City of Fargo
Finance Committee Meeting Minutes
January 28, 2020

The Finance Committee held its monthly meeting on January 28, 2020 at 2:00 pm. in the Mayor's Office.

Members Attending: All members were present

Guests: Troy Hall, Jim Gilmour, Nicole Crutchfield, Brenda Derrig

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.

Sole Source Procurements Approved

Sixteen vendor sole source procurement requests were reviewed and approved as requested by Departments. The majority of these requests were from the Water Treatment Plant Division.

Lead Sample Collection Incentive Approved

Troy Hall reviewed new EPA water sampling requirements that may come into law in the near future. The draft laws will require more water quality testing to be done by individual residents. He stated that up to 600 tests may be needed and suggested that a $20 prepaid visa card might be a great way to incentivize people to actually volunteer to do the water sampling. Piepkorn moved to approve the incentive program. Grubb seconded the motion and all voted in favor.

Request to Amend City Surplus Property Ordinance

At the request of Jim Gilmour, Erik Johnson presented a request to update and modernize the City's surplus property ordinance to include non-financial evaluation criteria to help the City when disposing of valuable real estate. Costin expressed some concern about the ability for the City to manage these assets as part of our overall budgetary resources, since some budgets have already been incorporated assuming the proceeds will revert to the General Fund. Sprague moved to approve updating the ordinance as requested. Grubb seconded the motion and all voted in favor.

Year End Accounting of Legal Fees

Costin presented an overview of the legal services budget and a copy of the final year-end billing for approximately $77,000. The legal services contract is currently an hourly fee so he wanted to inform the Committee members how it came out at year-end. The overall budget for the year was exceeded by $114,000. This was an informational item only.

Olaf Anderson Contract Change Order Approved

Grubb presented a change order for the Civic Center and Sodbuster contract reducing scope by $10,598 for some minor changes in the final work. It was recently brought to his attention that with the completion of the West parking lot and Civic sidewalk connections, there are some parking lot and sidewalk lighting deficiencies. Grubb suggested to use the change order reduction savings to fix

the lighting deficiencies. Redlinger moved to approve the change order request. Costin seconded the motion and all voted in favor.

Excavating Inc. Contract Change Order Approved

Grubb presented a change order for the Civic Center project to increase the scope of work by $16,464. This work was related to sidewalk modifications, winter concrete work and mulch for winter conditions. Piepkorn moved to approve the change order. Grubb seconded the motion and all voted in favor.

Sodbuster Seating Area Equipment

Redlinger requested approval to purchase outdoor furniture for the Sodbuster area adjacent to the Library. He said they can get a 40% discount on pricing and that there is a long lead-time to have this equipment delivered. Piepkorn moved to approve this purchase funding from the Sodbuster project. Redlinger seconded the motion and all voted in favor.

Sewer Assessment Request

Sprague presented a request to use special assessments for a property to replace a sewer. He brought this forward as it was requested by a property owner. The term would be 15 years at 5%. Redlinger moved to approve the request. Sprague seconded the motion and all voted in favor.

Utility Billing Software Replacement Approved

Sprague updated the Committee on plans to replace our legacy utility billing software. He reviewed the RFP process and the final selection results. This system will service about 34,000 accounts. The annual costs have been fixed for a five-year period. He also requested approval to proceed with charging customers fees to utilize our advanced payment options including the IVR credit card payments. Costin moved to approve the proposal and to forward on to the City Commission for final approval. Redlinger seconded the motion and all voted in favor.

Interstate Parking Contract Amendment

Crutchfield recommend an extension of the Interstate Parking agreement for a three-year period. They kept their management fee the same. She requested modification of the snow removal caps currently in the contract because they have exceeded the cap each of the past three years. The cap is currently set at $42,000. Piepkorn moved to approve the contract recommendations. Sprague seconded the motion and all voted in favor.

Arts Capital Project Plan

Crutchfield reviewed plans for a public art project that is part of the arts master plan. The process would be to invite artists to submit art proposals and to select a finalist. There is a $20,000 commitment by the CVB to fund this project plus $85,000 in the City budget and $30,000 in the Main Avenue construction budget for a total of $130,000. The scope is anticipated to be $300,000 so they will be seeking grants and outside contributions to close the gap in funding before the project starts. The timeline for this initiative will be completion by 2021. Redlinger moved to support this planning roadmap. Grubb seconded the motion and all voted in favor.

Land Disposition for Gateway Mall Area

Gilmour updated the committee on the status of the land use in the Gateway Mall area. He said an RFP was completed and rejected about a year ago. There is now broader discussion about the entire block being redeveloped including the HRA property and the Mall. Grubb stated that HUD is coordinating a meeting for redeveloping the block. Mahoney suggested an RFP for redevelopment after the HUD coordinating meetings are completed.

Horse Park Special Assessments

Gilmour reviewed a summary of the current assessment burden on the Horse Park and the impact of the 19th Ave North reconstruction project. Their assessments will essentially double once these are assessed. He stated they are having difficulty keeping current on their past specials. Grubb wondered if the new specials for 19th Ave North could be deferred to allow time for the Horse Park to come up with a long-term plan for this area. Piepkorn requested that Gilmour schedule a meeting with owners to discuss their plans before making any decisions. The purpose of the meeting was to hear about long term goals and have clear communications about their current financial status.

Emergency Repair of a Motor Grader Approved

Grubb moved to approve an emergency repair of a motor grader as requested by Public Works. Sprague seconded the motion and all voted in favor.

ND Cares Grant Approved

Redlinger moved to approve a $2,000 grant for the ND Cares program as requested by Grant Larson. Costin seconded the motion and all voted in favor.

Conversion of Part Time Contract to Full Time Contract

Grubb presented a proposal to reclassify three existing part time positions for the front-desk receptionist position into one full time contract position. Two of the existing part time staff are leaving so now is a good time to consider this reorganization. Piepkorn moved to approve this request. Sprague seconded the motion and all voted in favor.

Housing Acquisition for Ed Schmidt Property

Brenda Derrig stated that there is currently an $8,000 difference between the appraisal for the Ed Schmidt property and our current offer. She requested permission to move forward with the higher amount and to grant salvage rights (preservation rights) to the owner. The Committee felt that acquiring this property was a good strategy. Piepkorn moved to approve the higher offer amount and the preservation rights for the owner. Grubb seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
February 24, 2020

The Finance Committee met on February 24, 2020 for their monthly meeting at 10:00 a.m. in the Mayor's Office.

Members Present: All members present

Guests Present: Troy Hall, Ben Dow

Minutes Approved

The minutes from the January and special February meeting were approved as presented.

Sole Source Procurements Approved

Six sole source procurements requested were approved to include AVI Systems, Master Construction, Hawkins, PKG Contracting, and Polydyne. The majority of requests were from the Water Department. Piepkorn moved to approve all of the sole source procurements. Costin seconded the motion and all voted in favor.

Water Fund Rehabilitation and Renewal Project Listing Approved

Troy Hall presented a listing of projects for 2020 that he intends to fund from the Water R&R fund. The projects included zebra mussel control, ammonia storage tank, carbon dioxide tank, carbon dioxide feed system and a reverse osmosis skid flow meter. There was considerable discussion about the impact of zebra mussels and how they impact the plant operations. Grubb moved to approve the project listing as recommended. Sprague seconded the motion and all voted in favor.

Disposal of Surplus Library Shelving

Tim Dirks presented a request to donate surplus book shelving after offering to City Departments. They will be donated to not-for-profit entities. Grubb moved to approve the request. Costin seconded the motion and all voted in favor.

Change Order Request for Performing Arts Fundraising

Redlinger reviewed a request for a change order following the last City Commission directive for fundraising feasibility analysis. This would be added to the existing contract with JLG. The change order request was for an artist's rendering and fund raising support assessment. Grubb recommended including some additional scope for what needs to be done to update the Civic Center in the event that the performing arts center is not feasible. Piepkorn moved to approve the change order requested and adding scope for the existing Civic Center needs assessment. Grubb seconded the motion and all voted in favor.

Lake Agassiz Water Authority Budget Carryover Approved

Grubb request budget authority carryover in Fund 450. Funds requested in 2019 were not expended due to the timing of the LAWA project. He requested carryover of the $800,000 approved in 2019 to 2020. There will be expenditures planned in 2020 for early out construction to include an intake,

a pipeline, and the Sheyenne discharge. There is an attempt to grandfather this project from the Waters Of the United States proposed regulations. The early out construction will be a 90/10% cost share with $15 million available from the State of North Dakota. There is also a substantial reliance appropriation of $7.5 million with a 75/25% cost share. He reported that Fargo will pay for these costs and will be reimbursed from West Fargo and Cass Rural Water. Piepkorn expressed concern that some of the smaller communities currently enrolled in this project may drop out. Piepkorn moved to approve the budget carryover requested. Grubb seconded the motion and all voted in favor.

Financial Status Reports Reviewed

Costin reviewed the General Fund preliminary 2019 figures. Revenues were lower than budget projections by 3% and expenditures were less than budget by 1.7%. The operating report for all major operating funds was also reviewed. The total revenues were less than budget by 4.8%; while the total expenditures were lower than budget by 4.5%. He stated there was some lag in revenues associated with the extreme wet weather cycle that reduced utility fund transfers and increased our snow removal costs from excessive snowfall.

Interfund Loan for Forestry Log Loader Approved

Costin presented a request to use an interfund loan for the purchase of a $175,000 log loader for Forestry. He said that the Forestry fund is a smaller fund and that the 2020 budget include spreading out this large capital costs over a five-year period. He recommended a five-year loan with the Water Sales Tax Fund. Grubb requested that Troy Hall should be notified of this transaction since he manages the Water Sales Tax Fund. Redlinger moved to approve an interfund loan as requested in the 2020 budget. Sprague seconded the motion and all voted in favor.

Baker Tilly Development Analysis Project Reschedule to August

Costin requested that the Baker Tilly development analysis project currently approved be moved to August 1, 2020 due to the number if high priority projects that the Finance staff are working on to include the FMDA three year audit preparation, the CAFR and City Audit preparation and initial budget development work starting March 1st. Piepkorn moved to approve a revised timeline for the project. Costin seconded the motion and all voted in favor.

Volkswagen Grant Award

Ben Dow reviewed a grant agreement with funds recommended by the State of North Dakota as part of the Volkswagen settlement. A fire truck will be funded at a 50% cost share that will reduce our local cost by $632,500. Funds were also included for light duty electric vehicle supply equipment. This grant will be 100% cost share from the State. The State will be approving additional grants in the future as part of a $14 million settlement and will target projects that help us meet our emissions standards. Grubb moved to approve the grant recommendations for these equipment items. Redlinger seconded the motion and all voted in favor.

