City of Fargo
Finance Committee Meeting Minutes
February 1st, 2021

The Finance Committee met on Monday, February 1st, 2021 at 10:00 a.m. in the River Room and virtual by GoTo Meeting.

All members were present. Guests included David Zibolski, Gregg Schildberger, Brenda Derrig, Dan Eberhardt, Jill Minette, Troy Hall, James Hausauer, and Steve Dirksen.

Meeting Minutes Approved

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

Sole Source and PBC items Approved

The Committee approved the Sole Source Procurements as requested by Divisional staff. Requests included Electric Pump Co, Rivistas, Suez Treatment Solutions Inc., Pacific Consolidated Industries, Avista Technologies, JDP Electric, and Hach.

Troy Hall gave a brief explanation of the Pacific Consolidated Industries and Suez Treatment Solutions Inc items. He stated the VSA (vacuum swing absorption system) and ozone generator are important projects for water utility. The VSA is a redundant oxygen supply which will lower treatment costs. Three different options were reviewed for the ozone generator and the one presented for approval is the lowest cost and best option. These are part of a state revolving fund loan project. The Department of Environmental Quality has been given the purchasing policy and how the City approves Sole Source requests, and they favor the paper trail since it is a Federal Reimbursement Program.

Grubb stated liquid oxygen has been trucked in since 1997. The two items being requested will allow us to make our own and use the trucked in oxygen as a backup, which will lower costs.

Grubb made the motion to approve. Redlinger seconded and all voted in favor to approve the Sole Source and PBC items.

Project Funding for Two Small Water Utility Projects Approved

Hall wanted approval for two smaller projects for Water Utility. The Soda Ash Chemical Feeder is original to the 1997 plant and is unable to hook up to the control and monitoring system.

The Chemical Feed Injection adjustments are miscellaneous items that will improve personnel safety and cost efficiency.

Hall stated he wanted to use unallocated budget funds from the 2021 budget and wanted to get project codes set up.

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

Front-Loading WTP Operator Position Approved

Hall stated this will not need a budget increase nor will it impact the budget for 2021. A senior operator will soon be retiring and they have a good pool of applicants to choose from after advertising the position.

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

Proposal for Protective Barriers in City Hall reception areas Approved

Gregg was asked to get an estimate for protective barriers like the ones at the Auditor's office, which is currently the only place in City Hall to have them. The original plan when constructing City Hall was that office counters would be ready for barriers to be added in the future. Due to COVID, temporary barriers have been installed but later this year will be removed. Employees have asked if something more permanent could be installed.

Gregg stated the cost would be approximately $142,000 to install in eight different areas in departments across City Hall, but could likely use COVID funding resources. They are bulletproof and exactly the same as the ones at the Auditor's office. Piepkorn wanted to verify COVID funding could be used and Gregg said yes.

Mahoney asked how soon they could be installed. Gregg stated if they were on order in the next two weeks they could most likely have them by the end of March. Mahoney asked if Sprague was happy with the barriers in the Auditor's office; Sprague stated the way of communication was different because of talking through the small speaker instead of face to face, but for the safety and security of the staff he thinks it is a great idea.

Piepkorn made the motion to approve. Redlinger second. All voted in favor.

FFCRA Policy Continuation Approved

Minette stated the Families First Response Act (FFCRA) has been in place since April of 2020 and expired on December 31st, 2020. After that time, the Department of Labor put out guidance recommending that employers consider continuing the FFCRA, at least through March 31st, 2021.

Minette is proposing to continue offering FFCRA leave at least through March 31st, 2021 or longer if it becomes federally mandated. Only change to the policy is changing that it ended December 31st, 2020 to it remaining effective until repealed.

Over the last month/two pay periods, approximately 15 employees used FFCRA for qualifying reasons. This amounts to approximately 512 hours and $14,000.

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

Wettstein Special Assessment Deferral Request (to reduce to 80' lot) Approved

Eberhardt stated he received a request for a full special assessment deferral from Greg and Jeri Wettstein on 19th Avenue North. They have been impacted due to the new organization of the roadway and lift station in the area. The amount assessed just on the 19th Avenue project was $104,000. They are requesting a full deferral of that amount and other assessments and would be seeking developers to purchase their property. Eberhardt stated that after conversations with the owners, they would accept bringing it down to an 80' lot.

Costin stated this is a residential property in a commercial zone. Grubb stated the Wettstein's want to defer and are looking to sell for redevelopment. Piepkorn asked if there was a precedent for these types of requests. Eberhardt stated a few have been done in the past.

Piepkorn moved to approve the deferral to an 80' lot. Costin seconded. Grubb asked Eberhardt if it would be reduced to an 80' lot and the rest would be deferred for 10 years. Eberhardt stated that was correct. Mahoney asked what the amount on an 80' lot would be; Derrig stated it would bring it down to approximately $40,000. All voted in favor.

Early Hire Request for Fire Department Approved

Dirksen stated an employee is looking to retire on May 6th, 2021 and just found out that another employee will most likely be offered a position in Rochester, MN. There is a recruitment class beginning on March 8th. Dirksen asked for approval to use discretion to add a second employee.

Redlinger moved to approve Dirksen's original request and giving Dirksen discretion on adding additional employee. Sprague seconded and all voted in favor.

Request for Mid-Year 2021 Adjustment Approved

Zibolski stated his request will help further his reorganization plan and will also be presented to the Commission. There is currently a gap in handling payroll, procurement items, finances, and PCards. These duties are dispersed across the department and multiple personnel.

Zibolski would like to add an OA III, Grade 9 position, which would move tasks to someone qualified to do it and free up other personnel to be properly tasked in the reorganization plan. There are current vacancies in the department now and adding this position should not have any affect on the overall budget.

Costin supports adding this type of position in the police department. He stated many hands are on the processing side of things and these duties are rotated between staff that are not part of the administrative function. This position would align with having an administrative function for the whole department.

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

Relief of Parking Tickets Denied

Sprague stated they had three calls within a week looking for relief in parking tickets. The tickets have been accumulating for over a year and cars are getting towed. Sprague stated the city has never provided any relief or assistance and believes it is personal responsibility and the requests should be denied. Piepkorn stated there are policies and systems in place and Sprague stated the parking system is unable to accept payment plans.

Piepkorn made the motion to deny providing relief of parking tickets. Sprague seconded and all voted in favor.

FEMA 100% funding of vaccination support – discussion only

Costin stated President Biden signed an Executive Order to fund the various activities it takes to administer the COVID vaccine. This includes paying the staff overtime, training personnel on giving the vaccine, supplies, technology, etc.

Labor Costs Eligible for Tax Exempt Bonding – discussion only

Costin stated there is currently an RFP out for consultant support to assist with planning and a long-term vision for the ERP system. Costin had asked if salaries were eligible under the tax code and Dorsey stated they were. Time spent on the project could be charged as a capitalized cost. Costin will be bringing forward a vision for the project which will include additional staffing.

Financial Status Reports

The Budget to Actual report shows the General Fund revenues are over largely because of the COVID funds passed through to the Police and reimbursement grant. The General Fund expenditures are approximately 1.6% under and the Enterprise Funds are under by about 5%.

Costin wanted feedback regarding reporting COVID funding separately. Grubb stated to show the variance and include it in the detail on the Intergovernmental items.

City of Fargo
Finance Committee Meeting Minutes
March 1st, 2021

The Finance Committee met on Monday, March 1st, 2021 at 10:00 a.m. in the Meadowlark Room and virtual by GoTo Meeting.

All members were present. Guests included Erik Johnson, Gregg Schildberger, Brenda Derrig, Jill Minette, Troy Hall, James Hausauer, Ben Dow, Nicole Crutchfield, and Mark Williams

Meeting Minutes Approved

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

Sole Source and PBC items Approved

The Committee approved the Sole Source Procurements as requested by Divisional staff. Requests included Frontier Precision, PKG Contracting, Analytical Technologies, CZB LLC, Immigrant Development Center, and Firstlink.

Costin moved to approve as presented. Redlinger seconded and all voted in favor to approve the Sole Source and PBC items.

Police Body Camera Acquisition impact on City Prosecution Discussion

Erik Johnson stated this was more of a discussion on how the acquisition of body cameras for use by the Police Department will affect the prosecution office. Redaction of confidential information may be needed and prosecutors will have to watch the footage to prepare for trial. There is a fair amount of additional work to be done and Johnson states he would most likely need to add a lawyer and maybe one technician. Mahoney asked if a paralegal would be helpful, and Johnson stated that would be a possibility as well.

Piepkorn stated some other attorney offices have experienced this so could we use what they have gone through as a learning experience. Costin asked how the coordination would be between the Public Information Officers, if it would be handled through the Police Department or would it go through Gregg or some other review. Chief Zibolski stated the footage on body cameras is open record but there may be some redaction needed, which is what Erik is concerned with. Most of the time spent would be watching the footage. Johnson stated he will be checking with Judge Dawson to see what his reaction will be in regards to the public defenders because they also don't have many support staff.

Grubb asked about the funding and Costin stated there was a conversation about possibly merging the capital costs into a bond sale but that has not been approved.

ERP Software Consultant Budget Approval/Current and Proposed Organizational Charts

Costin stated the goal is to replace the current financial management software, and he is reviewing who will manage the project and current staffing levels. Software has matured over the years so there would not be as many programming issues and that leads to a reduction of technical support needed. Work would be on the core financials and configuring the system, including integration with HR and payroll. A vendor has not yet been picked but there are three, maybe four vendors in mid market. Before selecting the consultants, the systems need to be reviewed to see what the goals are.

Costin stated he is trying to figure out how the teams would be managed. The Finance Department has not added staff for years and he is requesting to add three additional staff. Two could be funded with a bond sale and one could be absorbed into the general fund. He is seeking support because it would be difficult to move forward with such a huge undertaking without some relief in additional staffing.

Piepkorn asked if the consultant would be temporary; Costin stated the consultant would be just for the duration of the project and the additional staff would be incrementally added in the 2023 budget to help balance the workload. 3FTE's at perhaps $250,000 per year.

Grubb stated due to the time of year and moving toward budget meetings, he would like to make the motion to refer the request to the Budget Team. Piepkorn seconded the motion and all voted in favor.

Request for Contractual Multimedia Designer Approved

Gregg is seeking authorization for a contract multimedia designer for the remainder of calendar year 2021. The position would be utilized to work with FCPH on their outreach efforts for COVID-19 and also produce ongoing PR materials. Currently these types of services are being outsourced which cost an average of $125 per hour. A contractual position would be approximately $39 per hour. The total cost would be covered by COVID-19 funding.

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

Backfill Assistant Planner Position Approved

An Assistant Land Use Planner will be leaving in June and the department would like to start succession planning. The position would be advertised now and hired as soon as possible so there would be hopefully be at least a 30 day overlap in training. There are funds in the Planning Department budget to cover the costs.

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

Add Contract Human Resources Manager Approved

Currently one HR Manager is out on extended leave and a return to work is unknown. This HR Manager's service area consists of 13 departments, which are temporarily assigned to the other two HR managers. This temporary distribution of workload is not sustainable and will impact the quality and quantity of work.

The Contract HR Manager would initially provide coverage for service areas, benefits, and leave of absence management. Eventually the Contract HR Manager would transition to a fourth service area along with a new focus area of compensation and payroll. Through the budget process it would be requested this position becomes a regular funded position. They currently have a need and will into the future, as being a small team of eight they are challenged with workload and struggling to keep up with ongoing critical functions.

Redlinger moved to approve. Costin seconded. Grubb clarified the motion is to just approve the contract position. All voted in favor.

Contract Renewal with Centre Inc and Alternative Corrections Approved

Costin stated the request is to approve a five-year extension of existing contracts for services related to incarcerations. There is a 4 – 5% increase per year. Grubb moved to approve. Costin seconded and all voted in favor.

Public Safety Building Feasibility Study Approved

Morrison stated he is looking to upgrade the Public Safety Building with a larger generator that would service the entire building. The current generator only services parts of the building. Morrison would like an electrical engineer to perform a study to provide options on how to provide generator power for the entire facility.

