CDBG program. There is a March 2, 2019 CDBG program deadline to spend these funds. The monies were previously reserved for the Fargo High Rise remodeling project. He is planning to complete the planning and public participation process to modify the CDBG project plans by year-end. Redlinger moved to approve this request and using Dave Lampher as the realtor for the housing acquisition process. Sprague seconded the motion and all voted in favor.

Downtown Community Partnership Lease of Civic / City Hall Space Approved

Redlinger reviewed a draft lease agreement that has been negotiated with the DCP. The term will run for two years with the opportunity to extend for another year. The DCP may bring in Interstate Parking in the future. Parking spaces will be reserved in the temporary Civic Center lot. Sprague moved to to approve the lease agreement. Costin seconded the motion and all voted in favor.

C-1 TIF Extension Approved

Gilmour provided an update on attempts to negotiate a land purchase for the land beneath the Island Park ramp currently owned by the two adjacent banks. There is significant difference between the assessed valuation of the property and the asking price by the banks. Our agreement with the banks calls for a land sale transaction by 2020. Mahoney wondered if it would be advantageous to meet with them again vs. waiting until 2020. A proposal was reviewed that included extension of the C-1 TIF District until 2020 since this is an original obligation of the district.

The City Commission approved closing the TIF district in 2017; however, the significance of the land transaction had not been evaluated. The Mayor suggested that the cash flow for this item be simplified and presented to the City Commission. Grubb moved to leave the TIF open until the land acquisition is completed and to include GTC budget components. Redlinger seconded the motion and all voted in favor.

Land Purchase Approved

Gilmour presented a request to acquire a strip of land for a future street right of way. The estimated cost was $60,000 and is an eligible cost in the Matrix TIF. Costin moved to approve the land purchase. Piepkorn seconded the motion and all voted in favor.

BSI Facility Appraisal Reviewed and Accepted

Grubb reviewed the appraisal received for the BSI facilities to be acquired by the City of for the future Police Headquarters. The City Assessor's office reviewed the appraisal and determined that this was a quality appraisal valued at $2.3 million for the land and buildings. Redlinger felt that this was a good result and should be accepted as it was in line with expectation. Sprague moved to accept the appraisal submitted by BSI. Peipkorn seconded the motion and all voted in favor.

City Hall Budget Authorizations

Grubb requested clarification of using up to the full amount of budget authorizations for various facets of the City Hall project that have been approved during the life of this project. Piepkorn stated that funds could be expended up to the amount authorized by the City Commission as long as overall budgets are not exceeded. Piepkorn moved to measure spending on the City Hall and related projects within the limits of previously approved budget levels. Redlinger seconded the motion and all voted in favor.