David Dietz Refund Request for Previously Paid Special Assessments Denied

Sprague reviewed a request from Davis Dietz to refund special assessments paid off early due to a change in their personal plans. Costin stated that these funds are pledged to debt service payments and once deposited they are not available for refund under these circumstances. Sprague said that he would present this to the Finance Committee. Committee denied this request.

City of Fargo
Finance Committee Meeting Minutes
March 30, 2020

The Finance Committee met on March 30, 2020 at 11:00 a.m. in the Mayor's office for their monthly meeting.

Members Present: All members attending

Guests attending included Jim Gilmour, Ron Gronneberg, Troy Hall, Nicole Crutchfield, Brenda Derrig and Matt Peterson

Minutes Approved

The Committee approved the minutes from the February meeting. Sprague moved to approve as drafted. Piepkorn seconded the motion and all voted in favor.

Sole Source Procurements Approved

The Committee approved eight sole source approvals as requested by Departmental personnel. These included Apex Engineering, Moorhead Electric, Sundre Sand & Gravel, Arts Partnership, Indigenous Association, Metropolitan Mechanical, Evoqua Lab Pure Water Systems, and Metrohm. Troy Hall presented information regarding his requests and that some were difficult to price and had to be evaluated based upon performance vs. price. Grubb moved to approve all of the sole source procurement requests. Sprague seconded the motion and all voted in favor.

Piggyback Procurement Approved for Toughbook Laptop Computers

Ron Gronneberg requested approval to purchase replacement laptops for Police units as part of a systematic replacement plan. The current units are at the end of their life cycle. He stated they will continue to use Toughbooks because they are designed for rugged use. They may consider moving to tablet computers in the next series of replacements. His request was for all existing units plus four new units. Redlinger moved to approve this piggyback procurement request. Grubb seconded the motion and all voted in favor.

Masterworks Software Replacement Strategy Approved

Brenda Derrig reported on the status of the Masterworks Sofware used by the Engineering staff to manage infrastructure projects. This software has not been updated since being installed six year ago. The vendor will only be providing a cloud based system in the future. This system is used primarily for contract administration including periodic pay estimates and project planning. She requested approval to develop an in-house system because they were not satisfied with the functionality of canned software. She said that the current system is cumbersome and requires many steps to process data and that outside vendors did not provide the flexibility they were seeking in software offerings. They believe that an in-house system could be developed for less money than an external package. Costin expressed concerns about the depth of review of commercial software packages and the internal resources to develop such a system internally. Sprague stated he felt that and RFP should be considered for development by external programmers because of the lack of depth in IT and other

projects currently under way. Piepkorn moved to approve the in-house development request. Grubb seconded the motion. Mahoney, Piepkorn, Grubb and Redlinger voted yes. Costin and Sprague voted no. The motion was approved.

Praxair Carbon Dioxide Contract Price Increase Approved

Troy Hall updated the Committee on recent price increases for carbon dioxide used by the Water Treatment plant. Praxair was increasing the contract price by $46/ ton due to increased transportation costs. He was seeking approval for the revised contract price increase. Redlinger moved to approve the rate increase as requested. Costin seconded the motion and all voted in favor.

Letter of Support for Graymont Our Pebble Lime Supplier

Hall requested approval of a letter of support for our pebble lime supplier for lime used in the water treatment process. Sprague moved to approve. Grubb seconded the motion and all voted in favor.

Engineering Services Agreement with Burian & Associates

Grubb led a discussion regarding seeking services from Burian & Associates to assist Troy Hall with water issues. He stated that Steve Burian is the most knowledgeable person regarding the LAWA project because he has been involved since inception. Hall explained the scope of work anticipated to include LAWA, water specific topics and general communications. Piepkorn suggested that it is critical to have access to an expert with legislative ideas going forward. Piepkorn moved to approve a services agreement with Burian & Associates. Sprague seconded the motion and all voted in favor.

Special Assessment Deferral Request for North Dakota Horsepark and Horse Race North Dakota

Jim Gilmour presented a request for deferral of special assessment agreements for the ND Horsepark and Horse Race North Dakota. He stated that the 19th Avenue North project was completed last year and was assessed for collection in 2020 was causing financial hardship for these two entities. In a prior Finance Committee meeting, a three-year deferral period was approved, however, after detailed discussions with these entities a two-year deferral was recommended for Horse Race North Dakota and a four-year deferral for the North Dakota Horsepark based upon their financial condition. Piepkorn and Gilmour stated that these entities have plans to catch up on prior assessments and that they would be making gradual progress. Piepkorn moved to approve special assessment deferral agreements for the 19th Ave. North arterial project with interest accruing and a building permit trigger to active deferred projects. The motion was seconded by Redlinger and all voted to approve.

Red E Tax Exemption Request

Jim Gilmour presented a request for tax exemption for Red E. They qualify for tax exemption and this needs to go directly to the City Commission due to time constraints. He stated that the Tax Exemption Committee members were polled electronically and two members responded to support this request. They do consulting for manufacturing firms and are designated as a primary sector employer. Red E plans to move their operations from West Fargo into Fargo and will add nine full time jobs. Piepkorn moved to approve this request and forward to the City Commission. Costin seconded the motion and all voted in favor.

Budget Management Considerations Presented

Grubb reported there will be negative economic impacts resulting from the COVID-19 pandemic. Costin provided a listing of potential actions to consider in dealing with loss of revenue to include suspending budget capital outlay in the General Fund and the Capital Fund 475, limiting non-essential spending, and consideration of reduction is some service levels. Grubb stated he agrees with these strategies and will consider them and is working with Engineering to consider a reduced capital outlay plan for 2020. He said that they will continue to bid projects and there is a large contract pending for the expansion of the Wastewater treatment plant. There was more discussion on potential additional funding related to COVID-19 and that infrastructure might be a targeted appropriation area by the Feds or the State of North Dakota. The State of North Dakota received $1.25 billion to be expended as designated by the State. There will be more federal funds coming in for Transit. He recommended the Budget Team get together and potentially adjust the budget. Piepkorn stated we need to take a cautious approach and monitor the Federal government programs.

Prairie Dog Funding Delay

Jim Gilmour provided a graphic of the various funding buckets included in the Prairie Dog funding bill approved by the State of North Dakota last session. He stated that funding are likely be delayed into 2021 due to the decrease in oil prices currently.

Waiver of Utility Billing Late Fees

There was discussion about waiving late penalties on utility bills due to the current shut down of our customer base. Gilmour reported that the hotel and restaurant industry has been hit hard. There was also discussion about liquor license renewals coming up soon. Piepkorn suggested the late penalties should be suspended for two months and to push back the liquor license renewals later in the year. Sprague moved to approve this idea. Redlinger seconded the motion and all voted in favor.

Other Discussions

Grubb wondered if some consideration should be given to Main Avenue businesses as it relates to special assessment levied in the future for reconstruction this year. He also reported that Wenk Associates now has decontamination services and that Transit is has been deep cleaning the buses. The contractors for the GTC remodeling has discovered asbestos in the building that was not previously identified during the bid process. There was no action taken on these topics.

City of Fargo
Finance Committee Meeting Minutes
April 27th, 2020

The Finance Committee met on April 27th, 2020 at 10:00 am for a virtual meeting presented by Go To Meeting.

Members Present: All members attending

Guests Attending: Jim Gilmour, Ron Gronneberg, Brenda Derrig, Gregg Schildberger, Tom Knakmuhs, Steve Dirksen, and Matt Peterson

Minutes Approved

The Committee approved the minutes from the March meeting.

Sole Source Procurements Approved

The Committee approved seven sole source items as requested by Departmental personnel. These included Johnson Controls, Mobotrex, Ducks Unlimited, Great Plains Fire, PKG Contracting, Hawkins, and Midstates Wireless. Sprague made motion to approve all sole source requests. Grubb seconded the motion and all voted in favor.

ASP Security Services Approved

Matt Peterson reported on the temporary relocation of the GTC which began on Monday, April 20th. He requested approval to add additional security services to the temporary location until August 31, 2020. Grubb moved to approve. Redlinger seconded the motion and all voted in favor.

Bid Award Funding Alternatives for Project WW1701 Phase 2B Approved

The current base bid exceeds the current SRF loan. A rebid of the project would be a concern because timelines from West Fargo need to be met, and the next closest base bid was $32 million higher. Any possible stimulus or infrastructure packages would be pursued. The building could be turned, land to the south would be purchased, and once project was completed, the land would be deeded to the city. Piepkorn stated if there is potential to buy land, we should purchase it regardless. The more land we have, a purpose can always be found for it. Hausauer stated there is a trailer park to the west, Airport land to the north (possible park).

There is also some room to increase utility rates to pay for some of the debt, which are competitive and on the lower end. Could be increased to $19.00 per household. There was discussion between members regarding keeping the increase around $3.00 as it isn't such a hit to the general public.

Hausauer requested approval of the bid award to PKG Contracting in the amount of $123,950,000 and task order to Apex for Engineering Services for $8 million. The task order for Apex is 6.5% of the bid price which is well below industry standards. Piepkorn asked if the capacity of the filtering system would stay the same. Hausauer stated as of now there is money in CIP to look at engineering for potential expansion.

Piepkorn motioned to approve. Grubb seconded and all voted in favor.

Reduced 2020 CIP for Engineering Approved

Brenda Derrig and Tom Knakmuhs updated the Committee on the reductions to the 2020 CIP. Quite a few categories didn't change because the projects have already been bid.

Changes would be in the major arterial roadways, but hopeful to get underground in this year. Sidewalk projects were merged and overall scope was reduced. These projects typically are to address citizen concerns, major tripping hazards.

Piepkorn asked about the flood control project on Woodcrest and Elm Circle and if properties have already been purchased. Derrig said these projects are all easements and they are meeting with owners and have one more walkthrough. More than likely this won't happen until mid to later this year, which is why those specific ones are being delayed. The projects with full buyouts can keep moving forward.

Piepkorn also expressed concern about delaying the roadway/pavement preservation projects because they were already delayed last year, and if another delay would cause more issues. Knakmuhs stated there could be issues such as potential maintenance costs and additional patching by Public Works, but didn't think delaying would be extremely detrimental.

Grubb feels the reductions are reasonable and since he isn't sure what will happen with the Prairie Dog Funding, we could go through and re-prioritize. The Infrastructure Sales Tax Fund 420 could help or if we do get infrastructure stimulus money, it would get us back on track. Grubb stated he would really like to keep the CIP moving forward.