Two generators currently owned by the City that are not in use could be utilized. Grubb asked if one of those generators could go to the Public Safety Building and one could go to the BSI building. Morrison stated both generators are sized the same or similar so they could be used at either facility.

Grubb moved to approve. Sprague seconded and all voted in favor.

Downtown Q&I Shelter Emergency Purchases Approved

Morrison stated they encountered sewer and plumbing issues at the downtown shelter. Both sewer ejection pumps failed and need replacing at a cost of approximately $25,000 - $30,000. Contractors were out to check the damage and both pumps are shot. Redlinger asked if it could be an insurance claim, even with a deductible of $10,000. Redlinger made the motion to approve the emergency purchases. Sprague seconded and all voted in favor.

Utilize Transferred Utility Funds Approved/Short Term Equipment Lease Approved

Dow explained during the project reconstruction at the Wastewater Treatment Plant, a significant amount of bio solids were hauled out and excess tipping fees have reached $589,000. They would like to make a purchase with some of those funds, specifically to deal with wood waste.

Wood waste comes from solid trees from dutch elm disease, the curbside chipping program and emerald ash program. Last September there was a fire of the stockpiled wood waste. The Fire Department spent two to three days trying to extinguish it but in the end it could not be put out.

Currently they are trying to identify a way to deal with the wood chips, and have been hauling excess to St Paul, and hauling salt back to cut down on some of the costs. Dow stated he found some information on air burners. A purchase of an air burner was not included as part of the budget so he would like to propose using some of the funds generated from the excess tipping fees.

The cost of the air curtain burner would be approximately $190,000. In addition, there would be a lease to own material handler at approximately $85,000 annual cost for five years.

Grubb thought an air burner was a good idea. Starting next year the Park District will be charged for their wood waste at approximately $80,000 per year. Wood waste from the Park District was not an issue before because they had such a small amount.

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

Dow stated there was one other issue he wanted to discuss regarding an equipment lease. It would be used for cover work at landfill and the lease would be for a couple of months. Rather than contracting this work out, in house staff would be utilized to provide savings. Grubb included this lease in his motion to approve. Costin affirmed as second. All voted in favor.

Downtown Water Tower Construction Bid Award and Public Art Approved

Hall stated there was approximately a million dollar savings with the re-bid of the water tower construction over the first bid, or about 11.5%. They received good bids and he is recommending awarding Phoenix Fabricators the bid. Additionally, they are receiving a grant from the State Water Commission of 2.81 million, which will help.

The bid award to Phoenix Fabricators is for a combined bid of $7.636 million. Sprague asked if that included the alternate. Hall stated no; the combined bid is strictly tank construction and a base bid of using the City of Fargo logo but does not include any alternates. Grubb moved to approve base bid. Sprague seconded and all voted in favor.

Crutchfield stated Phoenix Fabricators proposed a Bid Alternate 1 of $186,000 for the art mural design. Although this is not the lowest bid it makes sense to include it in the complete construction bid package. The public art budget allocations from 2018 and 2020 were reviewed and it was found that some projects and activities were not done, also due to the spending freeze in 2020. If funds are still available they would like to shift those towards the cost of the water tower art in the amount of $145,000. Crutchfield stated she would like approval of the water tower art and also approval of reallocating budget line items.

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

Request for Mid-Year Adjustment

Zibolski stated he is currently in a reorganizational plan of the department and placing the right people in the right roles. He had discussions with PEC and would like to add new positions. Existing vacancy funds would cover the cost but it would have a 2022 budget impact. Mahoney asked if the personnel requests were approved, would there be any additional requests over the next two to three years or would they be set and not have any additional requests during that time. Zibolski stated the positions he is requesting allows the department to sustain, grow, and create efficiencies in operations.

Grubb stated he would like to make a motion to approve referring the request to the Budget Team. Redlinger seconded and all voted in favor to move the request to the Budget Team for review.

Fargo Smart Energy Ramp Project Approved

The City has worked with eSmart on the Fargo Smart Energy Ramp but they have now been informed eSmart is exiting the field of Intelligent Load Control systems. It is proposed that an eSmart partner, Innowatts, assumes the software and support responsibilities. Inowatt has hundreds of facility installs across country and will provide a bit better service. Grubb moved to approve. Redlinger seconded. All voted in favor.

Costin asked for funding source. There was discussion if it would be parking authority, or a capital grant, or software maintenance. Mark Williams stated he doesn't think the parking authority has the funds. Grubb asked if it is software support, and Redlinger said it is truly professional services with software, so he leans more toward IS covering the cost. Grubb stated that would be his motion.

Redlinger said when we take the equipment at the end of demo then we'll have the opportunity to capture some revenue. All voted in favor.

Pension Investment Return Assumption Approved

Costin stated this issue has been lingering because the pension boards have been managing the pension systems independently of Finance. Every year actuarial studies have been done but recently we have requested a two year cycle. The Actuarial industries are wanting to lower return assumptions on portfolio investments.

Currently there is a 7.25% investment return assumption and it is proposed to lower to 6.5% as a best estimate. Costin stated as soon as the assumption is tweaked even a little bit the liability will skyrocket and we will have to amortize liabilities according to a funding policy, which we already have in place.

The pension boards are aware of this proposal and didn't feel comfortable making recommendations. Costin stated he told the pension boards and actuary to not make any changes in 2020. The pensions have had back to back years of 15%-17% returns and gaining like crazy, and he doesn't want to lower the assumptions on a recovering economy. Costin is leaning more towards the option of implementaing the change gradually over 5 years because he doesn't want to start lowering too rapidly. He stated we have a funding policy better than anywhere in the state right now. The City Pension had a five year rate of return of 8.44%.

Sprague asked if it plays into the closed pension plan with the city. Costin stated it doesn't really as it applies to all plans. Sprague asked if there would be any problems with GASB if we didn't implement what the actuary is recommending. Costin stated it would just have to be disclosed in the footnotes. Sprague confirmed this would be to leave the assumption at 7.25% for 2021, for this years study (2020). Grubb made the motion to approve. Sprague seconded. All voted in favor. Mahoney asked about NDPERS and Costin stated they actually lowered their investment assumptions significantly.

City of Fargo
Finance Committee Meeting Minutes
March 29th, 2021

The Finance Committee met on Monday, March 29th, 2021 at 10:00 a.m. in the River Room and virtual by GoTo Meeting.

All members were present. Guests included Bruce Taralson, Steve Dirksen, Mark Williams, Gregg Schildberger, Matt Peterson, Terry Ludlum, Ron Gronneberg, Jeremy Gorden, Brenda Derrig, Maegin Elshaug,

CONSENT AGENDA:

Meeting Minutes Approved

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

Sole Source and PBC items Approved

Requests included Demco, OCLC, Swanston Equipment Corp, Tech Sales, North Central Mitigation, Beyond Shelter/Maxfield Research, Christianson's Business Furniture/Haworth, and Walker Consultants.

Sprague had a follow up question on the Beyond Shelter/Maxfield request. The letter from Maxfield shows an estimated fee of $21,000 but the Sole Source request is for $14,000. Crutchfield clarified it should have stated that participating with Beyond Shelter Inc, our amount would be at most $14,000 of the $21,000.

Sprague had a follow up question on Christianson's Business Furniture. He asked if it was an open-ended contract or for a specific project, because the request was for $150,000. Schildberger clarified he was showing the total of the projects already approved through the City, which include $42,000 for Municipal Court, $100,000 to Public Works, and $6,200 for Human Resources. The total value for sure being utilized with Christianson's is approximately $150,000, which is already approved. If other departments want to add on, the contract would be available at the reduced rate but there would be no consideration of requirements beyond the $150,000 already committed to those projects.

Redlinger moved to approve the Sole Source Procurements as requested by Divisional staff. Costin seconded and all voted in favor to approve the Sole Source and PBC items.

Financial Status Reports Discussion

In the first three months of 2021, sales tax collection was down 6.3% over the same time period of 2020. Costin stated he believes he budgeted for 3% thinking there would be some recovery. Sales Tax was down significantly for the first two months of 2021 even though the Christmas season typically shows huge increases. March 2020 came in at $2.6 million but March 2021 came in at $4.3 million, so there was some recovery there.

Mahoney asked about State Aid being down over 17%. Costin said State Aid is received quarterly. Sales Tax is one of the largest revenue sources but still struggling. Highway Funds are consistent with how it was budgeted. The Financial Status Report for Operating Funds show the General Fund is long at 6.6% but it is due to COVID money that came in.

Piepkorn asked why the variance percentages for Vector Control and Solid Waste Expenditures were so high. Costin stated Vector Control is weather related and the mosquito population. Grubb and Costin stated for Solid Waste, it was underspent by approximately $4 million but there were some projects that were deferred into 2021. Costin stated he could put a footnote on the report before it goes to Commission.

Request for Staffing OA – III Approved

Bruce Taralson stated the existing OA-III is retiring on April 16th and he would like to have the new OA-III position start on April 5th instead of waiting until existing OA-III leaves. The position has select duties that others do not do on a regular basis. It would be approximately $2,000 for this overlap. The budget difference will be made up with the difference in pay between the existing and new OA-III. Piepkorn made the motion to approve. Sprague seconded and all voted in favor.

Mid America Steel Demo/Fencing Approved

Chief Dirksen stated there are multiple buildings on the site in rough shape including the buildings involved in the fire in March. He inspected the site with Jim Gilmour, Bruce Taralson, and Police Chief Zibolski and found evidence of past fires and unwanted activity, and says it is time to take the whole site down.

Mark Williams stated they are currently working with the demo plans that were already prepared which includes taking the large white steel building. They are also figuring out the asbestos remediation and how that will change based on the plans and the fire on the second floor.

Piepkorn asked Jim Gilmour if it has been taken into account that some developers were interested in some of the buildings or at this point is it better to take everything down. Gilmour stated much of the site is quite old; there might be some potential on the south side by the dike. There might be something worth saving but it could be a long shot.

Sprague asked Costin since we own the buildings if there could be a claim made for fire relief. Costin stated he doesn't believe it is covered since it was always intended to tear down the buildings. Sprague asked even if there isn't money through the Diversion, could it be a TIF eligible expense. Costin stated site cleanup would be eligible. Gilmour stated they included some money in the plans for some broad infrastructure funding.

Grubb made the motion not to exceed $500,000, Sprague seconded and all voted in favor.

Grubb brought forth one late item regarding a security fence quote from Dakota Fence for $9,000 to completely secure the site. It was highly recommended by Public Safety and the Fire Department. Costin seconded and all voted in favor.

Additional Security Services Approved

Matt Peterson is wanting to secure additional security services at the GTC. Since reopening the facility in October there has been quite an increase in security and police related incidents, such as people becoming belligerent, passing out, intoxicated, which results in having to call PD to get those individuals removed. Peterson spoke with the current security company and they gave a proposal on what it would cost to increase security services, which would be around $125,000 per year. This would need a budget increase of approximately $85,000 based on their current budget. The security company offers a product called Silver Track which is a device on the premises that takes photos, records conversations, etc. A report would be generated showing all the incidents that occurred.

Currently, a security officer is stationed from 6pm to 11:30 pm nightly, but more and more issues keep happening earlier in the day, around the 2 pm hour. Instead of asking for security on site 24 hours a day or for all operating hours (approximately 17 hours), the security company, which is only about a block away from the GTC, would come through four times/day. If there was an incident, the security company would be able to come in and resolve the situation without police presence. The staff is not trained or equipped to handle some of the problematic individuals and there has to be a way to keep employees and passengers safe.

Chief Zibolski stated he met with the security director Saturday night and it's the same people causing the issues. It's not really about the security patrols it's not being able to do anything with the individuals. Peterson said they leave and then come right back. Piepkorn stated things will hopefully change when they start charging for ridership. He is hoping the additional security is a temporary thing but in the interim this would help the police a bit and help the staff feel safe which is critical. Piepkorn asked if the staff at the new downtown bus terminal was secure or behind safety/security glass. Peterson said when the renovations were done at the GTC both of the dispatch stations were put behind protective glass. It's not bulletproof but it's a tempered glass so not easily broken if something gets thrown at it. The staff is secure but not when they have to go out and address issues with individuals.