Grubb made the motion to approve. Mahoney seconded and all voted in favor.

Voter Education Information Approved

Gregg Schildberger stated we will be hosting an election in about six weeks and using a new system that no one has ever used. There would have been explanations and instructions at the polling places. Now that voting will only be by mail, how will voters be educated. Possibly an outreach campaign.

Mahoney asked Costin if advertising could be considered COVID money because this isn't a normal situation. Costin stated if we went through other channels, it might be less money.

Cass County is doing their mailing in two weeks and their manufacturer stated that it would be difficult to get it ready even for an extra fee and won't do it. Lowest cost would be website, in the paper, on the radio. Could possibly put a message on the bill or add a stuffer to the utility bill. Sprague thought a My Fargo email notification could be sent. Ron Gronneberg stated we would have the ability to do that. Advertising is not to exceed $20,000.

Piepkorn made the motion to approve. Costin seconded and all voted in favor.

Downtown Community Partnership Approved

The current lease is two years, which began 12.1.2018 and is set to expire in December of 2020 with a one-year option to extend. Possibility of forgiving the rest of the year or defer for 6 months.

Piepkorn supported deferring rent and stated we should be willing to negotiate and defer instead of forgiving without charging interest. Costin stated since the lease expires at the end of this year, it might be a good idea to renew and reset the rate.

Piepkorn made the motion to approve negotiating with the DCP. Seconded by Grubb and all voted in favor.

Horse Park Deferrals Approved

Clarification needed on what was previously approved by the Committee. Initial request for deferral was two years on the Horse Race Property and four years on the Horse track and Committee said it would be three years for both. Costin stated two years/four years was the intent.

Typically require deferral to end if there is a building permit issued but Gilmour said if there is some sort of modification or small addition, he doesn't think that should trigger the end of the deferral. The interest would continue to accrue and they were talking about local improvements but it should be arterial improvements. Derrig wanted to confirm if there was a building permit trigger and there will not be a building permit trigger.

CARES Act Deferral of 6.2% Employer Share of FICA Approved

Under the CARES Act, the only provision that was found that would benefit us is they are allowing us to defer the employer share of FICA through the end of the year, which is about $2 million. Would have to pay back 50% early next year and the remaining 50% by the end of the year.

Costin stated he is concerned that if we took this deferral it might make us ineligible for other stimulus packages. This would not be a forgiveness; this would only be a deferral.

Mahoney said it is already in the budget and deferring would just push it to next year's budget. Piepkorn is in favor and made a motion to move forward. Grubb seconded and all voted in favor.

Budget Discussion

The General Fund is the biggest funding source. The revenues don't reach the projections by approximately $3 million. Grubb stated if there was a temporary freeze on capital, operating, and personnel, with the exception of IS, you could about balance against what the decline in revenues may be. Departments could be notified of these freezes and will revisit in Q3.

Debt Service Funds are more problematic due to the decline in sales tax, but those are rate funded. We could wait to see on the revenue replacement, which may never show up, but if it does, it would fill some of the hole.

Piepkorn stated maybe push back collections as they have done with the liquor licenses.

Only a discussion on the different strategies. No official action or motion.

Other Items Approved

Discussion on the purchase agreement for 747 Royal Oaks Drive North, Montplaisir property. Brenda Derrig stated they have been working on acquisition of properties on North side for the 37' flood elevation through town. Looking at a May 1st closing. On February 10th the Commission approved the purchasing of the property, but not the purchase agreement. Will be placed on the consent agenda for the Commission meeting on Monday, May 4th, but Derrig would like approval to cut the check and move forward. Piepkorn moved to approve. Redlinger seconded the motion and all voted in favor.

Discussion on memo that came out regarding Masterworks. Derrig stated there were questions on IS's project load and the cost associated with it. Costin stated they have the ability to do the work, and the willingness to do the work and will be significantly less than a vendor alternative. No action taken on this item as it was only an update.

City of Fargo
Finance Committee Meeting Minutes
May 26th, 2020

The Finance Committee met on May 26th, 2020 at 2:00 pm in the River Room/virtual meeting presented by Go To Meeting.

Members Present: All members attending

Guests Attending: Matt Peterson, Mark Williams, Troy Hall, Jill Minette, Ron Gronneberg, Brenda Derrig, Bruce Taralson

Minutes Approved

The Committee approved the minutes from the April meeting. Sprague moved to approve as drafted. Piepkorn seconded the motion and all voted in favor.

Sole Source Procurements Approved

The Committee approved six sole source items as requested by Departmental personnel. These included Design Cleaning LLC, Ducks Unlimited, Mobotrex, Mr Manhole, KLM Engineering, and Treatment Resources Inc. Sprague moved to approve all sole source requests. Grubb seconded the motion and all voted in favor.

Fare Free Extension Approved

Matt Peterson requested approval to continue going fare free through September 30th, 2020. This will allow contact to be kept at a minimum. The City of Moorhead also requested going fare free through that date and they will be participating in the same cost share agreement. Kent asked Matt to stay in contact with Jamie Bullock, the Grants Accountant as the loss in revenue is eligible to be reimbursed through the CARES grant. Grubb moved to approve. Redlinger seconded the motion and all voted in favor.

Security for Island Park Ramp & GTC Underground Parking Approved

Sentry Security is currently providing services for the Island Park Ramp and GTC underground parking. Interstate Parking is interested in managing the security for these structures and they have experience with managing ramps throughout the country (approximately 30). Recommend the discontinuation of the contract with Sentry Security and work with Interstate Parking to manage the security.

Kent requested more details on the current contract. Williams stated based on the 2017 contract, Sentry is required to do so many patrols during the day and a flat rate for random checks. Piepkorn brought up that there have been previous talks regarding security cameras and upgrading those items; if security was upgraded to cameras, we wouldn't need as many foot patrols. Williams stated they are still working on getting security cameras but the parking fund is so depleted right now. The saving in security services might be an opportunity to save for cameras.

Piepkorn motioned to approve. Sprague seconded and all voted in favor.

Water Tower Art Opportunity Approved

Troy Hall presented an opportunity to work with the Planning department on creating art to be placed on the future downtown water tower. Planning would take the lead on the project and it would be approximately $20,000 to develop. The base bid would be the City of Fargo – Far More logo to be done late this year or early next year with an alternative bid to install the artwork. Grubb stated we have to paint the steel tank anyway and this is an opportunity to include public art.

Redlinger moved to approve. Costin seconded and all voted in favor.

WTP Renewal & Rehab Projects Approved

Troy Hall discussed how some larger projects have been scaled down and come in less than projected so he is requesting to shift some of those funds over to the Renewal & Rehab budget. Costin asked for clarification on which projects are coming in less than anticipated. Hall stated one is the Ozone AOP Improvements that was originally budgeted for at $4.25 million but anticipated to come in less. The other project is UV Crypto Compliance Improvements, which is an ultraviolet light treatment system. Originally it was anticipated a new building would have to be built for it but they found a way to make it fit into the footprint of the existing plant so an extra building would not have to be added.

One project the funds would be used for include setting up a plumbing system to send flush water from the cleaning the reverse osmosis skids. Currently they are cleaned quarterly and with the current design aren't getting as good a flush as desired. Approximately 10 million gallons of flush water is being sent to the lime softening plant. Staff came up with a simple plumbing system but funds are needed to make the pipe connections.

The other project is to add instrumentation to make operator testing more efficient. In the past staff was asking to add additional operators to each shift, which would be about five full time staff. Instead of adding staff, it might be possible to automate the testing which would make the process more efficient and save money.

Grubb made the motion to approve. Piepkorn seconded and all voted in favor to approve both motions.

Consolidated Communications contract renewal Approved

Ron Gronneberg stated that he is working on updating the telephone contract with Consolidated Communications for connections to the phone systems. Cost would be approximately $3,327 per month for trunk connections and approximately $1,300 per month for individual phone lines for things like elevator phones and fire alarms, for a total of approximately $4,627 per month. Requesting approval to extend current vendor contract.

Grubb made the motion to approve. Seconded by Costin and all voted in favor.

Municipal Unemployment Program Overview

Jill Minnette discussed the potential impact of any future unemployment claims if the City had to furlough or layoff employees. The City is set up as a reimbursable employer, which means rather than paying a payroll tax, we reimburse Job Service for the cost of any claims when former employees become eligible.

Under the CARES act there have been some changes. Currently, most unemployment benefits are paid for a period of 12 weeks to 26 weeks. Under the CARES act, an additional 13 weeks of unemployment benefits are available. This is scheduled to end December 31st.

The CARES act also added an additional $600 weekly benefit, which is in place until July 31st. This means employees would be earning more than if they were working during that time. Jill reached out to Job Service to confirm that the City would not have to pay the additional $600; and only be responsible for the regular unemployment benefit.

Costin stated there might be questions that come up regarding why the City isn't laying off employees during this time for some cost savings. Piepkorn summarized that we have cut some things and saying we are a different category of employer would be easy to understand. Piepkorn asked if there is a possibility the Federal government would reimburse us in that situation; Grubb stated if so he would anticipate waiting for months.

This item was only a discussion. No official action or motion.

COVID-19 Grant Status report

Costin discussed the status report and the tracking of the grants received and which ones are still pending. The biggest received was Transit. The cost share, which is normally 80/20, is converted to 100% cost share, which helps in grant funding.

This item was only a discussion. No official action or motion.

Sales and Highway Tax Revenue History

Costin explained 48% of tax base is in retail in Fargo so when the retail industry is shut down it will have a profound affect in overall collections. The collections for retail over the internet would be strong.

Highway and State Aid funds are large revenue lines in the budget and come from sales tax, gas tax, and excise tax. If people aren't driving the gas tax collection will decrease.

Costin stated he will continue to try and make his best estimates of the decline and as we get more grants they will offset the revenue loss.

The Committee would like to continue receiving and reviewing this information. This item was only a discussion. No official action or motion.

Request from Cityscapes Development to waive landfill fees Denied

Redlinger discussed a letter received from Cityscapes Development requesting total waiver of landfill fees for structures being demolished at 2110 Country Road 81 in Fargo. Redlinger stated we have not allowed other properties to waive fees and recommends denying the request. Piepkorn stated it's a cost of development.

Piepkorn made a motion to deny. Costin seconded and all voted in favor to deny.

Update on Downtown Community Partnership Operations Approved

Redlinger updated the Committee on the Downtown Community Partnership moving the dates of the Street Fair to August. At this time they are determining if there will be vendors available and

consulting with Smart Restart. If it does not happen in August, they will have to have a significant reduction in costs. Requesting to hold payment on invoices without penalty until later in the year.

Piepkorn motioned to approve. Seconded by Sprague and all voted in favor.

Other Items

1. Mark Williams stated they have been requested by the Kilbourne Group to install cellphone repeaters in the lower three levels of the ROCO Parking Ramp. The Parking fund is in rough shape and Mark would like to hold off until there is a project that is proposed and approved at budget level. Additionally, Engineering is working on some small cell repeaters in the Roberts Ramp and that might increase cell reception. Recommendation is to deny the installation of extra conduit.

   Piepkorn made the motion to approve. Sprague seconded and all voted in favor to deny.

2. Grubb requested approval of a sole source procurement for Burian & Associates to assist departments with preliminary site planning related to future south side City facilities. Piepkorn motioned to approve. Seconded by Grubb and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
June 29th, 2020

The Finance Committee met on June 29th, 2020 at 10:00 am in the River Room/virtual meeting presented by Go To Meeting.

Members Present: All members attending

Guests Attending: Matt Peterson, Brock Morrison, Tim Dirks, Troy Hall, Ron Gronneberg, Brenda Derrig, Dan Eberhardt, Jeremy Gorden

Minutes Approved

Bruce Grubb stated the Southside Facilities Task Order item was not included in the minutes and needs to be incorporated. ***(This item was added to the May 26th 2020 agenda packet under "Other Items" as #2 and to the May 26th meeting minutes as the last item – updated 7.23.2020 by Jess Houim).***

The Committee voted in favor to approve the minutes from the May meeting.

Sole Source Procurements Approved

The Committee approved three sole source items as requested by Departmental personnel. These included Vessco, Gartner Refrigeration, and AE2S. Sprague moved to approve all sole source requests. Costin seconded the motion and all voted in favor.

Fund 465 project for Burying Overhead Lines on Roberts Alley Approved

Brenda Derrig stated they are starting negotiations to bury the overhead power lines and would like to get a project set up. Costin stated he was surprised to see the request to use Fund 465 because it is for flood. It should be Fund 420. Derrig stated she will make the change on the ROA. Costin moved to approve. Grubb seconded the motion and all voted in favor.

Special Assessment Deferment Request - Proj BN17B - NDSU Approved

Dan stated that he has had some conversations with Bruce Bollinger at NDSU for the 19th Avenue North street project and a deferral of special assessments on their Ag Land in the amount of $5 million. The land will stay Ag for many years or they will slowly start to parcel it off. The deferment will reduce as request for urbanization comes. Mahoney asked why $5 million. Eberhardt stated there are two full sections of land and that 19th Avenue North was a large road project.

The Committee discussed having a policy put into place to defer the principal but pay the interest. In some cases there have been interest accruals. Sprague asked Dan if he talked to NDSU about the deferment being interest bearing or not. Dan stated it did come up but said it would be up to the Finance Committee. Eberhardt said he had a discussion with Costin how

this would be a good example of how liquidated damages could be utilized to offset some of the late billings that are invoiced, which has already been approved by the Finance Committee.

Grubb wants to revisit the policy on deferrals. Sprague moved to approve a 10-year deferral with annual billing of interest. Piepkorn seconded and all voted in favor.

Fare-Free extension through December 31, 2020 Approved

Peterson stated there have been many people asking when fares will be charged again. Transit will be implementing new fare boxes and other technology and if being fare-free can go through the rest of 2020, they will launch everything starting January 1st, 2021. The total estimated revenue loss of $336,441 is reimbursable through the CARES grant.

Piepkorn asked if Peterson was concerned about the revenue source when NDSU starts back up. Peterson stated the revenue with NDSU is different and is considered fare for the U-Pass program and would have to be negotiated with NDSU. They have not mentioned anything about being fare-free so the plan is to bill them as normal. If U-Pass/NDSU wanted to go fare-free, that lost revenue would also be eligible for the CARES grant.

Grubb wanted to confirm that we have a fare schedule that does not apply to NDSU because they have a separate negotiated contract that stands on its own, and fare-free wouldn't affect their contract. Peterson stated that was correct. Piepkorn and Grubb stated they would like Peterson to follow up with NDSU in this regard.

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

Hiring of Technician II position Approved

With the additional cleaning and maintenance being done, at this point this position needs to be filled. Part of the tri-annual audit is checking maintenance and there is a concern of not being able to keep up. Some items have had to be outsourced which ends up costing more than an in house position.

Piepkorn moved to approve. Redlinger seconded and all voted in favor.

Fargo School District Fiber Connections Approved

Gronneberg stated with Fargo Public School moving their administrative offices, we need to move fiber out of their facility downtown and it needs to be planned to be done this fall before the ground freezes. He also needs to figure out where to connect and maintain fibers. This is an unexpected cost that was not budgeted but it is expected to be less than $25,000 to move and less than $25,000 to connect.

Grubb asked why the fiber has to be moved and why it can't be left in place. Gronneberg said if our fiber and data closet weren't moved, it would be a security and access issue. Piepkorn asked if it could be part of the Mercantile Ramp. Gronneberg said this only has to do with the Fargo Public School building, two blocks north of City Hall, and a completely separate issue.

Costin asked why is it not being billed to the school district, or at least a share of it. Mahoney stated maybe split it 50/50. Costin asked Gronneberg if we have always paid for all costs to connect these items. It is a beneficial relationship over the years trying to work together to save costs.

Sprague moved to approve up to $50,000 with a 50/50 cost share with Fargo Schools. Piepkorn seconded and all voted in favor.

Hiring of three positions for Buildings & Grounds Approved

With the heightened awareness and additional cleaning that is being done at all facilities, it is putting a strain on Buildings and Grounds. Redlinger stated the hiring freeze put pressure on Buildings and Grounds since they are down so many positions.

Redlinger made the motion to approve lifting the hiring freeze for just the three positions, and they are in the budget. Sprague stated it is important to do before winter. Costin seconded the motion and all voted in favor.

Cleaning of Library Facilities Approved

Library plans to reopen Monday July 13th and would like to utilize the cleaning services of Osgood Cleaning Services. This cost could be considered CARES relief. Redlinger believes this is a reasonable approach and it would be all three facilities.

Redlinger motioned to approve. Sprague seconded and all voted in favor.

Hiring of two Library Page positions Approved

Currently, community volunteers are used to help reshelf items, but with the pandemic, volunteers will not be utilized upon reopening. The hope is to someday utilize volunteers again, but in the interim would like to fill two Page positions. These items are currently in the budget and could be considered for COVID relief funds.

Redlinger made the motion to approve. Costin seconded and all voted in favor.

Downtown Water Tower Site Property Purchases Approved

The purchases of a single family residence and an apartment would allow for the building of a new water tower while keeping the older tower open during the project. The water tower project was fully funded and in the 2020 budget. Between two grants received, there is an additional $6.5 million for capital projects. Additionally, once the new tower is built, the three older tower sites can be redeveloped and some funds can be recovered that way.

Bruce moved to approve. Piepkorn seconded and all voted in favor.

Water Utility Renewal & Rehab Projects Approved

Hall stated he would like to include six items in the Renewal and Rehab specific line item in the budget every year. Approval allows Hall to work with the Finance Department to set up project codes and project. These items include too much work to be done in 2020 so it will flow to the 2021 budget. Troy has a total dollar amount each year in the R&R budget and he will keep within that budget annually.

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

Discuss use of TIF funds for 24th Avenue South Approved

The TIF District for Anderson Field has been closed out but funds were set aside for two projects. One would be to extend 23rd Avenue over to Border States HQ which would include a roundabout. The second would be to extend Amber Valley Parkway over to Matrix and Scheels. At this point no final decision is needed but there are four ball diamonds for sale along 45th Street, with an offer expected soon. Gilmour stated if we want that property we should get into discussion with the Park District.

Gorden stated there were plans to widen 23rd Avenue a couple of years ago but those plans were put on hold. KLJ did a traffic study and found that 23rd Avenue South can stay as is. The intersection of 45th Street and 23rd Avenue already has its own set of issues, being the first intersection from the interstate and we don't want to draw any additional traffic to and through there.

Gilmour stated he is looking for some direction to talk to Scheels to see if it meets their needs and to talk to the Park District to see if they are willing to provide the Right of Way. Grubb said we would want to pursue the Right of Way and present Scheels with the traffic study update.

Grubb asked when the Matrix TIF was created, what was the revenue generated to be applied to? Gilmour stated it was to be applied to 42nd Street and the relocation of the power lines, and the Zoo special assessments. Since then, the revenue has been far beyond what was budgeted, but the plan was left very broad to do any type of public facility.

Grubb stated to put together a plan of financing 24th Avenue using the TIF money from 23rd Avenue, and visit with Scheels. Grubb made the motion to approve. Redlinger seconded and all voted in favor.

Career Workforce Academy Request

Requested $1.5 million over the next five years from the City of Fargo. Piepkorn stated times are not the same as what they were when this was proposed and he would prefer to put a hold on it as money is tight right now, and the County also put a hold on it. Mahoney stated we are going to have a hard time making the budget, and the funds could go to a lot of different places.

Grubb stated let the request go to Commission with no recommendation.

Divots Refund Request Approved

This would not have any financial impact on the City. Sprague said at a minimum we should tackle the transfer fee and he wouldn't get all of it back. Piepkorn stated technically we are following the policy and Sprague agreed.

Piepkorn made the motion. Redlinger seconded. All members approved except Grubb who abstained due to him knowing the owner for 30 years.

Utilities late fees and service turn offs Approved

Sprague thinks it's time to turn on again. Piepkorn stated that many businesses were closed which was out of their control but most have opened up again. Gilmour asked if hotels were taking advantage of this since they are the most hard hit as far as not having revenue. Costin stated he just received a report that showed revenues for hotels were down 85%, but a good part of the economy is back open.

Piepkorn made the motion to approve. Sprague seconded and all voted in favor to start charging late fees and beginning utility turn offs again as of July 1st.

2020 Revenue Monitoring Report
Sales Tax and Highway Tax Revenue History For Last Six Months

Costin discussed the change in local sales tax collection and Highway Tax Revenue. The local sales tax collection had a 2.5% increase (approximately $603,000) for the first six months of 2020 compared to the same time period in 2019. However, there was a 38.1% decrease when comparing June 2020 to June 2019 (approximately $1,508,420).

The Highway tax revenue had a 6.0% decrease (approximately $201,934) for the first six months of 2020 compared to the same time period in 2019. Comparing June 2020 to June 2019 there was a 27.3% decrease (approximately $143,909).

Costin stated he is hoping in the next month or two there will be some improvement. Costin will continue to provide reports.