Piepkorn asked what would be the duration of the additional security. Peterson said he would like for the duration of 2021 and all of 2022 because they need to change people's perspective of the GTC and what is/isn't allowed.

Mahoney asked where the money is coming from and Peterson stated right now they do have CARES funding and is hopefully able to have some discussion of additional funding coming through, but ultimately it would land in the City of Fargo's lap if that didn't come through. Costin stated the existing CARES money takes them through the budget to the end of the year 2021. He thinks there is going to be an emphasis on transit in the current bill, although they don't have details. Costin wanted clarification if the $125,000 would be on top of the existing approved budget for security. Peterson stated the $125,000 is for a full year. For 2021, the current security budget is around $65,000 and he is asking for an additional budget of around $61,000 for 2021. For 2022, the full year amount would be $125,000. Redlinger made the motion to approve. Grubb seconded the motion and all voted in favor.

NDSU U-Pass Approved

There is a contract with NDSU and bussing students. With fare free being extended through March 2021, the agreement with NDSU has not been signed for the 2021/2022 academic year. Peterson stated there is discussion about NDSU having to pay the U-Pass amount, which is essentially the expected fare revenue they would receive if those students were paying to riding the bus. The amount of $61,764 is in question to whether or not we pass that through to NDSU or eliminate that amount from the 2020/2021 academic year since Transit was fare free. Peterson stated agreements are done in August for upcoming school years but during their budget reconciliation process they realized the agreements were never signed, so they were just sent to NDSU. Grubb asked if there were other NDSU fares and Peterson stated U-Pass is the only program. Peterson stated many classes went online last year so there were several periods of time they weren't operating that service for them. Piepkorn asked if it would be prorated as of April 1st. Grubb asked what the contract year was and Peterson stated it is August 1st thru July 30th every year. Costin stated it should be prorated. Sprague moved to include NDSU U-Pass in with the fare free COVID funds. Piepkorn seconded and all voted in favor.

Renewal of FPS Garbage Collection Contract Approved

Terry Ludlum stated in September of 2017, the Solid Waste division responded to an RFP from Fargo Public Schools which requested pricing for garbage and recycling collection services on a monthly basis for the school year plus a price per cubic yard through the summer months. The RFP

discussed a three-year proposal with the option to renew for two additional terms (at three years each for a total of six years) ending October 31, 2026.

The City of Fargo was the only waste hauler to respond and the initial three-year contract was awarded by Fargo Public Schools and approved by the Commission in October 2017. The initial contract was due for renewal in October of 2020, but with COVID restrictions, a number of schools were closed so services were charged on an as needed basis. Now that schools are returning to normal schedules, FPS would like the option of renewing the contract through October 2026.

Grubb moved to approve. Costin seconded and all voted in favor. Ludlum asked if it should go to Commission for approval. Sprague stated the contract would be easier to find for future reference if it was on Commission so he recommended it to be put on the consent agenda. Costin stated since it is a large contract extension he would suggest putting it on the consent agenda at a minimum.

Purchase AV System from AVI Approved

Gronneberg stated they received authorization to use COVID funds to expand the AV system in the Meadowlark Room. There are two proposals from AVI to consider. The higher end proposal matches the technology in the River Room for approximately $123,000. The lower quote is approximately $57,000 which changes and removes some technology.

Grubb made the motion to approve the proposal of $122,888 and stated it needs to be done right from the beginning and even though it is more money, we have the funding. Redlinger seconded the motion to approve the proposal for $122,888 because it means we would be supporting the same type of equipment and it would all be standardized. Piepkorn stated it would be more efficient and professional. All voted in favor.

Environmental Health Licensing Software

With the upcoming retirement of Mark Doll, Ron is trying to get all systems off IBM i. The Environmental Health Licensing system is the last one that needs to be moved into a Windows based platform. Two systems have been identified that will work. Grubb stated there was an email of concern from Melissa because they don't know what is going to happen in light of the new ERP system. Costin stated he talked to Melissa and asked if it was something they wanted to move on now or wait until the ERP system is functional and be fully integrated into that. She preferred waiting for the new ERP system. Costin said he understands time is of the essence but Health felt shorted because the recommendation was coming from IT and not their own directors, and she feels like she isn't getting a chance to weigh in on the decision. Grubb stated the ERP is about two – three years off and asked Ron if there was an immediate security issue. Gronneberg stated he has an immediate support issue and Grant has been involved in looking at the products and helping identify the functional needs. It may not have been communicated with the rest of the Health Department, but it does need to get done this year. If they had to wait two years, Ron said he doesn't know how

he could support the current software or the transition to a new software without Mark's help. Sprague stated they are already using LAMA for licensing in Auditors and Inspections and hope to eventually tie into Engineering. There would be some set up costs but it wouldn't be a cost just for Health since there are other departments using it as well.

Ron stated the needs for the Health Department are unique so using LAMA might not fit but they will be looking at both and believe one will meet their needs. Sprague asked Costin how it would be paid for. Costin stated there are zero funds approved for software this year and a budget has not been established. Mahoney stated it sounds like there might need to be some discussion with Environmental Health to be clear on what they want. Mahoney told Ron to have all parties sign off on the software and bring back to the Committee for discussion in a month.

COGNOS Conversion Approved

Gronneberg stated the current software being used is ancient and we need to move away from it both from a security and support standpoint. Approximately 200-300 reports need to be converted. He found an external entity that could do it but they won't know until they start looking into detail whether it would cost more or less than their proposal.

Costin stated this software is used by HR and Finance pretty exclusively and is a core part of how data is pulled out of the system. He said he would support this request and he has funds appropriated in his budget for items such as these and is willing to agree to $70,000. Costin made the motion to approve. Grubb seconded and all voted in favor.

Preliminary Discussion of 2nd Street Pedestrian Bridge Design

Jeremy Gorden stated he would just like a discussion to start thinking about the Civic Plaza and a 2nd Street pedestrian bridge. They applied for federal money from ND DOT last December and were notified they were approved for $2.4 million. Maegin Elshaug stated there are discussions happening for projects adjacent to City Hall and a performing arts center and wants to know what the different committees think in procuring a consultant. Costin asked where the $2.4 million grant is coming from and the cost share. Gorden said it is a typical 80/20 and it's coming from ND DOT and it is the maximum amount of federal funds we will receive. Brenda Derrig stated that gets us to a $3 million bridge. Gorden stated anything over that would be 100% City funded. Engineering is thinking a 15' – 20' wide bridge. Gorden stated no action is needed but they just wanted to make the Finance Committee aware funding was received.

Mid-Year Budget Reallocation and Emergency Purchase of Protective Equipment Approved

Chief Zibolski had a mid-year budget adjustment request to purchase helmets and other protective equipment. He would like to reallocate $39,000 from the 2021 budget to purchase these most critical items. Redlinger stated this would be just to get the project started and they would review additional during the 2022 budget process. Piepkorn made the motion for the full amount and thinks it is urgent and a priority, and would like to at least move forward with getting everything ordered now since it may take some time to receive the items. Sprague seconded. Mahoney asked for clarification from Costin whom stated authorization to proceed with full amount for emergency purchase. Piepkorn wants it added to City Commission consent agenda so everyone knows it's an emergency action. All voted in favor. Zibolski wanted clarification that since it is considered an emergency purchase, could they purchase from the listed vendor; Costin said yes.

Additional Item for Body Worn Cameras Approved

The body worn camera committee analyzed several vendors and equipment and recommends the approval of the Axon Enterprise OSP7+ option. Mahoney asked if there would be a difference if the amount was paid in full up front or over five years. Zibolski stated he believes it is probably negotiable. Costin stated initially they talked about spreading it out possibly to ten years, but he is concerned that if it is paid for all up front and the technology doesn't work, then you fight with the vendor but they already have the full amount. Zibolski stated their technology is proven out in the field but understands paying over five years. Mahoney asked Redlinger if he could work with Kent to find the best way to finance it. Redlinger made the motion for the Finance Department to figure out the best way to pay for it but move forward with the request. Grubb seconded and all voted in favor.

City Hall Front Desk Area Security

Grubb stated he was approached by Kember about the possibility of a panic button at the welcome desk in the front of City Hall due to an increasing number of incidents. Mahoney asked Chief Zibolski how fast an officer could get to City Hall once the panic button was pressed. Zibolski stated the alarm wouldn't go to dispatch; by city contract it goes to a security firm. Red River Dispatch Center does not take panic alarms. The security company takes the call and they have to dispatch. Gronneberg stated they are not locked into going to the call center but dispatch does not want to take panic button calls. He stated even so, the response time would be a duration of time and he thinks there needs to be activation levels within City Hall. Administration knows what the activation button does and if the button sounds a chime somewhere in the organization, they could have someone respond to that, whether administration, Buildings and Grounds, or Auditors which is near there, and it needs to be done within minutes. Gronneberg told Nick to put a button there and so it is being wired up this week but it isn't doing anything until someone tells them what it needs to do. Piepkorn asked if they could consider moving the front desk receptionist into the Auditors offices. Mahoney asked if Chief Zibolski could look into possible options. Zibolski stated he will look into options but he doesn't think the receptionist should be sitting out there because they can't be protected properly. Sprague asked if we are at the point where we need a security officer at the doors or metal detectors. No approval needed; discussion only.

American Rescue Plan Discussion

Grubb stated on March 11th it was signed and the City of Fargo is considered a major city and should be getting a $20 million direct allocation, which would be $10 million in 2021 and $10 million in 2022. We would have until December 2024 to utilize those funds. Grubb has some items that could potentially be done with those funds, including Mid America Steel, a new Fire Station #8, fire truck, body camera system, RRRDC has some needs, core neighborhood plan coming up, south side public works annex, snow cat dozer to buy, request from Health, metro transit garage, civic center and civic plaza. There are a number of things and he just wants to try and come up with some ideas. Mahoney stated the funds should theoretically not affect the budget so they are trying to look at items outside the budget.

Refunding Improvement Bond Issue Structure

Like any other special assessment bond sale and there are approximately 30 projects. Costin made a motion to approve to proceed with the bond sale. Sprague seconded and all voted in favor.

Fargo Pension 2020 Funded Status

Costin stated the funded status for the City Pension are 100.2% funded and Police Pensions are 90.8% funded.

City of Fargo
Finance Committee Meeting Minutes
April 26th, 2021

The Finance Committee met on Monday, April 26th, 2021 at 10:00 a.m. in the River Room and virtual by GoTo Meeting.

All members were present. Guests included Desi Fleming, David Zibolski, Rob Sobolik, Nicole Crutchfield, Tia Braseth, Gregg Schildberger, and Jim Gilmour.

CONSENT AGENDA:

Meeting Minutes Approved

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

Sole Source and PBC items Approved

Requests included Custer Health, Metrohm, multiple vendors for Central Garage, Border States Electric, and Great Plains Fire Equipment.

Costin moved to approve the Sole Source Procurements as requested by Divisional staff. Piepkorn seconded and all voted in favor to approve the Sole Source and PBC items.

Financial Status Reports Discussion

Sales tax collection was down 2.2% over the same time period of 2020. State Aid was down about 13%, and Highway Funds were down 4%.

REGULAR AGENDA:

Combine two PT PHN positions to one FT PHN position - Approved

Desi stated there are two part time positions in nursing that will be vacant beginning in June due to upcoming retirements. They would like the positions to be combined into one position for better coverage of duties. They are hoping to get a better pool of applicants and it will probably save the City some money. Redlinger moved to approve. Grubb seconded and all voted in favor.

Reinstate Emergency Planner Position - Approved

Desi stated they had an emergency planner position on the books through CRI (Federal) funding. The position was laid off a couple years ago because the funding was unstable at that point. They contracted some work out and let that position sit to see if the funding stabilized, which it now has. Sometime in March, that position was taken off the books; they want to hire for the position in July but it is no longer there and Desi would like that position back.

Costin stated HR maintains a position control file, which is an ongoing list of how many staff we actually have. When they looked at the entry, it showed health funding was ending or uncertain for that position and it was deleted. Costin moved to reinstate the position. Redlinger seconded and all voted in favor.