Potential Land Acquisition – Fire Station 8 Approved

The land would be used for a future fire station, a fueling site for Public Works, and additional Utilities Department's needs. Grubb would like approval to work out a purchase agreement to acquire approximately 1.4 acres for Fire Station 8. The cost of acquisition would be shared.

Piepkorn made the motion to approve. Sprague seconded and all voted in favor.

Performing Arts Center Fundraising Feasibility Study Update – discussion

Redlinger stated they are meeting to screen the three final proposals for Performing Arts Center Fundraising Feasibility assessments. There will be virtual interviews conducted.

Other Items

Brenda Derrig stated with the redevelopment downtown, Kilbourne is out of parking lots and land they can stage their buildings on. They are asking to stage on City Right of Way. Two requests came in to stage on the vacant land the City owns on Main and 2nd and to stage on the Right of Way. The procedure is to request a deposit down, and if there is damage not repaired, the deposit is used to clean the area. If no damage, the deposit is returned. Should we be charging them a temporary construction easement fee. At this time the request is to block it off but not use the area to stage. Gilmour asked would the Right of Way be just the sidewalk. Derrig stated it is adjacent to the property but more than just the sidewalk, which reduces the street so they can stage in the roadway. Committee members felt if it is starting to have an impact on the public, they should be charged a fee for the use.

City of Fargo
Finance Committee Meeting Minutes
July 27, 2020

The Finance Committee met for its regular monthly meeting on July 27, 2020 in the River Room.

Members Attending: All members attended the Committee meeting.

Guest Attending: Matt Peterson, Tim Dirks, Brenda Derrig, Tom Knackmuhs

Minutes Approved

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

Sole Source Procurements Approved

The Committee approved the sole source procurements requested by Department personnel. This included the vendor American Seating for bus seat replacements due to COVID-19 issues. Piepkorn moved to approve. Sprague seconded the motion and all voted in favor.

Release of Frozen Budget for Transit Marketing

Matt Peterson requested authorization to use up to $25,000 in transit marketing funds to kick off a transit mask initiative. Costin suggested this would be eligible for COVID-19 funding since it is designed to educate the general public about wearing masks while using transit services. Committee approved this request. Piepkorn moved to approve. Grubb seconded the motion and all voted in favor.

Library Page and Library Associate I Hiring Approved

Tim Dirks requested approval to hire previously frozen open positions to fill the vacancies created in their volunteer pool with paid staff. Their volunteer pools have reduced their availability. Committee approved this request. Redlinger moved to approve. Costin seconded the motion and all voted in favor.

Rate of Pay Change Approved for Alternative Judge Scott Diamond

Shiloh Hanson, Municipal Court Administrator requested the rate of pay be adjusted for alternative Judge Scott Diamond. His pay has not been adjusted for several years. Her recommendation was to match the amount currently paid by West Fargo at $137 / hour. Committee approved this request. Piepkorn moved to approve. Sprague seconded the motion and all voted in favor.

23rd Avenue Reliever Route Study Discussed and Approved

Brenda Derrig reviewed the study of the 23rd Ave alignment options in SW Fargo. The original widening of 23rd Ave was not necessary if 24th Ave was created with the proper alignment. Piepkorn asked Derrig if Engineering has a preferred alignment. She felt that

the northern alignment was the best option that provides good traffic flow. Committee approved the 24th Avenue concept and northern alignment using an existing TIF district (Matrix) funding source. Sprague moved to approve. Piepkorn seconded the motion and all voted in favor.

516 14th St. North Infrastucture Request

Sprague forwarded a request from a property owner to consider an infrastructure request for 516 14th Street North. This is private property and lacks traditional infrastructure. The property owner was seeking the use of a special assessment to install a water line to a warehouse on their property. A recommendation was made to use the sewer repair policy assessment process amortizing over a fifteen-year term at 5% interest. Piepkorn moved to approve. Grubb seconded the motion and all voted in favor.

Financial Status Reports for Major Revenues Reviewed

Costin reviewed the changes in sales tax revenue, state aid and highway funds. Sales tax revenue was up by 9% YTD, however the July payment was up 46% over last year's July payment. There was a decline in the state aid and highway funds. State aid was down 2.6% YTD while the July payment was 12.6% less July 2019. Highway funds declined significantly down 13.4% YTD while the July payment as 42.2% less than last year. Committee received and filed this status report.

Other Items

There were no other items discussed at the meeting.

City of Fargo
Finance Committee Meeting Minutes
August 31, 2020

The Finance Committee met for a regular monthly meeting on August 31st, 2020 at 10:00 a.m. in the River Room with virtual and in-person guests.

Members Attending: All

Guests Attending: Brock Morrison, Ben Dow, Terri Ludlum, James Hausauer, Brenda Derrig, Greg Schildberger, Steve Dirksen, Jill Minette, Jim Gilmour and Troy Hall

Minutes Approved

The Committee approved the minutes from the July meeting.

Sole Source Procurements Approved

Sole Source and piggyback procurement actions were reviewed and approved. These included LAMA, General Equipment, Pro Landscaping, Minnesota Municipal Utilities, Consolidated Water Solutions, and AVI State piggyback for AV equipment in the River Room.

Fire Department Capital Reauthorization of Funds Approved

Fire Chief Dirksen requested to have funds saved from the Fire truck equipment procurement to purchase ballistic helmets and protective hoods. Savings occurred because Cass County is funding the radio replacement project. These requests will improve our overall safety risk profile for our first responders. Committee approved the reauthorization requests in the total amount of $48,000.

Temporary Leave Policy Reviewed and Approved

Jill Minette reviewed a draft policy that will work in conjunction with ending the emergency pay temporary policy enacted earlier this year. The purpose of the new policy is to encourage employees to stay home when they are sick. The policy allows employees to overdraw their sick leave balances by up to 80 hours and also encourages leave donations. The CARES act Family First provisions of law end on 12/31/2020 and employees would need to exhaust those leaves before accessing the temporary overdraw of sick leave. Costin asked about the use of regular FMLA that is a twelve-week leave entitlement. Minette said this is being tracked parallel with the other leave types. Sprague inquired about using sick leave donations vs. vacation. Sick leave is not owned by the employee like vacation so only vacation is being allowed. Grubb moved to end the emergency pay leave type starting on October 4th and to approve the draft policy. Sprague seconded the motion and all voted in favor.

Clean-Up Week Alternative Delivery Method Reviewed and Approved

Ben Dow and Terry Ludlum reviewed plans to limit city employee exposure to COVID-19 with the use of an external contractor. This annual event was delayed from this spring because of COVID-19. In the past we used 60-70 day laborers to pick the refuse. Since it would be difficult to control the exposure over a transient workforce over a two-week period they recommended using a contractor to provide the resources to complete clean up. The clean-up period would be extended for a two week period to run on the same day as the residential recycling schedule. Dow reported that the largest cost component is for providing trucking. The City will not incur as much internal payroll cost when a contractor is used instead. Ludlum also reported that he will experience $1 million in savings on the scale house project. Grubb moved to approve the use of Industrial Builders for the fall clean-up event. Piepkorn seconded the motion and all voted in favor.

The Committee recommended that this item be placed on the regular agenda so that it can be discussed and approved publically.

Mid-America Steel Building Repurposing

Brock Morrison reported on a proposal from a business that will deconstruct the large building on the Mid-America site. This innovating concept will reduce our site restoration costs in the future and will re-use all of the steel components in the building. Committee members felt like this was a good idea that will help with site preparation for future development and it is good stewardship of natural resources to re-use the steel. Redlinger moved to allow Morrison to negotiate with the vendor up to a $10,000 sales price and to authorize him to dispose of smaller equipment items. Costin seconded the motion and all voted in favor.

Early Order of High Service Water Pumps

Grubb and Hall explained the process of upgrading the Red River water intake facility. This will be remodeled and the high service pump capacity expanded. The pumps need to be ordered early for delivery when the work will take place. There is a long lag period between order and deliver so Hall was requesting authorization to order the pumps now to assure no further delay when the project get started next spring. This project is funded by a FEMA flood protection grant and a State Water Commission 60% grant. Piepkorn inquired about the 40% local share and how that will be funded. Hall stated this is in the water infrastructure sales tax funds. Grubb moved to authorize the early ordering of the high service pumps for the Red River intake station and for the 3rd pump location for service to West Fargo. Redlinger seconded the motion and all voted in favor.

Waiver of Landfill Tipping Fee

Ludlum and Hausauer explained an opportunity to save money by exchanging bio-solids from Wastewater with sand from the landfill. The contractor needs sand for backfilling the WW project and the Landfill needs a way to dispose of the sand. There is a $160,000 value of handling the sand. Committee approved a waiver of landfill tipping fees up to $160,000

for this exchange transaction. Value in excess of this amount will be billed to the contractor. Grubb moved to approve the waiver of landfill fees in this unique situation. Sprague seconded the motion and all voted in favor.

Emergency Purchase for Civic Center Parking Ramp

Gilmour reported that he approved an emergency purchase to assess some structural cables in the Civic Center Parking ramp. He approved services with Carl Walker to recommend repair work and assess the current condition of some concrete and cables in the structure. He said that some of the work has been assessed and that this is not a major problem. Western Specialties will do the repair work. Costin requested that a written approval be sent to Gilmour and Finance staff from Administration in accordance with our current purchasing policy.

Disposition of 501 Main Avenue Parking Lot

Gilmour requested approval to proceed with a planned disposition of the parking lot at 501 Main Avenue. This is a surface parking facility. There is local interest to develop this parcel into a mix use real estate project that includes commercial on main level, and housing in the upper levels. He said that this is an infill project for the downtown area and that we have lots of parking capacity in the Island Park ramp. Committee discussed and approved a $500,000 minimum bid price. The City Assessor's current value on this parcel is $392,000. Costin stated that this transaction was factored into the Mercantile bond issue in the amount of $200,000 so additional funding will benefit the Parking Authority. Piepkorn stated this will be a very positive move that will greatly enhance this corner. Piepkorn moved to approve the sale of this parcel for future development. Sprague seconded the motion and all voted in favor.

Downtown Community Partnership Lease Amendment

Redlinger presented and alternative lease arrangement with the DCP that will give them time to catch up on past rental fees that were deferred during the early months of COVID. The terms have been updated to account for the deferred rents payable into 2020/ 2021 with an interest factor on the deferred rentals. The DCP suffered a financial loss by not being able to sponsor the street fair this year. Costin moved to approve the new lease terms as presented. Redlinger seconded the motion and all voted in favor.

RFP for Fundraising for a Performing Arts Center

Redlinger reported on the progress with selecting a fundraising professional to complete an assessment to fundraising capacity in our community for contributions for the performing arts center. He said that there were nine proposals and this was narrowed down to three that were interviewed. Jeff Schott and Charlie Johnson were included in the interview process. The Committee recommends the Benefactor Group with a $52,000 scope of work. Fund 402 building projects will cover this expenditure as part of the feasibility portion of the project. Piepkorn said this was a methodical process that will allow us to spend money

wisely in the future. Piepkorn moved to recommend the Benefactor Group to the City Commission. Redlinger seconded the motion and all voted in favor.

Lobbyist Contract Extension for 2021 Legislative Session

Redlinger recommended a contract extension with John Olson for the upcoming legislative session with the same fee structure as 2018 of $35,000. This contract is included in the 2021 Administration budget. Piepkorn moved to approve a contract extension as recommended. Grubb seconded the motion and all voted in favor.

Cash Reserve Investment Reports

Costin reviewed the returns for various time periods of the City's cash reserves. He said that funds are managed by PFM and they are broadly diversified and have performed well in a declining interest rate environment. Reports were received and filed.

Pension Actuarial Investment Assumptions

Costin updated the Committee on future investment return assumptions for the pension plans. The pension boards have met with the actuary that is recommend lowering the return assumptions to a more achievable target. He said that lowering the assumptions will drive up the pension funding requirements. He expressed most concern about the adequacy of funding the actuarial requirements for the City Pension plan since it is a close plan with declining membership vs. the Police and Fire plans that are open enrollment. The Committee agreed that we should focus efforts on the City plan in future funding decisions. He also reported that the Pension Board will consider recommending disbursement of contribution balances with deminimous balances.

Disposal of Used Cell Phones

Costin provided an email from the Police Department about the potential to donate used cell phones to the Rape and Abuse Crisis Center. These phones could retain the ability to dial 911 in the event of an emergency. The residual value is not a large amount per unit. Committee recommended working with Greg Schildberer to formulate a plan for disposal.

Major Revenue Status Reports

Costin reviewed the sales tax, state aids, and the Cares funding report citing changes in YTD and current monthly amounts. The CARES funding from the State of ND was received totaling $7.8 million. This is a reimbursement through July, 2020. Two more months of Police Department salaries and benefits will be eligible for a final reimbursement in October. The final payment is estimated to be approximately $3 million.

Baker Tilly Contract Scope Amendment

Grubb and Costin reported on a request to amend the existing Baker Tilly fiscal analysis ROI modeling to include a review of future development patterns and practices including the LDC and zoning. Grubb moved to request a scope modification from Baker Tilly to

include additional work as requested. Redlinger seconded the motion and all voted in favor.

Refunding Improvement Bond Issues

Costin reported that two bond issues will be marketed in October. One is a new money issue for completed projects and another is a refinancing of four previously issued bonds. The saving for the refinancing is substantial due to historically low interest rates. Grubb inquired about the impact of special assessment deferrals. Costin reported that debt service principal repayment are structured in lower amounts in the early years to account for the initial deferral periods while the .75% markup also provides funding to cover the impact of delayed assessment collections.

Finance Committee Meeting Minutes
September 28, 2020

The monthly Finance Committee meeting was held on September 28, 2020 in the River Room with guests attending virtually. All members were in attendance. Guests included Matt Peterson, Ron Gronneberg, Jim Gilmour, Troy Hall, Tim Dirks and James Hausauer.

MINUTES FROM LAST MEETING APPROVED

The Finance Committee approved the minutes from the August meeting. Piepkorn moved to approve. Seconded by Sprague and all vote in favor.

SOLE SOURCE PROCUREMENTS APPROVED

There were six sole source procurements requested by Departments. They included United Accounts, Hawkins, Trillium Floway, Electric Pump,, JDP Electric and Environtech Services. Costin moved to approve as requested. Grubb seconded the motion and all voted in favor.

GENFARE FEE OPTIONS FOR TRANSIT

Matt Peterson reviewed the pricing structures for the new cloud based fare box revenue system. He was looking for guidance on a 5% or fixed fee option. This is related to the mobile ticketing application being installed by the vendor. Costin moved to approve the 5% fee option vs. the capital option. Sprague seconded the motion and all voted in favor.

LIBRARY PAGE POSITIONS REQUEST TO RELEASE FROZEN STATUS

Tim Dirks from the Library requested permission to hire two paid pages to replace volunteers who shelf books that are now absent because of COVID-19. The positions were previously frozen earlier in the year and now he would like to hire them. Grubb moved to approve the hiring of two library pages at $12 per hour. Redlinger seconded the motion and all voted in favor.

IT CAPITAL FUNDING CARRYOVER REQUEST

Ron Gronneberg requested permission to carryover funds for the in-car video system to be coordinated with the body camera project in 2021. He was in contact with the new Chief Zablowski and this project will be moved along next year. Mahoney moved to carryforward the requested funds to next year's budget. Costin seconded the motion and all voted in favor.

SECTION 179 IRS DEDUCTION ALLOCATION

Troy Hall presented a request to allocation IRS Section 179 design deductions to McFarlane Construction who designed part of the water treatment plant. Costin moved to approve this request. Grubb seconded the motion and all voted in favor.

WATER PLANT ACCOUNT CODE TRANSFERS

Troy Hall requested a transfer of funds from an existing rate funded project code to a sales tax funded code. He recommended moving funding from WA1950 funded from the water fund 501 to WA2000 that is funded out of infrastructure sales tax. Grubb moved to approve this transfer. Redlinger seconded the motion and all voted in favor.

WATER PLANT REPAIR AND REPLACEMENT PROJECTS

Troy Hall requested permission to begin two small repair and replacement projects needed in the Water Fund out of the existing R&R project budget. Redlinger moved to approve the projects presented. Piepkorn seconded the motion and all voted in favor.

CONSIDER ESTABLISHING A RIVERFRONT DEVELOPMENT TAX INCREMENT DISTRICT

Jim Gilmour reviewed the concept of creating a new tax increment-financing district in the Riverfront cooridor to assist with several public initiatives. He reviewed the timeline and potential project that would be included in the plan. Piepkorn moved to approved development of a plan with completion in January 2021. Sprague seconded the motion and all voted in favor.

STATE PRAIRIE DOG FUNDING

Jim Gilmour presented a graphic on the current status of State funding progress for Praire Dog funds. The decline in oil revenue and demands is causing the State funding buckets to fill much slower than anticipated. He stated that the City should receive $2.5 million from the first bucket for Municipal Infrastructure near year-end or the first quarter of 2021. No action needed on this educational topic.

FEDERAL FICA DEFERRAL OPTION

Costin presented a recent Presidential Executive Order that allows for a voluntary deferral of the existing FICA tax of 6.2% for employees. He said that the Finance and HR staff members have reviewed this provision and it was recommended that this not be enacted because it is not in the best interest of the employee or the City. Piepkorn moved to approve the recommendation to not participate in this voluntary activity. Sprague seconded the motion and all voted in favor.

PENSION ACTUARIAL TWO-YEAR STUDY CYCLE

Costin recommended that the City consider moving to a two-year actuarial study cycle for all of our defined benefit systems. He said this is allowable under current GASB regulations and that the City used to follow a two-year cycle until 2012 when the pension funding policy was enacted. All systems are in long-term recovery cycles so it is not imperative that we precisely measure this liability every fiscal year. This would produce savings of about $60k per year. Grubb moved to adopt a two-year actuarial study cycle staring in 2020. Sprague seconded the motion and all voted in favor.

INVESTMENT POLICY REVIEW AND CREDIT QUALITY CHANGE NOTIFICATION

Costin reviewed the current investment policy with the Committee. This process is required as part of the investment policy. He was in contact with PFM representatives who said no changes were recommended now. He also report that the bond rating for Wells Fargo holding were downgraded by Standard & Poor's in July to a BBB+ credit rating which is below our policy requirements. PFM is comfortable with continuing to hold this investment and did not recommend a sale of these investments. The credit rating change reporting is an additional internal control built into our investment policy.

FINANCIAL STATUS REPORTS

Costin reviewed the financial status reports for major revenues. He added in a report on parking revenues and said that the parking authority had voted to remove the free parking in the ROCO lot , however, this was not moving along for final approval. Piepkorn suggested that a 94% revenue realization overall for the Parking Authority was good in light of the COVID-19 impacts on people's needs for parking.

NDSU SPECIAL ASSESSMENT DEFERRAL

There was discussion about a ten-year special assessment deferral recommended for NDSU relating to the 19th Ave. North project. Costin recommended that this be re-visited because the two large parcels owned by NDSU will likely not be redeveloped and will remain NDSU property. He felt that ten years was not in the best interest of all who pay into this debt fund or the City. Mayor Mahoney recommended that some alternative options be considered since the State funding will be very difficult over the next session because of declining State revenues. Costin will bring back some options to consider at the next Finance Committee meeting.

WEST ACRES TRANSIT STREET REPAIRS

Matt Peterson reviewed a proposal from the Transit Department to repair road damages cause by our bus routes to West Acres. He said that Ben Dow and others have evaluated this and were able to decrease the damages to $100,000. They would like to make these repairs this fall. Costin moved to approve using fund 401 general infrastructure fund. Redlinger seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
October 9th, 2020

The Finance Committee met for a special meeting on October 9th, 2020 at 10:30 a.m. in the River Room with virtual and in-person guests.

Members Attending: Kent Costin, Steve Sprague, Bruce Grubb, Dave Piepkorn (by phone)

Members Absent: Tim Mahoney, Michael Redlinger

Guests Attending: Brenda Derrig, Nathan Boerboom, Dan Eberhardt

Minutes Approved

The Finance Committee approved the minutes from the September meeting. Costin moved to approve. Seconded by Sprague and all voted in favor to approve.

Review assessment protest from project BN 19A – 52nd Ave South

Derrig stated that Dan Eberhardt, the special assessment coordinator, had discussions with Mr. Arneson. Boerboom stated there is a sign that generates revenue and typically deferrals are not given out for that type of plot. There will be a requirement to provide storm water retention which allows a bigger area to be developed. Derrig stated Mr. Arneson would have to pay more to put underground storage in.

Costin asked what the impact of the 35' setback was. Derrig stated the assessed footage went from 781' to 685'.

Sprague asked if retention ponds are exempt from specials and Derrig stated no. Costin said the policy already incorporates assessments on irregular shaped lots. Piepkorn is comfortable as long as we follow the policy.

Costin made the motion to deny a special assessment deferral. Sprague seconded. All in favor to deny.