Request new position of IBM I System Administrator IV - Approved

Ron stated due to Mark Doll retiring in mid-January, he put in a request with PEC to create a position in network services. He expects his request to be approved and wants to front load the position approximately six months before Mark leaves so there will be some overlap and continuity on the AS400 and Central Square software. Kent has identified a funding source for this position. Costin stated he believes there are existing budget line items that can be moved and he is not concerned about covering the cost. Sprague asked what the cost would be for the six months. Costin stated Mark Doll's pay position is about $88,000 - $105,000 so roughly half would be about $50,000 - $60,000.

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

Update on Mid-Year Adjustment Requests and Body Worn Cameras – Approved

Chief Zibolski wanted to provide an update to the reorganization plan that was presented to the Finance Committee in March that was approved in concept. At that time there was one vacant deputy chief position but there will now be another vacant deputy chief position when Ross Renner retires. Due to this, there could be a lapse in command structure, and to get the plan underway he is requesting a reclassification of one deputy chief position to the assistant chief and a reclassification of the other two deputy chief positions to captain, which is a lower pay grade. This would need funding of $57,817. Mahoney asked how soon he wanted to move on this request and Chief Zibolski stated ideally he would like these positions in place by June 1st. He thinks he has some internal candidates that would apply for those positions. Piepkorn moved to approve. Redlinger seconded and all voted in favor.

Update on Body Worn Cameras – Approved

Chief Zibolski presented a mid-year budget adjustment for body worn cameras at the March Finance Committee, which was approved, but follow up was requested on possible vendor discounts. They were able to negotiate with the vendor a 2.5% decrease in the lump sum purchase of the equipment, meaning they would have to pay for it all up front, it would not be the annual schedule of payments. The discount would save approximately $72,000. Mahoney asked what annual maintenance would cost; Chief Zibolski stated those costs are all included. Costin asked if the economic life is at least ten years. Zibolski stated part of the program is they replenish, replace and upgrade the equipment throughout the five years for any new technology. Grubb asked the source of funding and Costin stated CARES. All voted in favor.

Recommendation of RL Engebretson for Fargodome 2021 projects – Approved

Rob Sobolik stated he had discussions with Bruce Grubb, Brock Morrison, NDSU and FM Redhawks personnel and they determined a number of projects to be done at Newman Field. The largest is the replacement of the Rooftop Units and the replacement of the windows in the press boxes, which are well beyond their lifespan. This will hopefully take care of the ventilation and leakage issues. Sobolik believes it is the City of Fargo's responsibility as the owner of the facility. RL Engebretson were the architects on the original construction of the building as well as previous design changes and projects led by the city.

Mahoney asked the overall cost and Sobolik stated the overall cost is shown as $335,000 but the press box windows will likely be more than the $24,000 that was estimated. Sobolik estimates the total for all work including RL Engebretson will be somewhere between the $400,000 – $450,000 range.

Piepkorn asked if NDSU and the FM Redhawks would be participating in these costs or if is just the City's responsibility. Grubb stated the structure repairs are the City's but he is hoping they will all sit down to rewrite the agreement at some point. Mahoney asked the funding source; Grubb stated right now it is in Fund 402.

Sprague asked if the debt on the building was satisfied and Costin stated no, but suite money is used to pay for maintenance. Grubb moved to approve. Piepkorn seconded and all voted in favor. Sprague asked Costin if this would be an SSP; Costin answered yes.

Gap Funding for Overflow Shelter – Approved

Crutchfield stated the Homeless Prevention Program is kicked off in January with an investment from the United Way. It is known that winter overflow is an unmet need. Red River Valley Task Force funds were invested in two overflow shelters in addition to the Gladys Ray shelter. The New Life Center handles men and Churches United handles women. Shelters needed to decompress in response to COVID; being an overflow shelter means they have people in chairs, sitting shoulder to shoulder; and needed extra space in these two shelters to meet the need of distancing. Crutchfield asked if they should keep these programs going through at least the end of 2021, or beyond to 2022 and 2023.

Mahoney asked where the long term funding would be coming from. Crutchfield stated many of the programs for COVID relief are going through 2024. One option is to earmark future federal funds or another option would be to use social service funds. Costin stated he would like to see collaboration in funding with the other cities. Crutchfield stated the other cities aren't as involved as the City of Fargo when it comes to solutions. The Community Development Block Grant contributions have mostly been the sole source of the social service funds; other cities support the shelters in different ways.

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

Convert City Hall Training Room into Office Spaces – Approved

Schildberger stated during the design of the new City Hall, departments were planned with future growth in mind. However, even before moving in, the Communications Team had converted two offices into one for the Director of Strategic Planning, and now office space needs to be found for the Director of DEI coming in June or July. Some members of Communications don't necessarily need to be in the Administration area, so there were discussions with other departments on available space. The Finance Department has one office used by an external employee that could be moved out, but the cost to convert was higher than anticipated for a space that won't be a long term solution.

Gregg stated the Training Room space on the third floor hasn't been used as much as originally planned. The walls put in for the office space would be the same as the walls used in the Commission office and in the future, the room could be converted back if needed. The City has great relationships with the original main contractors of City Hall, and they could be utilized for the project, which also means they wouldn't have to go out for an RFP. Gregg states a rough estimate is $160,000 to $210,000, but thinks it will be on the lower end. Sprague moved to approve. Redlinger seconded the motion and all voted in favor.

Old Health Building – request for proposals to sell - Approved

One of the goals of the Riverfront Development Plan was to get more development along the river, which could also include more TIF money. Steps need to be taken to convert some of the property to higher use development. The old Health building was remodeled 25 or so years ago and is not in the best shape. Gilmour wanted to bring forward the idea of going out for requests for proposals to see

what kind of concepts are there to redevelop that site or adjacent sites. He thinks Epic, Enclave, or Kilbourne might come forward with a proposal to acquire the site, or American Federal might want to acquire the site for surface parking. Gilmour would like to go for an RFP to see what kind of proposals they get, but leave it open ended on price and development and put it out for 60 days. A decision could be made based on the responses received. It could state the goal is to spur development on the site or adjacent sites, and not encourage surface parking. Redlinger made the motion to authorize staff to solicit request for proposals. Grubb seconded and all voted in favor.

Other Items

Costin wanted to continue what he was saying at the last Finance Committee meeting regarding the City Pension being 100.2% funded and we hit the goal of being fully funded. However, last year in the financial statements the City proportionate share of NDPERS was $38 million, which is a long-term liability. NDPERS has now lowered their discount rates and isn't funding the plan adequately, which means in the financial statements this year, it will show approximately $103 million in allocated fund balance, since NDPERS is now about 49% funded.

City of Fargo
Finance Committee Meeting Minutes
6/2/2021

The Finance Committee met on June 2, 2021 to conduct its monthly meeting in the River Room at 10:00 a.m.

All members attended.

Guests: Brenda Derrig, Terri Ludlum

Minutes Approved

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

Sole Source Procurements Approved

Sole source procurement requests for Northern Improvement, Beltrami Industrial Services, Hawkins and Border States Electric were approved as requested. No discussion. Grubb moved to approve the requests, seconded by Redlinger and all voted in favor.

Financial Report

Costin reported sales tax growth on a year to date basis of 5.4%. This is an increase from FY 2020 that registered a 4.2% growth.

Waiver of Solid Waste Fees

Terri Ludlum requested a waiver of fees related to a property at 1525 4th Ave. North. The Hoarding Coalition had been receiving complaint about this property so cleanup efforts were started. This was a minor amount of $350. Sprague recommended using a nuisance abatement process so that this could ultimately be collected. Costin moved to approve, seconded by Piepkorn and all voted in favor.

Roberts Alley Overhead Line Burying Project Update

Brenda Derrig updated the Committee on the status of the power line burial project in Roberts Alley. There were several components to this project. All agreements are in place except for one party. Grubb moved to approve the cost allocation applying the original % cost share to the actual costs incurred. Redlinger seconded the motion and all voted in favor.

SRF Loan Repayment Source

Troy Hall requested the authority to modify the existing SRF loan agreement to allow sales tax revenue to be used as a repayment source for this loan. The original loan included only Water Utility revenue sources. He felt this was needed to be able to achieve a balance between the sales tax fund dedicated to water projects and the Water Utility fund. He reported that the ND PFA has been contacted and they are fine with these changes. The loan agreement may need to be amended. Sprague moved to approve this request. Grubb seconded the motion and all voted in favor.

Water Department Request to Purchase Additional Ultrafiltration Modules

Troy Hall requested permission to purchase an additional UF module for the Water treatment plant. The costs was estimated at $750,000. This would improve water quality, however, this item was not in the budget. There is about a twenty week lead time to take delivery of this type of unit. No action was taken on this item. Grubb will visit with Hall about this request or consider placing in the 2022 budget.

FMDA Fiscal Agent Accounting System Recommendation for Administrative Budget Tracking

Costin presented a recommended chart of accounts for tracking and reporting of the FMDA Administrative Budget. This is new due to the WIFIA loan requirements. All administrative costs will be broken out separately from the Comprehensive Project costs. The level of reporting detail is similar to existing City of Fargo internal budget reporting. Legal costs, and maintenance costs associated with the ACONEX software will become a project costs going forward.

FM Redhawks Request for Temperature Screening Stations

Grubb reviewed a request from the FM Redhawks for financial assistance to purchase temperature screening stations. This item was received and filed. No approval granted.

City of Fargo
Finance Committee Meeting Minutes
June 28, 2021

The Finance Committee met on June 28, 2021 for its regular monthly meeting.

All members were in attendance.

Guests included Ron Gronneberg, IT Director.

Minutes Approved

The minutes from the May meeting were approved as presented.

Financial Status Report

The sales tax report was reviewed with the committee. Good growth in emerging in our sales tax collections at both the City and the County. The County shows a 16.7% increase as compared to the same time last year and the City growth in 8.8%.

Early Hiring of an IT Service Desk Associate

Ron Gronneberg requested approval to proceed with overlapping a new hire on the retirement of Carol Sexton the current Help Desk Associate to allow for on-site training before Carol retires. Sprague moved to approve this request. Grubb seconded the motion and all voted in favor.

Reallocation of Funds for Buildings and Grounds Division

Brock Morrison request a reallocation of budgeted funds. He requested that $150k currently budgeted in Fund 475 will not be utilized for the projects anticipated at that time. He recommended using these funds for a mill and overlay of the City Hall parking lot for $110,000 and south parking lot lighting of $40,000. Grubb moved to approve this reallocation of currently budgeted funding. Costin seconded the motion and all voted in favor.

ERP Software Planning & Existing IBM I Series Support

Costin reported that Mark Doll's replacement hiring has not been initiated. There are a couple of options being considered to manage the existing system. One strategy would be to outsource the hardware functions with Central Square our current software provider. That would cost about $130k per year and would be a hosted system accessed with an internet connection. The other option would be to hire a skilled IBM I series system administrator. Costin stated that we have been on hold with decisions related to this project and he recommended making a decision on our technology consultant that could help formulate some options going forward. He stated that time is of the essence because Mark Doll will be retiring in July. The Committee recommended checking references for the top consulting candidate bring back a final recommendation for the July meeting.

City of Fargo
Finance Committee Special Meeting Minutes
July 21, 2021

The Finance Committee met on July 21, 2021 in the River Room for a special meeting.

All Attended. Guests: James Gilmour, Gregg Schildberger

Technology Consultant RFP Recommendation Approved

Costin presented the results of a RFP review for a technology consulting firm. The review committee recommended BerryDunn who has completed many system conversions in similar size cities and with moving away from Central Square. He said that it was important to make a decision with the first goal being a solid plan for maintaining the existing systems due to the departure of Mark Doll in January, 2022 and that is the highest priority. Grubb felt it was important to have preliminary assessment work completed so that we can assess what needs to be done. Costin stated we may expend $500k - $600k throughout the project.

Grubb moved to approve the BerryDunn recommendation for Phase I of their proposal. Piepkorn seconded the motion and all voted in favor.