Negotiations for Flood Buyout Status of Property at 906 41st Ave North

Derrig and Boerboom have met several times with the homeowners and the homeowners stated they would accept an offer of $680,000. Boerboom stated the property is in the Kirkwood addition and it was a fair offer and not out of line with previous purchases in that addition.

Sprague made the motion to authorize Engineering to purchase the property for $680,000 plus relocation and moving costs. Grubb seconded and all voted in favor.

Bullinger Property Request

Grubb went through the list of requested items from Mike Bullinger. Derrig stated regarding number three (city to bring water and sewer to the site), it would be tough because it is

considered private property to the airport and he would have to go to the airport to request to tie on to it, which means the option for the City to do it is zero.

Grubb stated in regards to number four (allow contaminated fill to be taken to the Fargo facility free of charge); Terry Ludlum said the fees would be roughly $10,000.

Grubb explained they would like to do something beginning this fall and it is current on taxes. Derrig stated gifting a right-of-way wouldn't happen because it would have to be vacated but cannot be gifted by state law.

Grubb stated there are limitations on what we can do. Kent made the motion to deny all requests. Sprague seconded and all voted in favor to deny.

Other Items

Grubb stated Ben Dow approached him regarding two procurement requests. Winter season is approaching and Dow would like to purchase a front-end loader for approximately $232,000 and replace a street sweeper for $275,000. These items were approved in the 2020 budget but there is a spending freeze on purchasing.

Grubb moved to approve the purchase of the two pieces of equipment. Costin stated these purchases have no direct impact on the general fund because it is coming out of Fund 475. Costin seconded and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
October 26th, 2020

The Finance Committee met for a regular monthly meeting on October 26th, 2020 at 10:00 a.m. in the River Room with virtual and in-person guests.

Members Attending: All

Guests Attending: Steve Dirksen, Desi Fleming, Jill Minette, Bruce Taralson, Ben Dow, Terry Ludlum, Nicole Crutchfield, Troy Hall

Minutes Approved

The Finance Committee approved the minutes from the September meeting.

Sole Source Procurements Approved

Sole Source and piggyback procurement requests were reviewed and approved. These included Downtown Community Partnership, Swanston Equipment Corp, Ducks Unlimited, and Xylem. Grubb made the motion to approve; Costin seconded and all voted in favor.

Pandemic OT Rate for Fire Department Employees Approved

Steve Dirksen stated he had spoken to Desi about what assistance she needs as far as the pandemic and she indicated nasal swabbing is something firefighters could do because of their medical training. The problem is that firefighters working OT would get a lower hourly rate due to the way their work schedule is currently set up. Dirksen would like to establish a different pay code for the hourly rate for firefighters working at COVID testing sites for the duration of the emergency declaration.

Redlinger made the motion to approve. Sprague seconded and all voted in favor.

FCPH Nursing Pay

Desi stated there has been a significant amount of nursing turnover compared to normal. She has heard from a number of applicants that have turned down the job because of the pay. The number of applicants have been decreasing over the last two years as the market has gotten more competitive. There are zero applicants for the current positions that are open. The base pay isn't that far off but private entities can offer sign on bonuses and other perks and are becoming more flexible with scheduling. Due to the pandemic, the flexibility is no longer there and staff is overloaded.

Minette stated the City is well aligned with local market data. She compared the data with what we are proposing for the RNs. Mahoney asked why this request did not go through PEC. Minette stated due to the urgency for recruiting and the timing of meetings. Mahoney told Desi they might need to offer a sign on bonus and we may need to use that strategy. Desi stated they would like to increase to a Step 3 to bump up current pay and start at a Step 3 to offer a higher starting pay. The combined total affect for these changes would be approximately $65,700.

Grubb inquired about the overtime rate and should be wrapped into the request. Minette said the positions being backfilled are not receiving overtime pay due to their exempt status, and overtime would not be eligible for reimbursement under the CARES act. The overtime they are working is

created by COVID but they aren't working on COVID. The cost could still be offset from the reimbursement received by CARES for COVID functions.

Sprague approved as presented with overtime rate. Redlinger seconded and all voted in favor.

COVID-19 Plan of Additional Measures using CARES funding

Taralson recently attended a webinar that explained how they had received funds through the CARES act. Many had requested funds and received without too many requirements. Taralson would like to expedite their virtual and digital capabilities and work towards a paperless office and remove contact as much as possible. This would include enhancing remote working capabilities and digital plan review and submittals.

Taralson has looked at the Department of Homeland security and they have determined construction code enforcement is an essential service. The Department of Treasury has also determined their expenses would be eligible and have been paid to existing inspection departments. They feel they meet the criteria of expenditures not accounted for in the current budget.

Costin asked if Bruce is accessing a different channel as these items don't jive with how the CARES funding is being distributed. Taralson stated he has reached out and would be applying to the Department of Commerce. Grubb stated that it wouldn't hurt to try applying for the funds.

Grubb made the motion to approve applying to the Department of Commerce. Piepkorn seconded the motion and all voted in favor.

Payment of Industrial Builders for Cleanup Week Approved

Dow stated Clean Up week was successful and he didn't hear many complaints. The estimate originally came in at approximately $398,000 but the actual total cost came in at $435,791.82. Both him and Terry have limited funds in their budgets for clean up week; however, in total they have $70,000 to apply to the total cost.

Grubb stated he thinks it was the right decision to do Clean Up week the way they did. Costin stated take the $70,000 from the budget and code the rest to the COVID fund. Grubb made the motion to approve. Redlinger seconded and all voted in favor.

Contract Amendments for REACH Partners; MSA & Water Tower Project Approved

Crutchfield stated in 2019 Reach Partners Inc was contracted through SSP to provide services for the Planning Department. The Planning Department is currently requesting a contract amendment for an increase by $30,000 so they can provide additional services, which would include supporting the Health Department with quarantine and isolation in response to COVID.

Additionally, Reach Partners was hired for project management and support of the out of town contractor for the water tower. However, the project is not quite done and Planning is seeking an additional $5,000 for the final stages.

Redlinger made the motion to approve. Piepkorn seconded the motion and all voted in favor.

Termination of Lease with Fargo Housing Authority Approved

Crutchfield stated in 1994 the City entered into a lease with the Housing Authority to operate the SRO at 69 4th Street North. The Housing Authority requested to terminate the lease early due to having to vacate the building last year because of mold issues. Currently there is a caterer on the first floor and the Housing Authority would have to terminate their sublease with them.

Some ideas for the future of the building is to put in a community development block grant activity and check on the feasibility of remediation and offering it up as an asset either to someone else or the City.

Sprague asked if there would ever be a chance to sell for it for income. Crutchfield stated there are lots of opportunities and potential. Costin asked how there could be a caterer in the building with the mold issues and Crutchfield stated the mold is in a completely separate and different part of the building so they are not affected.

Costin made the motion to approve. Sprague seconded and all voted in favor.

WTP Renewal & Rehab Budget Projects Approved

Hall is requesting to add two projects to the Renewal and Rehab budget, which is a Fund 450 Infrastructure Sales Tax line item. One item is to purchase 72 reverse osmosis elements. Upon investigating some issues, staff found that 69 reverse osmosis elements were damaged. The second item is to increase the vent pipe height to address some issues with the reverse osmosis system and venting fumes.

Hall stated the total would be approximately $50,000 but the funds would be from budget line items that have already been approved by the City Commission. Sprague stated if the replacement of the reverse osmosis elements was an ongoing issue it could be built into the operating budget. Hall stated they are trying to prolong the life of the RO elements to about 7-10 years. In this particular case, there has been two years of operation and during that time they have been trying to make the plant work but there has been some hits to the control valve pressure.

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

Horse Park Special Assessments

Gilmour stated they have an agreement with the different horse park organizations for infrastructure improvements. Up until now, there has been very little TIF income to pay the specials. There is now TIF income because the property values have gone up which means they are paying more property taxes; they are catching up on unpaid property taxes; and there has been some private development.

This is strictly for the water and sewer amounts. They are not going out to offer to provide any benefit to the new property owners.

There does not necessarily need to be a motion on this, more of a clarification on how the funds are being applied, with the understanding that the money only goes to Project 5301 and to clarify the procedure to pay the annual assessments and pay down uncertified each year.

Grubb made the motion to approve. Redlinger seconded the motion and all voted in favor.

eSmart Systems Budget Adjustment – Fargo Smart Energy Ramp Project Approved

Redlinger stated they are trying to allocate final costs for last change order to RoCo project. This includes a $25,000 ask to the City, which would include electrical equipment in the data room, adding cell coverage to IS specification, and striping for parking spaces. These items should be wrapping up next month and this should be the final and close out change order for the project.

Redlinger made the motion to approve. Piepkorn seconded the motion and all voted in favor.

NDSU Special Assessment Deferral Decision Approved

Costin stated in previous Finance Committee meetings, it was decided they could grant NDSU a ten year deferral, but was asked to come up with different options, such as no deferral, or two or three year deferral with interest accruing on the unpaid balance. Now it needs to be decided if they should grant a deferral and if so, what would the term be.

Costin stated giving a deferral doesn't make sense. Grubb asked if NDSU was aware of the specials. Sprague stated they should have gotten their notices and hasn't heard any protests. Costin stated Engineering got the process started because they stated they made NDSU aware there was a big hit coming and wanted to know if they could suggest a ten year deferral. Sprague stated maybe NDSU would rather just start to pay; or they can assess it and if NDSU comes back asking for time, they could always do a deferral at that time.

Sprague made the motion to move ahead with no deferral. Piepkorn seconded and all voted in favor.

Summary of Deferred Special Assessments for 15 years

Costin stated this is more informational because Commissioner Preston wanted to see a history of specials. In 2013 there were really large projects happening but in the last couple of years the percentage deferred has gone down to 5% - 6%, which is good because it means the delinquency rate is almost non-existent.

2019 Audit Report Executive Summary

Costin stated this is posted to the City website but wanted the Finance Committee to know it is there to look at. Costin stated we are gaining in our margin of less spending than our peer cities. There was some discussion if the Airport Fund analysis should be included in the Executive Summary. Mahoney stated in the effort of transparency it should be left in.

City Pension Optional Rollover / Cash Out Options

Costin stated at the pension fund board meeting there has been some discussion about how to proactively manage the liability of the City Pension plan. Employees that have left employment and employees that are deferred are essentially "stranded" in the plan and would receive a monthly benefit from the City and NDPERS when they retire. Costin stated an option would be to let employees take their cash or transfer their balance to NDPERS to purchase service credits, which is an option with NDPERS. Almost 50% of participants currently in the City plan have a benefit less than $250 a month.