Public Information Contact Approved

Gregg Schildberger presented a request to hire a contract public information officer to assist in the vaccine campaign in the Fargo Cass Public Health Department. They have grant funding available to pay for work on the campaign. They existing staff for this function was assigned back to normal duties to prevent loss of existing non-covid-19 grant funding for tobacco cessation. He requested approval to post this position now due to the urgency of working on the vaccination campaign. Costin moved to approve this request. Redlinger seconded the motion and all voted in favor.

Sale of Island Park Ramp

Jim Gilmour reviewed a proposal to sell the Island Park Ramp to Bell Bank. They purchased the Bank of the West building and are seeking additional parking space due to their corporate expansion plans of up to 350 employees in this building. Gilmour reported that this facility was originally constructed to serve Wells Fargo and Bank of the West and the current revenue generation is very low due to a significant decline in tenant rentals in each of the bank facilities. Bell has agreed to reserve certain number of stalls for existing rental contacts. There will be free public parking on nights and weekends. Sprague inquired about the loss of income and how this might impact the bonds issued last year for the Mercantile ramp. Jim reported that the system wide parking revenues were pledged to this obligation so the loss of revenue would not be a major issue. Piepkorn moved to approve the resolution related to the sale of this facility. Sprague seconded the motion and all voted in favor. There was further discussion about expansion of existing parking in the Downtown. Gilmour requested contracting with Carl Walker to evaluate expanding the Radisson ramp. Grubb moved to approve using Carl Walker. Redlinger seconded the motion and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes

August 4th, 2021

The Finance Committee met on Wednesday, August 4th, 2021 at 4:30 pm in the River Room and virtual by GoTo Meeting.

All members were present. Guests included Desi Fleming, Melissa Perala, Chris Helmick, Mark Miller, Jim Hausauer, Terry Ludlum, Troy Hall, and Jim Gilmour.

CONSENT AGENDA:

Meeting Minutes Approved

Minutes from the June meeting and July 21st special meeting were presented. Piepkorn moved to approve; Sprague seconded and the Committee approved the minutes as presented.

Sole Source and PBC items Approved

Requests included Andritz Separation Inc., Micro 90 Cleaning Solution, David Staples – Lagoon Mowing, Toray Membrane, and SmartForce Technologies.

Costin wanted additional clarification on the SmartForce Technologies request from Police. He is concerned with the timing as they are just getting done with the budget and the request suggests using CARES money. CARES and ERP funds have already been allocated so Costin recommends finding room in the Police Department budget or find another funding source.

Cpt. Chris Helmick stated they would only be using CARES money for the remainder of 2021 and going forward it is included in the 2022 budget. They are working with the Dept of Justice to get an adjustment on the grant. The first year will be approximately $10,000 and going forward the $30,000 is part of the budget.

Sprague moved to approve the Sole source items as requested by Divisional Staff. Redlinger seconded and all voted in favor to approve the Sole Source requests.

REGULAR AGENDA:

Use grant funds to create COVID Hazard Pay Approved

FCPH requested approval to use their Emergency Solutions Grant (ESG) to support Harm Reduction staff by creating a time-limited COVID Hazard pay that would be retro-active to March 1, 2021 and remain in effect through August 2022. It would be 100% supported by the grant so no funds would be requested from the City. They would need to do an addendum to get an adjustment with the Department of Commerce before it would go through.

Each staff person (approximately 35 employees) would receive a monthly amount up to $500/month based on hours worked; this would apply to existing staff and new hires.

These funds apply only to the Harm Reduction Division in providing homeless services during the pandemic, so would not apply to any other FCPH or City employees. The funds would help with recruiting and retention for the Harm Reduction division, as well as supporting existing staff who have had increased exposure, duties, and work hours during the COVID pandemic.

Mahoney asked if there would be a request for a budget adjustment next August when the grant was done; would it be hard to stop those funds to the employees once they are used to it. Desi stated this is specifically related to COVID and employees know that when the grant is done, the additional funds are done. Shift differential pay was also in the budget for this year, which will also help base pay for retention and new hires.

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

Kilbourne Group Block 9 Plaza Fountain Approved

Hausauer gave background information on some of the commercial accounts where they are not being given a discount but are not being charged for wastewater. For example, many irrigation meters in the city are charged for water but not wastewater.

The Kilbourne group, which manages the Block 9 Plaza, approached the City with a request to not be charged for wastewater for the Plaza Fountain. Per the site plan, the fountain drain has been plumbed into an adjacent storm water drain and it was suggested by city staff that this line be treated as an irrigation line.

The existing plumbing would allow a city meter to be installed on the supply line of the fountain and the City would be able to measure the flow to the fountain independent of the supply to Block 9.

Sprague stated it could be set up as an irrigation meter and billed six months out of the year. Sprague moved to approve; Grubb seconded and all voted in favor.

Paradigm Software/Time/Support Approved

Ludlum stated the design specifications for the construction of the scale house at the East Landfill include an inbound lane, an outbound lane, and a third unattended lane. The unattended lane will be equipped with in/out kiosk enclosures (receipt printer, keypad, and intercom), cameras, and proximity card readers. The intent of the lane is to decrease the workload on the scale house operator by diverting continuous use trucks; mostly City of Fargo and West Fargo daily collection trucks.

Included within the project bid was the hardware for the unattended lane (Paradigm Software), but it did not include the program license, installation, unattended module, training and implementation, and ongoing annual standard support. These were not included given that they required ongoing review and development by the Solid Waste Division and City of Fargo Information Services, which took approximately 7-8 months.

The price quotes from Paradigm Software for the hardware is $35,421.58 and for the Software/Time/Support is $64,459.96. The largest portion of the software price quote is the Training-Implementation at $29,720.00, and will only be invoiced for actual time used. Landfill staff have been using Paradigm software for a number of years and the only additional training needed will be with the kiosk hardware components so the actual cost should be less than shown.

The City of Fargo Information Services and landfill staff are comfortable with the current proposal and design of software components and the 2021 Solid Waste budget does contain funds for this project. Grubb moved to approve; Sprague seconded and all voted in favor.

Water Utility Renewal and Rehab Project List Approved

Troy Hall stated there won't be enough funds in the budget for all the projects but they will work on priority items with available staff. Approval of the items allows Troy to work with Finance Department staff to set up the project codes and allocate funds.

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

IS Funding Requests Approved

Alertus Emergency Notification System would notify employees of incidents occurring in City Hall. The system could be an app on a smart phone or desktop or call people as part of the notification process. Costin asked if there was the possibility of an intercom integration for the people in the hallways, etc. Gronneberg stated that is an option but it is not built into the price he is requesting, although the system has a lot of capabilities. The cost would be approximately $50,000 for installation and configuration and $10,000 for licensing. This is the same system used at Cass County and they would be willing to assist with configuration and set up as needed. Sprague moved to approve; Grubb seconded. Costin stated he is trying to watch the budget protocol and would like the funding source to be determined. All voted in favor.

During the renewal of the Cyber Security Insurance policy, representatives for Marsh & McLennan have made it clear that they will now be requiring MFA (Multi-Factor Authentication), which is a security technology that requires multiple methods of authentication from independent categories of credentials to verify a user's identity for a login. This creates a layered defense that makes it more difficult for an unauthorized person to access a computer system. This needs to be in place by December 5th to renew our AIG policy. Okta is an MFA provider that will meet all requirements.

Costin stated Gronneberg brought this up during the budget meetings for the $110,000. Costin would like the funding source to be determined for the $50,000 that is needed for this year. 2022 costs are funded in the budget. Grubb made the motion to approve based on that information. Sprague seconded.

A Managed Security Service Provider (MSSP) provides 24/7 coverage of cyber security systems which reduces the number of operational security personnel needed to maintain the security. An MSSP is intended to fill in the coverage gap as most municipal governments are not able to staff a Security Operations Center (SOC) on a 24/7 basis. There are many companies that offer this service so there would be an RFP done. It would have to be a multiyear subscription and a lot of fine-tuning to become comfortable. Costin stated he would recommend approving it with the existing funds and consider a mid-year adjustment or allocation. Costin made the motion to approve; Redlinger seconded and all voted in favor.

One other item that was brought up during the process of renewing the Cyber Security policy was annual penetration tests, which is when an outside company tries to gain access to the systems to make sure everything is secure. Sprague moved to approve; Grubb seconded and all voted in favor.

Discuss Performing Arts Center Project Approved

In February 2020, the Performing Arts Task Force provided a final report to the City Commission, which then engaged the Benefactor Group, a professional fundraising consulting firm, to study the feasibility of raising private funds for the construction, operation, and maintenance of a future Fargo Performing Arts Center in conjunction with public funding.

In conversations with the Benefactor Group, they would anticipate three to four years of fundraising over three phases. Redlinger stated he asked for a high-level amount if they were to proceed and he was told approximately $396,000 if Commission wanted to proceed, which could be included over the next several budget cycles.

The next step Redlinger would take is request proposals from FM Area Foundation, Benefactor Group, and JLG and request three to four renderings.

Piepkorn moved to approve; Grubb seconded and all voted in favor.

Discuss Request from Northland Hospitality to Lease Outdoor Parking Stalls Approved

Redlinger stated Kevin Hall has approached city staff with the request to lease back some of the surface parking stalls. 110 underground stalls and 111 outdoor stalls are currently leased with Northland Hospitality. Redlinger stated that there are many contractors using the city's leased premises in completion of the condo building. Weekly average is 40-55 stalls open on a daily basis on the surface parking lot. Redlinger said he would be willing to look at leasing 10-15 spaces; not as many as 40. Costin asked why Kevin would need the stalls; Gilmour stated the condo association would like to mark spots for guest parking. Grubb made the motion to approve; Piepkorn seconded and all voted in favor.

Proposal for Assessment of City Hall North Plaza over Parking Garage Approved

Gilmour discussed the proposal from Walker Consultants for a condition assessment of the North Plaza over the City Hall parking garage. There is leaking at the North Plaza into the parking garage below; at the perimeter foundation walls and interior beams. Walker Consultants will try to figure out if there was a rubber membrane put in between the structural deck and concrete. The testing crew will be in the area relatively soon. Proposals are roughly $13,000, which would most likely come out of the Buildings and Grounds budget. Grubb moved to approve; Sprague seconded and all voted in favor.

Other Items

Costin stated Jamie Bullock, the Grants Accountant, has about a $5.6 million City Levee reimbursement to the Diversion and asked if there should be administration fees charged. Costin asked if some sort of cost structure should be prepared and pursued or just turned in without any administration charge. Mahoney stated he has a meeting with Joe Paulson and would like Costin to attend so they can have a discussion regarding a 4% admin fee.

City of Fargo
Finance Committee Meeting Minutes
August 27th, 2021

The Finance Committee met on Friday, August 27th, 2021 at 10:00 a.m. in the River Room and virtual by GoTo Meeting.

All members were present. Guests included Mr Bob Kjerstad, Troy Hall, Gretchen Morlan, Brenda Derrig, Jan Eliassen, Ron Gronneberg, Nicole Crutchfield.

CONSENT AGENDA:

Meeting Minutes Approved

Minutes from the July meeting were presented. Grubb moved to approve; Piepkorn seconded and the Committee approved the minutes as presented.

Sole Source and PBC items Approved

Requests included E.H. Wachs, Envirotech Services, High Plains Technology, Advanced Business Methods, Fargo Street Utility Feasibility Study, and Lexis Nexis (previously approved via email).

Piepkorn moved to approve the Sole source items as requested by Divisional Staff. Costin seconded and all voted in favor to approve the Sole Source requests.

Financial Status Reports

Costin stated the Sales Tax Analysis shows a very strong resurgence; 13.7% for the City and 20% for the County.

REGULAR AGENDA:

Discuss Large Utility Bill due to High Consumption

Mr Bob Kjerstad was present to discuss his utility bill with large consumption. He stated they rent a home to a single vulnerable adult that lives alone. Normal water consumption is roughly 2-3 thousand gallons/month and the utility bill has been roughly $55 - $58 consistently. In May, the monthly statement showed the water usage increased to 7,000 gallons of usage. He questioned it at that time and Angie Bear told him to check his toilet and check for leaks, etc. The next month the usage increased to 17,000 gallons. He has been to the house to try to determine the cause but couldn't find an issue. In August, the usage increased to 74,000 gallons. The water department stated it could be a faulty toilet but Mr Kjerstad checked and couldn't find any leaks.

The water department sent out a meter reader to inspect the meter and although it registered properly, put on a different meter gauge. Piepkorn asked if Mr Kjerstad has had a plumber out to look and Mr Kjerstad said he has not. Piepkorn stated the water department and meter readers don't do plumbing repairs and the next step would be to call a plumber.

Kent made the motion and Piepkorn seconded the action to recommend that Mr Kjerstad should pay the bill and get a plumber.

Planning Requests Approved

Reclassification of Planner position: Crutchfield stated the PEC approved a reclassification of a Planner position to an Urban Development Coordinator. The request was due to a hiring opportunity of an incumbent that has years of experience with the City of Fargo. This would be an increase of $25,000 to the budget as the Planner position was originally set at a Grade 14 but the reclassification would be for a Grade 16. Piepkorn made the motion to approve; Costin seconded and all voted in favor.

Request FT Temp Contract Position for Shelter and Logistics: Crutchfield and Jan Eliassen both spoke on this request. Crutchfield stated they are finding some gaps in partners and their abilities to support the intake process for the homeless. They work with five different shelters, if not more. During COVID, there were over 10 people managing where the beds are, etc. and it changes on a daily basis. Crutchfield stated funds from several different sources could be combined to support a temporary contract employee. However, to access the funding, more staff is needed. Grubb moved to approve; Redlinger seconded and all voted in favor.

Partnership and Development Opportunity for Engagement Center: Crutchfield stated they have been approached by a developer to construct a mixed-use community resource center. The developers are out of Wahpeton and have started seeing gaps and needs throughout the community. This is a preliminary proposal to continue to meet with the development team so they can move forward with discussions. The development group proposes to assemble the land, construct and finance the project, and offer a lease option with the City. The center would offer homeless health resources, career support, access to internet, etc. Redlinger made the motion to approve; Grubb seconded and all voted in favor to move forward with discussion.

Water Intra-Utility Short Term Loan Approved

Hall stated there is a principal and interest payment due in September. At this time, the balance in the Rate Funds is low and he would like the Water Utility to loan money between funds, from Fund 450 (Infrastructure Sales Tax) to the Rate Fund. Grubb confirmed a new agreement is being pursued with the Public Finance Authority; however, until that agreement is completed, Hall needs a short-term loan between funds. Hall stated he wants the new loan terms to be able to allow rate and sales tax for their financial model.

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

TP-21-B1 Fargo Project North Pond 2021 CIP Revision Approved

Brenda Derrig and Nicole Crutchfield spoke on this item as Roger Kluck was out. Derrig stated they have been working with the adjacent property owner in regards to the retention pond. Derrig believes there is a good plan on improving what it looks like along 17th Avenue South, but all City funds will be used to support the project. The request is to waive additional fees to help extend the funds they have.

Costin asked what the monetary amount of the fee waiver is; it would be approximately 11% of $106,500 total estimated project cost.

Crutchfield stated when RR Human Services built their new facility they needed storm water on site; they saw an opportunity to create a demonstration/storm water feature that could serve as an entry to the park. The Park District partnered with RR Human Services, the City of Fargo brought on expertise from The Fargo Project, and it is a partnership between the Park District, the City, and RR human services. The cost of construction will be jointly shared between the Fargo Project funds from the grant as it is grant funded, plus RR Human Services human services will cover about $50,000 of those costs. Engineering is helping bid and oversee the project but it won't be special assessed.

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

BN20C Request for Deferral – <u>3-year deferral approved</u>

Derrig stated they received a request from Earlyne Hector for a deferral on the unplatted land south of the platted Selkirk Development for the 64th Avenue paving. Historically they have offered a ten-year deferment, which is allowed by statutory state law, but recently they have been around three to five year deferrals and adding the accrued interest. E. Hector is asking for a deferral until they see development, which would be for the first ten years.

Costin stated he thinks a three-year deferral would be appropriate; and they can always come back in three years to request another deferral. He doesn't think a ten-year deferral is appropriate in the heart of a rapidly developing area.

Costin made the motion to approve a three-year deferral with interest accrued. Piepkorn seconded and all voted in favor.

Market Pay Study Approved

Redlinger reviewed the planning estimate received to cover the expense of the market pay study survey. He stated they would like to get the process started and looking to complete mid-year of 2022. Costin stated the Commission is eager to move this along and a mid-year budget adjustment was requested. Redlinger stated the cost would be approximately $55,000.

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

Acceptance of International Vendors Discussion

Costin stated he spoke with Larry at the Health Department regarding the community gardening RFP. A company from India reached out and would like to bid on the project. Costin asked if the City if open to doing business with international vendors. He stated in the past he discouraged it because of the possible security risks, but also because there are people in our own community that could bid on the work. Grubb and Costin discussed modifying the purchasing policy regarding international vendors, although Costin is aware there might be exceptions when only international vendors have specific items; but it could be requested through the SSP process.

Municipal Airport Authority Audit

Piepkorn stated he would like a performance audit on the Airport Authority and he is going to request an SSP through Eide Bailly, as they prepare the audit for the City and they have done the audit for the airport in the past, so it would speed up the process. Piepkorn would like the audit to focus on lease agreements, parking revenue, and federal fund allocation. He will prepare a memo to submit to Commission.

Costin stated $2,100 was the estimate from Eide Bailly to just compile the data but that does not include doing the performance audit. Piepkorn would like the audit to review everything down to the fine details because of all the changes. Mahoney stated he would like a timeline as the Airport is exiting at the end of the year and he would like the audit completed before then.

Piepkorn would like to make a motion to proceed with the audit and consider Eide Bailly as an SSP but would also like an approximate time and cost. Redlinger seconded and all voted in favor. Costin stated the motion is to include the SSP.

Other Items

Redlinger stated a consultant for Tischler-Bise contacted him in regards to the economic impact model. Baker Tilly came in at approximately 263 hours and $60,000 cost for the comparative incentives and analysis. Mahoney made the motion to approve; Piepkorn seconded, and all voted in favor.

City of Fargo
Finance Committee Meeting Minutes
September 27th, 2021

The Finance Committee met on Monday, September 27th, 2021 at 10:00 a.m. in the River Room and virtual by GoTo Meeting.

All members were present. Guests included Larry Anenson, Troy Hall, Tim Dirks, Gretchen Morlan, Brenda Derrig, Jan Eliassen, Ron Gronneberg, Nicole Crutchfield.

CONSENT AGENDA:

Meeting Minutes Approved

Minutes from the August meeting were approved by the Committee as presented.

Sole Source and PBC items Approved

Requests included Suez Water Technologies, AE2S, General Equipment and Supplies, and ASP of Moorhead.

Piepkorn moved to approve the Sole source items as requested by Divisional Staff. Costin seconded and all voted in favor to approve the Sole Source requests.

Financial Status Reports

Costin stated the Sales Tax continues to be very strong, possibly catch up from COVID, being back to work, internet sales, etc.

REGULAR AGENDA:

2022 Budget Advance for Ultrafiltration Membrane Approved

Hall stated he is requesting a budget advance for the Ultrafiltration Membrane Buildout. It is a project to be paid with American Rescue Plan funding and is a 2022 budget line. The proposal from Suez Water Technologies & Solutions requires 30-percent paid at the time of a purchase order, which is estimated at $280,380. There is approximately a 20-week lead time for delivery of new Ultrafiltration (UF) membrane modules after an approved purchase order. A final proposal from Suez needs to be updated and is pending. A related Sole Source Request for Suez is being submitted to the Finance Committee and, if approved, will be submitted to the City Commission. The goal is to complete the Ultrafiltration Membrane Buildout project before the summer of 2022.

The 2019 Membrane WTP is more cost efficient to operate compared to the 1997 Lime Softening WTP; an estimated $430,732 cost savings in the 2nd Quarter of 2021 due to Membrane WTP operation. The cost savings can be further improved with the Ultrafiltration Membrane Buildout project and operating the Membrane WTP at higher water flow rates during the year.
Advancing the 2022 budget funds to complete this project will lower WTP operations costs. It is expected that the Water Utility would recover the capital costs for this project within three years through WTP operations cost savings. However, the project uses American Rescue Plan (ARP) funding that the City of Fargo will not need to pay back.

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

Diversion Land Sale Approved

The Riverfront Renewal Plan implementation included selling two properties within the plan area in 2021. There are two parcels along the river that are remnants of the Diversion project;

the old school district warehouse and the old Park East apartment building site. These properties were purchased with Diversion funds; however, they are owned by the City of Fargo. The Diversion agreement requires that money received from the sales are transferred to the Diversion Authority.

If these properties are redeveloped into new buildings, the City of Fargo will receive Tax Increment Funds (TIF) from the new tax base. This TIF money could be used to implement portions of the Riverfront Renewal Plan.

Gilmour stated he is looking for approval of resolutions authorizing the sale. Redlinger made the motion to approve. Sprague seconded and all voted in favor.

Island Park Ramp Sale Approved

Bell Bank submitted an offer to purchase the Island Park Ramp. The offer is $9.5 million with a proposed closing date of no later than November 1, 2021. No other offers were submitted for the parking ramp. Bell Bank plans to add employees to their 15 Broadway location, bringing the number at that location to over 100. Bell Bank will also move at least 250 employees into 520 Main Avenue.

The offer was subject to the City obtaining from Wells Fargo the release of an option to rent 40 parking spaces. Erik Johnson worked with them to obtain that release and a purchase agreement and Wells Fargo waived their right of the parking spaces. That contingency is no longer an issue.

Gilmour stated he is working with the developers of 501 Main Avenue to secure some parking in the Island Park Ramp for that development.

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

Civic Ramp Expansion Approved

Downtown Fargo will continue to need additional parking. Adding another level to the Civic Center Ramp (attached to the Radisson and skyway) will add parking where it is in highest demand. The estimated cost of adding one level of 68 parking spaces is $2,862,000. There may be additional costs for refurbishment of the balance of the structure such as new lighting.
For the expansion to be constructed in the ideal summertime period, design work should start in October. Walker Consulting has extensive experience with the Civic Center Ramp and Fargo based Craftwell Architects will provide architectural services.

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

Benefactor Group Fundraising Services Proposal for Performing Arts Center Approved

Redlinger stated once the report was given and filed with City Commission, it was presented at the August 4th, 2021 Finance Committee meeting, at which time the next steps were discussed for the Performing Arts Center project, including the formation of a capital campaign to raise private funds for the proposed project. The Finance Committee unanimously approved a motion to request a fundraising services proposal from the Benefactor Group to support the proposed capital campaign. A draft scope of service was provided by the Benefactor Group on August 18, 2021 and has been reviewed by City staff.

In addition to requesting a scope of service from the Benefactor Group, on August 4, 2021 the Finance Committee authorized staff to solicit a proposal from the FM Area Foundation to serve as the fiscal host for the fundraising campaign, and JLG Architects was approved to update project renderings for use in the Benefactor Groups visits with prospective donors. Upon approval of the Benefactor Group scope of work and cost proposal at the 9/27/21 Finance Committee and 10/4/21 City Commission meetings, JLG is prepared to assist with the

preparation of the requested site/building renderings. A fiscal host agreement will be considered at that time, as well.

Grubb asked if the onsite campaign manager would be a new FTE for their budget that is not in the budget. Redlinger confirmed that it is not in the budget, and it is anticipated the new employee may not be needed right away but larger capital campaigns require that support when the project moves to the public phase.

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

Civil Legal Services & Prosecutorial Legal Services Procurement Process Approved

Redlinger stated on September 13, 2021, City Attorney Erik Johnson provided written notice to the City Administrator of his intent to terminate the agreement that Erik R. Johnson & Associates, Ltd. (hereafter referred to the firm) has with the City of Fargo to provide City Attorney services. These services include representation in general municipal law matters as well as prosecutorial services in court venues in which the City appears (e.g., municipal court, district court, and the North Dakota Supreme Court on appeal matters).