Sprague asked what it would cost the city or the pension plan to close out some accounts. Costin stated if they choose to go down this path they should work with the actuary to figure out if it would be a gain or loss to the City or employees.

Sprague and Grubb both agreed the pension board should continue to move forward with looking into the feasibility of the options.

Financial Status Reports – October 2020

Costin stated Sales Tax is up 2.4% which is good in the current environment. State Aid went down by about 8.4% and Highway Tax was down about 10% which is consistent with the budget projections for 2021.

Other Items

Gilmour gave an update on the Prairie Dog Fund. There is some money flowing in to the municipal infrastructure bucket; at least 20 million went in the last month. First couple months of next year we should receive the $2.5 million but most likely that would be it.

City of Fargo
Finance Committee Meeting Minutes
November 30th, 2020

The Finance Committee met for a regular monthly meeting on November 30th, 2020 at 10:00 a.m. in the River Room with virtual and in-person guests.

Members Attending:	Bruce Grubb, Dave Piepkorn, Kent Costin, Michael Redlinger, Steve Sprague, Tim Mahoney
Members Absent:	Jim Gilmour
Guests Attending:	Tim Dirks, Ben Dow, Nicole Crutchfield, Troy Hall, Brenda Derrig, Jody Bertrand, Luke Lindberg

Minutes Approved

The Finance Committee approved the minutes from the October meeting. Bruce Grubb made the motion to approve. Steve Sprague seconded and all voted in favor.

Sole Source Procurements Approved

Sole Source and piggyback procurement requests were reviewed and approved. These included Vector Solutions, AE2S, Ducks Unlimited, Midwest Iron Works, Cummins, New Flyer, and EnviroTech Services. Sprague made the motion to approve; Dave Piepkorn seconded and all voted in favor.

Hire Library Associate I Approved

Tim Dirks stated the Library has a part-time Library Associate I position currently open and they are looking to fill it.

Costin made the motion to approve. Redlinger seconded and all voted in favor.

Contract Fueling with Fargo Park District Approved

Dow proposed this to the Park District about seven to ten years ago. It is definitely a win for the Park district, and we should not have any issue with taking on their equipment. Costin asked if there would be any benefit in raising the upcharge from 10 cents to 15 cents or 20 cents. Dow stated they initially started at 5 cents and 8 years ago went up to a dime. The contract does not state a specific amount and is open ended to state they can charge what is fair. Dow would like to start at a dime and as the usage is analyzed, it may be something they can establish yearly or every five years.

Dow stated the expected revenue is unknown at this time because he does not yet have an equipment list and until they go through the first year, they won't know the quantity or usage.

Grubb asked if the dime markup is consistent with the schools and Dow said it was. Sprague asked if the Park District would do 100% of the purchasing through us; Dow said he thought so.

Piepkorn made the motion to approve; Redlinger seconded and all voted in favor.

2021 COVID Activity Request Approved

Nicole gave a status update on COVID response and the funds received through the Public Health Red River Valley Task Force (RRTF) for allocation for isolation support. It has taken awhile for the money to flow through but now they are seeing direct reports and recipients positively being affected. Nicole discussed what they should do starting in January and went through a summary of requests. She primarily wants to confirm if they want to continue activities.

Mahoney asked how many months they could go with the current funding plan. Crutchfield stated they are estimating it could go through April.

Crutchfield stated the CDBG funds don't have a timeline expiration. The RRTF, Item #1 listed on memo, would not have money to expend in January and the other two items listed are related to seeking funds. None of this is allocated right now nor does she have a source for those funds.

Bruce Grubb made the motion to approve. Sprague seconded and all voted in favor.

Utility Billing Snow Birds Approved

Steve stated that in February the new utility billing system was approved. He stated that with the old system, when the snowbirds wanted to discontinue their bill, they would shut it off at the curb and they wouldn't get a bill for the months they were gone. With the new system, they can pick which items to shut off, sort of an ala carte situation.

Grubb asked if there was a way that snowbirds could be informed of this change. Sprague stated when they come in or call to discontinue services for the months they are gone, they could be informed that starting in the New Year this would be a change. Grubb stated maybe even include a note on the billing.

Piepkorn made the motion to approve; Grubb seconded and all voted in favor.

CARES Act Funding Allocations

Redlinger wanted to summarize and provide an update on the CARES Act Funding allocations. The three main "buckets" are Transit, Public Safety, and Public Health. Miscellaneous categories including the Airport, Planning, and FEMA.

Mahoney stated that there might be a need to fill a data management position in the police department and asked if there could be a marker in the funding allocation for it.

Piepkorn wanted to know what expires by the end of the year. Redlinger stated there is approximately $910,000 in expense not funded. These expenses were declined, deemed not eligible, and will most likely be covered by Federal CARES money or the general fund.

Cyber Insurance Renewal

Costin stated about a year ago it was decided to bind cyber risk insurance coverage. Every year the insurance company sends us a packet of about 20 pages to complete to analyze our risk. Costin wanted to make the Committee aware of the large increase in premium. Now that many employees are working from home, the exposure and risk level has increased.

Grubb made the motion to approve. Sprague seconded and all voted in favor.

Baker Tilly Revised Scope of Service for Development Financial Modeling

Costin wanted to summarize the revised scope of service from Baker Tilly for the development of a fiscal impact model, which he finds to be a valuable tool. The fee increased by about $3,000.

Piepkorn made the motion to approve. Redlinger seconded and all voted in favor.

Financial Status Reports

Costin wanted to summarize that sales tax collection went down compared to the same time last year. State Aid is consistent but a little better than expected. The decrease in State Highway Funds by about 10% was predicted.

City of Fargo
Finance Committee Meeting Minutes
December 28, 2020

The Finance Committee met on December 28, 2020 at 10:00 a.m. in the River Room.

All members were present. Guests included Tim Dirks, Steve Dirksen, Nicole Crutchfield, Troy Hall, Terry Ludlum, Jim Hausauer and Ron Gronneberg,

Meeting Minutes Approved

The Committee approved the November meeting as presented.

Sole Source Procurements Approved

The Committee approved several sole source procurements as requested by Divisional staff. They included MDM Construction, Stone Group Architects, Thermo Fisher Scientific, Aqua Pure, Core and Main, and Trillium.

Library Associate II Full Time Request for Library

Tim Dirks requested approval to hire a full time Library Associate II as a ¾ time LA II retired. This position worked the bookmobile and they do not operate this anymore. The estimated costs was $8,000 per year. Committee approved this request.

Lease Extension with BOAS Northport, LLC

Tim Dirks reviewed the terms of the lease renewal with BOAS Northport, LLC for the library space currently being leased. The terms included a five-year extension with first year rent of $49,200 per year. Inflationary increases are included through 2025 with final annual rental of $53,255. Committee approved this request.

Fire Department Request to Hire Early for 2021 Retirement

Steve Dirksen requested approval to complete an early hire for an employee who will retire in July 2021. They are presently short two FTE's from their personnel roster so will be able to absorb this into their 2021 budget. He anticipates there will be as many as five more staff out this year due to military deployments. Committee approved this request.

Capital Outlay Budget Carryovers Approved

Public Works, Engineering, Solid Waste, and Water Departments requested approval to carryover unused capital outlay funds not expended from the 2020 budget. The Committee reviewed and approved all requests.

Gladys Ray Shelter Mold Remediation Funding Request

Nicole Crutchfield reviewed the status of the Gladys Ray Shelter remodeling project. The current remodeling is the first since 2007. She reported there was mold identified in the shower areas. She requested an additional budget of $25,000 to cover the potential work needed to remove the mold. She reported there is CDBG funding up to $50k will be used first and up to $25K from the Police Department CARES grant allocation if more funding is required. Committee approved this request.

Reach Partners Contract Extension

Nicole Crutchfield reviewed a request to extend the current contract with Reach Partners to assist in project management of COVID-19 related activities. The existing contract covered October and November. She requested $30,000 to cover the quarantine and isolation set up scope of work from the RRVTF grant. Committee approved this request. She also reported that the State of North Dakota will receive significant federal funding for rental assistance and that Fargo should be able to receive some of those funds to continue our rental assistance program.

Emergency Purchase Approved

Jim Hausauer reviewed the need to complete an emergency purchase to fill in a sinkhole beneath a rail line. Key Contracting completed the work on an emergency basis. They were the low quote at $260,000. The next quote was $606,000. The Committee affirmed the emergency purchase actions from the Wastewater Department.

Municipal Court AV Equipment Replacement

Ron Gronneberg reviewed a request from Municipal Court to replace dysfunctional AV equipment used in Court proceedings. He received estimates from AVI to replace the main courtroom and the small courtroom. The Court Officials did not want to replace the small room because that equipment is not used. Costin suggested there was funding available in the General Fund incarceration budget due to lower levels of jailing during COVID-19 and this funded in that Division. Committee approved this request and a sole source procurement with AVI.

Park Place Technologies Network Support Contract

Ron Gronneberg requested approval to move our network support from Networks 2000 to Park Place Technologies. He stated we would received better support at a lower price. The savings were estimated at $6,000 per year.

Red River Water Supply Project Budget Carryover

Bruce Grubb requested carryover of the budget for the Red River Valley Water Supply project for $900,000 from the Water Sales Tax Fund 450. The Committee approved this request.

CARES Act Funding Status Report and Recommendation for Future Use of Grant Funds

Costin reviewed a funding status report of the public safety Cares Act grant. The City has received $12.2 million so far for the months of March – October and another $3.5 million is estimated for November and December. The Committee reviewed $11.4 of funding allocations leaving an unallocated current balance of $4.23 million. Current General Fund debt obligations were reviewed in detail including bonds outstanding for City Hall, a Fire Station, and the Fargo Cass Public Health facility. The status of open building construction funds was also reviewed in addition to upcoming funding for Police body cameras, and financial software replacement. The Committee favored bonding for $9 million to reimburse past and future project costs due to historically low interest rates.

General Obligation Bond Debt Prepayment Budget Strategy

The Committee discussed future budgets and the need to create a strategy for the future by leveraging the COVID-19 state grants. A debt prepayment strategy was reviewed that included transfer of funds from the General Fund into the general obligation debt service funds for debt requirements through 2024 totaling $8.4 million. This will free up some General Fund budget capacity for future fiscal years and would still leave about $4 million unencumbered to finish off the COVID-19 activities.

Financial Status Revenue Reports Reviewed

The Committee reviewed the revenue reports for local sales tax, highway funds and state aid. Significant increase of 63% was reported for sales taxes received in December that helped to increase our annual cash collections to a 4.2% growth rate.