Per the terms of the current agreement between the firm and City, either party may terminate the professional services agreement with 90 days written notice to the other party. With the written notice provided by Mr. Johnson on September 13, 2021, the City of Fargo's agreement with the firm, and Mr. Johnson's appointment as Fargo's City Attorney, will concurrently end on December 31, 2021. Prior to this separation, a new City Attorney arrangement needs to be identified and an individual appointed to the position of City Attorney by the City Commission, consistent with the provisions contained in Fargo Municipal Code, Article 4-0102.
The City Commission possesses the authority to procure legal services through a variety of methods, including an RFP process that will utilize separate RFPs for civil and prosecutorial services, the creation of an "in-house" City Attorney's office in which the staff would be employed by the City, or through a sole source, in which the City would work directly with a law firm or individual to maintain City Attorney services through a contractual relationship.

Piepkorn asked if there could be an interim named until these decisions were made. Mahoney stated the City is big enough to support an in-house attorney. The motion was presented to create an in-house City Attorney's office. Piepkorn moved to approve, Costin seconded, and all voted in favor.

BerryDunn Software Consulting Scope of Work Approved

Costin stated there have been surveys conducted through Eide Bailly on the new ERP which have shown employees were willing to move onto a different software. BerryDunn will help the City with the current IT staffing and support structure which is a huge concern because of the upcoming retirement of Mark Doll. They would also do an assessment of the strengths and weaknesses of the current systems, system planning, and a vendor outreach. They can provide up to six ERP vendors. The approximate cost would be $48,000. Costin stated the preliminary planning needs to get started.

Grubb moved to approve. Sprague seconded and all voted in favor.

City Pension Actuarial Update and Assumptions Approved

Costin stated there was a 20-year plan to make the City Pension plan 100% funded and it only took half that time. A funding policy was implemented in 2012 to try and supplement funding into the pension funds. When it started the plan was funded at about 60%.

The actuary continues to recommend lowering investment assumptions. Currently it is a 7.25% return assumption and if left at that rate, no additional funds would need to be put in. When

assumptions are lowered, it drives up the cost of additional funds needed, which would have to come from the employee or the City.

If the assumption was lowered to 7%, approximately $600k additional funds would need to be put in. Sprague stated one of the reasons they want to lower the assumption is because the City plan is a closed plan and wouldn't have to have risky investments to meet our goals, which would reduce the chance of being affected negatively by a big market swing. Costin stated he is recommending they go with a 7% assumption, which is in the budget.

Sprague made the motion for 7%. Costin seconded and all voted in favor.

Other Items

For Recording and Documentation only – approved via email (Derrig)

- Roberts Alley Overhead Line Bury Pilot Project
- Secondary Project #MP-20-A

Airport Audit Discussion

Mahoney stated Eide Bailly would like to know exactly what Piepkorn is wanting because they don't want to miss anything when they start with the audit. Mahoney said he knew Piepkorn wanted to look at long term lease contracts, fuel contracts, and some additional financial items. Piepkorn stated in regard to the lease agreements, he would like to know what the policy is. He would also like to know how the parking revenue works and how it is tracked. Piepkorn stated he would also like to know about the financial oversight, what the correct procedures are that should be followed but aren't.

Grubb asked if internal controls were reviewed during an audit. Mahoney stated once Costin drafted a scope of work, Piepkorn could talk to Eide Bailly regarding what he is wanting.

Discussion on workforce development with the Diversion Authority

Redlinger stated it would be through a federal grant. Costin thought it would be helpful to have some sense of what the grant agreement would look like. If there are a bunch of compliance requirements it would have to be designated to somebody which would have an impact on staffing.

City of Fargo
Finance Committee Meeting Minutes
Monday, October 25th, 2021

The Finance Committee met on Monday, October 25th, 2021 at 10:00 a.m. in the River Room and virtual.

All members were present. Guests included Ron Gronneberg, Rob Sobolik, Ben Dow, and Terry Ludlum.

CONSENT AGENDA:

Meeting Minutes Approved

Minutes from the September meeting were approved by the Committee as presented.

Sole Source and PBC items Approved

Requests were approved as presented and included BID Contract Renewal with DCP, The Arts Partnership, KLM Engineering, MN Municipal Utilities Assoc (MMUA), Butler Machinery, Rickard Electric, Parker, Vessco, CC Steel, AstroTurf Corporation, US Salt, Envirotech Services, and Lumec (Border States Electric).

Financial Status Reports

Costin presented the Comparative Sales Tax Analysis of all Sales Tax Revenue, which continues to show robust growth.

REGULAR AGENDA:

Replacement equipment for Works Computing using NASPO Contract Approved

Gronneberg stated purchases from Works Computing were authorized by the Finance Committee in 2017 (PBC17311) through this contracting vehicle but as a precaution is requesting authorization again. The approved 2022 budget includes funds to replace the aging server and storage infrastructure and they are currently narrowing down the specifications for the replacement equipment. However, supply chain issues may delay the arrival of the equipment and he wants to get the order in as soon as possible.

There was discussion as to how this related to the AS400 and Ron stated this is completely separate from that.

The intent is to purchase the equipment for Works Computing using a NASPO contract (NASPO #MNNVP-134 (Swift Contract #97228)). The purchase would be for over $500,000 in equipment, software, storage, and service.

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

Appropriation of broadcast-related funds Approved

At its October 4, 2021 meeting, the City Commission approved a new franchise agreement with Sparklight (Cable One). The agreement will remain in effect for the next 7.5 years and includes a provision to provide a one-time grant of $50,000 to support the capital equipment needs of the City's Public, Educational and Government (PEG) programming channels. The Department of Communications & Governmental Affairs is requesting approval to fully appropriate these funds (which are required to be expended on broadcast-related capital items) into the department's capital account (475-0525-510.74-10) for full expenditure in calendar years 2021 and 2022.

For calendar year 2021, staff members are recommending the purchase of one additional 4K broadcast camera to support the City's various live broadcasts at a cost of approximately $12,250. This camera would be the same make/model as the current equipment in the Commission Chambers, which greatly reduces implementation and engineering costs.

For calendar year 2022, staff members are recommending $30,000 in capital expenditures to purchase a small SUV for usage by the three members of the team who shoot videos throughout the community and $7,750 in miscellaneous smaller pieces of broadcast gear (to be determined by staff over the next few months). Several other City departments utilize dedicated vehicles for this purpose and have found it effective. Public Works Director Ben Dow fully supports this recommendation and would be able to purchase this small SUV with the main City fleet vehicle order in 2022.

There is no impact on the General Fund with these recommendations, as they will be fully funded through the franchise fees generated through the Sparklight agreement. The funds were also not budgeted as Gregg was not sure when the funds would be received.

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

Solid Waste/Public Works Master Campus Building Purchase Approved

Dow explained that both the Solid Waste and Public Works departments are dealing with rapid expansion of services and associated costs. Facility deterioration and future spacing needs continue to be a growing concern. There is a Campus Master Plan in which KLJ evaluated and projected future facility needs, and identified four properties that would need to be purchased in order to accommodate moving Solid Waste onto the campus.

A representative of one of the properties, located on the Southeast corner of 25th Street and 7th Avenue N. (old Monarch Photo Building), recently contacted staff about acquiring the property, which was purchased by Pete Sabo in the mid 1990's. The representative has offered a sale price at the current city taxable value of $412,200.00.

Dow stated there is a potential from Public Works to cover some of the costs. Ludlum stated they had a project for a well field expansion but the actual costs came in approximately $150k less. There was also a phase of the east landfill expansion, where some of the work was covered through SRF funding. The Solid Waste department has well over a million dollars that could be used.

Grubb made the motion to approve the acquisition with the funding identified by Dow and Ludlum. Piepkorn seconded and all voted in favor

Newman Outdoor Stadium 2021 Project Bids Approved

Sobolik reviewed the 2017/2018 RL Engebretsen long term capital plan, and he identified some main items that the City should be concerned about, which includes that water leaking, the rooftop HVAC replacements, and the press box window replacement.

In 2019/2020 the roof replacement was completed. The current agreement/contract states the City of Fargo takes care of all capital projects. Costin stated the Redhawks get about 75% of the revenue. Piepkorn supports the project as a City asset. Costin stated the cost would be charged to the building fund.

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

Fargo Smart Energy Ramp Project "Bridge Loan" Approved

City of Fargo and eSmart Systems US, Inc. (eSmart) worked in collaboration in 2018 and 2019 (and became operational in December 2020) to develop the "Fargo Smart Energy Ramp," a project that permits electric vehicles to park at the Roberts Commons parking facility and connect to an electric charging station.

The Kilbourne Group is actively engaging stakeholders to raise $20,000 in private funds to install the smart lighting portion of the project and to meet the conditions of the NDIC grant. In order to meet these requirements, The Alliance Risk Group is proceeding with the smart lighting project concurrent with the Kilbourne Group's private fundraising efforts.

To move the project to timely completion in 2021, the City of Fargo is requested to provide a $20,000 bridge loan to The Alliance Risk Group to provide for the completion of the Fargo Smart Energy Ramp Project, with proceeds from private fundraising remitted to the City by the Kilbourne Group, through the FM Area Foundation, as funds become available.

Grubb asked if Kent had identified a funding source and Redlinger stated he did. In previous conversations with Kent, Redlinger stated Costin doesn't like the verbage of a "bridge loan" as this request is truly advance funding. Redlinger will change the description in future documentation.

Piepkorn moved to approve, Grubb seconded and all voted in favor to approve.

Cyber Insurance Update – No Action Required

Costin stated there isn't a quote on price at this time and asked Gronneberg for an update. Gronneberg stated there have been meetings with Marsh & McLennon (Dawson) and has been able to check things off that needed to be done to secure coverage. There was an underwriter's meeting and Ron feels that the numbers will be good, but will increase.

There have been many carriers dropping off from cyber security policies and Ron expects the cost of coverage and deductions to increase and the type of coverage to decrease. Everything is in the insurer's favor at this point and what they are willing to cover.

Kent stated we are doing whatever we can to stay vigilant but it is going to be more expensive, most likely a 50% increase. Gronneberg said the policy renews 12/5.

Homeward Animal Shelter Funds Approved

Grubb brought forward a request from Homeward Animal Shelter in which they are asking for $40,880 from the City. The shelter is a rescue operation and they request funds from the City based on a rolling three-year average of successful adoptions.

Grubb stated there was no action required but Piepkorn confirmed the shelter was asking for $40,880 and moved to approve the request, and it would be considered an extension of the services of Valley Vet. Grubb seconded and all voted in favor.

Discussion re: Street Racing/email from citizen

Bruce was forwarded an email from a citizen stating if the City built a drag strip, he believes the amount of speeding tickets and crashes would be reduced, and the Fargo Police Department would not have to respond to loud cars or be on overtime to deal with the issue.

Piepkorn stated there is a drag strip, Interstate Raceways. It is not located in Fargo but it is open to the public. Mahoney stated the Police Chief has made a concerted effort to get rid of the speeding and there has been a considerable improvement.

Other Items

For Recording and Documentation only – previously approved

- Early Hire of 2022 Inspector
- Island Park Ramp Assessment

City of Fargo
Finance Committee Meeting Minutes
Monday, November 22nd, 2021

The Finance Committee met on Monday, November 22nd, 2021 at 10:00 a.m. in the River Room and virtual.

All members were present. Guests included Nicole Crutchfield, Jill Minette, and Steve Dirksen.

CONSENT AGENDA:

Meeting Minutes Approved

Minutes from the October meeting were approved by the Committee as presented.

Sole Source and PBC items Approved

Requests were approved as presented and included Christianson's Business Furniture/Haworth and Custer Health.

Financial Status Reports

Costin presented the Comparative Sales Tax Analysis of all Sales Tax Revenue.

REGULAR AGENDA:

First Link Proposed Amendment/Funding Increase to Sole Source Agreement Approved

Since May 2020, the City has provided Red River Task Force (RRTF) funds and CARES Act funds for Firstlink to increase staffing of its 2-1-1 hotline due to increased call volumes because of COVID-19. The City Commission approved an allocation of up to $40,000 of RRTF COVID-19 funds on May 18, 2020, and an additional allocation of up to $54,000 of CARES Act general allocation funds on March 8, 2021 (SSP #21053).

The 2-1-1 hotline experienced record-breaking numbers in 2020 and 2021 as it connected people to critical community resources and provided 24/7 mental health support. 2-1-1 is critical in supporting the eviction and prevention work conducted by several of our community partners, as well as assisting people who need to quarantine or isolate based on the pandemic that may be homeless.

To continue this partnership, staff is recommending funding $42,000 for evening/overnight staffing for their 2-1-1- hotline for 12 months. Support would be through City ARP funds or Social Service funds.

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

Reach Partners Sole Source Master Services Agreement Renewal Approved

In 2019, the Reach Partners, Inc. was contracted to provide services for the Planning Department in order to aid staff in administrative duties related to communications, and technical assistance for project and event operations and management. The scope of work

was provided in the form of a master services agreement, and was paid from Planning Services (2019 budget) and The Fargo Project funds from the Kresge Foundation.

At the conclusion of this contract, the Planning Department seeks to renew the Master Services Agreement for $80,000 from December 2021-December 2023. The work proposed in the renewal contract includes project management support for the Kresge Foundation work, the Arts and Culture Commission activities, and communication needs for The Fargo Project. REACH Partners was initially hired through a sole source contract in 2019, and as such are requesting this sole source procurement for the Master Services Agreement renewal.

Continuity for the management of these activities of the Arts and Culture Commission, administration of the Kresge Foundation grant funds, and supporting the Planning Department are especially important as we enter into 2022 activities to continue traction.

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

Facility Protection Officer Position Approved

Jill Minette is requesting budget approval to convert a vacant full-time Office Associate Ill position (Grade 9) to two part-time (.6 FTE) Facility Protection Officer positions (Grade 10). The Commission Office previously had a full-time Office Associate Ill position that was responsible for greeting guests to City Hall at the main desk in the lobby. When this position became vacant, there was an opportunity to re-evaluate the primary duties and overall focus of the position. Over the last several months, options have been reviewed to implement security measures within the building.

As a result of the vacancy, Minette stated they are proposing the creation of a Facility Protection Officer position, which would blend two very important functions for City Hall, creating a positive experience for our guests and maintaining a safe and secure environment for our guests and employees. The ideal candidate would have a security or law enforcement background, but the position would not be a uniformed security guard or police officer. Candidates should have great communication and customer service skills and the ability to address customer concerns, deescalate difficult situations and be trained to respond accordingly in the rare event of a threatening situation.

In order to staff all hours of operation, including public meetings outside of regular business hours, as well as provide coverage for vacation and sick leave, we are proposing converting the full-time position to two part-time positions (.6 FTE or approximately 24 hours per week). The PEC reviewed the job description and classified the position as a Grade 10. The additional salary budget impact would be $11,275.

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

Fire Department Budget Adjustments/Sole Source Requests Approved

Dirksen stated the Fire Department receives funding from the State Insurance Commissioner annually based on funds collect through the Insurance Premium Tax. In 2021, he estimated approximately $765,000 would be received. However, the actual amount received was $926,000.

In the 2022 budget, he requested $50,000 for two new vehicles but since then, there has been a significant increase in the cost anticipated and he is requesting $10,000.

The Fire Department has several gallons of polyfluoroalkyl substances (PFAS) foam, which has been linked to health hazards and contamination of groundwater sources. It will need to be discarded and replaced. The Fire Department has been searching for a suitable replacement foam and following extensive testing, an acceptable replacement product was found. Dirksen is requesting a $25,000 budget adjustment to purchase the replacement foam from M&T Fire and Safety.

Protective equipment continues to advance for firefighters, and manufacturers began the R&D process to develop better protection. A product has been developed that will provide firefighters a higher level of protection from exposure to carcinogens. Dirksen is requesting a $15,000 budget adjustment to purchase protective hoods for our suppression, training, and community risk personnel.

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

Dirksen also requested authorization of an SSP for the Fire Department to purchase fire inspection software from Tyler Technologies called Mobile Eyes. This software utilizes the existing building and business database and allows fire inspections and information updates to occur real time from a tablet. Tyler Technologies Mobile Eyes software is the only system available to the Fire Department in using the current records management system. Funds to purchase the software was approved in the 2022 budget. Costs will be $39,531.00.

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

Discuss Civil Legal Services RFP & Prosecutorial Services RFP Approved

On September 13, 2021, City Attorney Erik Johnson provided written notice to the City Administrator of his intent to terminate the agreement with the City of Fargo to provide City Attorney services. These services include representation in general municipal law matters as well as prosecutorial services in court venues in which the City appears (e.g. municipal court, district court, and the North Dakota Supreme Court on appeal matters).

On October 4, 2021, the City Commission authorized an RFP process to solicit proposals from qualified law firms or individuals interested in providing Civil or Prosecutorial Legal Services. The RFP notice was published in The Forum and informational notices were distributed locally and regionally through other entities and organizations.

Proposals were received from Serkland Law and Solberg Stewart Miller. The recommendation is to award the Civil Legal Services RFP and Prosecutorial Services RFP to the Serkland Law Firm. Once final terms have been reached between the Serkland Law Firm and City for the scope of work, Commission will consider and approve final agreements in December 2021 and appoint the City Attorney per the provisions of the Fargo Municipal Code.

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

Authorize Actions Related to the Downtown Police Substation & Parking Office Located at the Mercantile Parking Project Approved

The Fargo Police Department and City Administration have worked together on the planning and development of a new Downtown Police Substation to be located within the Mercantile Parking Project at 410 5th St. N. Phase 1 of the project opened to the public on November 2, 2020 with 367 public parking stalls. The City of Fargo, Kilbourne Group, and Tom and Kari Smith are the public and private partners collaborating on Phase 2 of the

project, which will include the construction of 100 apartments, 9 condos, commercial/retail space, a public restroom, a parking office; and the Downtown Police Substation.

The City's 2022 Capital Budget does not contain funding for the Downtown Police Substation project. To fund the fit-up costs associated with the Mercantile space, City Administration and the Finance Department have discussed three different revenue sources for the proposed project which include 2022 Police Department Capital Budget, Fund 402 Building Capital Fund, and the Police Department asset/seizure fund.

Redlinger would like the quote from the Information Service Department to procure technology and equipment for the Downtown Police Substation approved and authorize City staff and Kilbourne Construction Management to procure architectural and professional service proposals to fit-up the Downtown Police Substation and Parking Office.

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

Downtown Community Partnership (DCP) Lease Agreement Amendment #2 – Civic Center Offices Approved

The DCP currently leases office space from the City of Fargo in the Fargo Civic Center. The current lease agreement expires on December 31, 2021, and the DCP desires to extend the agreement for an additional one-year period (January 1, 2022 – December 31, 2022).

In September 2020, the City and DCP executed an Amendment to the Lease Agreement that restructured the monthly lease rate and common area maintenance charge to collect deferred rent due to the COVID-19 pandemic. At this time, the DCP is current on all payments owed to the City and is in good standing.

It is proposed that the existing monthly lease rate of $906.25 and common area maintenance charge of $362.50 be extended for one additional year (January 1, 2022 – December 31, 2022). This term will provide additional time for the DCP to recover from pandemic impacts and stabilize operations.

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

City of Fargo
Finance Committee Meeting Minutes
Monday, December 20th, 2021

The Finance Committee met on Monday, December 20th, 2021 at 1:00 p.m. in the River Room and virtual.

All members were present. Guests included Troy Hall, Jim Hausauer, Jill Minette, Ben Dow, Mark Williams, Steve Dirksen, Ron Gronnenberg, Gregg Schildberger, Tanner Smedshammer, and Brenda Derrig.

CONSENT AGENDA:

Meeting Minutes Approved

Minutes from the November meeting were approved by the Committee as presented.

Sole Source and PBC items Approved

Requests were approved as presented and included Hawkins Water Treatment Group, Polydyne, Avista Technologies, SiteImprove, Jill Eggl Lighting, and Sun Electric.

Sprague had a question regarding the SSP items for Jill Eggl Lighting and Sun Electric for the Spirit of the Sandbagger sculpture. He stated together, the items add up to $87,500 but a check in the amount of $90,000 was received. The remaining $2,500 can be used to cover future maintenance or lighting.

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

Central Square RSP Support Approved

Gronneberg stated administering and supporting the IBM i system and Central Square software are a unique niche in the technology arena. With the upcoming retirement of Mark Doll, the IBM i administrator position was advertised but only two applicants applied, and neither was qualified to support the system.

There is an option for enhanced support from Central Square, which is RSP (Remote Service Processing). The cost for RSP support is $36k/year with a $5k Setup Fee; the first year cost would be $41,000. The Statement of Work (SOW) describes in detail the services that Central Square will provide with this agreement and the activities that are the customer's responsibilities.

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

BSI Support Agreement Approved

In addition to the enhanced support from Central Square using RSP, there are a number of areas that are the customer's responsibilities. To cover the gap in support, Gronneberg received a support agreement from Business Software, Inc. (BSI). BSI has had a working relationship with the City for decades.

The attached proposal is for one FTE, but the time will be split between two individuals at BSI. These individuals will be working remotely, but are located in the City of Fargo and will be available on site when needed.

The costs in the proposal are for $12,500 per month with an hourly rate beyond that of $150/hour. This would be until the transition to the new accounting system, Ron estimates about 18 months or more.

Gronneberg anticipates all the FTE time will be used up as the support gets started but the hours needed should level off as things progress. The plan is to track the hours on a monthly basis and adjust the agreement to reflect the support usage.

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

Financial Status Reports

Costin presented the status report of the major operating funds year to date. There is some lag in the General Fund revenues of about 4.5% but three million is for the sale of assets. Expenses are under which is ending the year on a positive note. Some of the funds will roll into 2022 and is a timing issue between years.

REGULAR AGENDA:

Transfer City Asset Auction proceeds to Vehicle Replacement Budget Approved

Ben Dow stated over the past five years, there have been significant cost increases in equipment such as motor graders, pay loaders, street sweepers, log loaders, and backhoes, and vehicle costs have increased almost 8%. Public Works has always traded in replacement equipment for a new piece of equipment, which lowers the actual purchase price to fit in the budget. There has been discussion about moving away from trading in the equipment and instead running it through the auction. There is currently a high demand for yellow iron equipment due to production shortages, and prices being paid at auction are significantly higher.

For example, a pay loader with a front snowplow is being replaced this year and it has a trade in value of $64,500, but Dow thinks they could possibly get $77,000 at auction. A motor grader has a trade in value of $53,000 but they could probably get $63,000 to $64,000 at auction. The auction has an 8% fee. Sprague asked if Dow thought there would ever be an increase on the trade in values; Dow stated that now the dealers are wanting to buy the equipment so there is some competition in values.

One drawback to running equipment through the auction is how it affects the vehicle replacement budget. Currently, any income received from auctioning city assets goes directly into the general fund. If the yellow iron was sold at auction instead of trading it in, there would be a shortage in the replacement budget. Dow is requesting approval to allow auction proceeds from yellow iron items be placed into the current year vehicle replacement budget.

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

Amend Parking Agreement with Interstate Parking
(Amendment to reduce management fee by $1,264 Approved)

Mark Williams stated with the recent sale of the Island Park Parking Ramp to Bell Bank, there is no longer a need for the City to have Interstate Parking manage that facility. This change requires an amendment to the current contract with Interstate Parking.

The current parking management agreement with Interstate Parking covers management of the Civic Center Ramp, GTC Ramp, Island Park Ramp, NP avenue Lot, 4th Street Lot, 3rd Street Lot, the retired Public Health Lot (C1), and the retired Police Station (C2). The monthly management fee for all of these lots is currently $27,484.00.

Interstate Parking has proposed two amendments for the existing contract. The first amendment would reduce their monthly management fee by $1,264.00 which would reduce the total fee to $26,220.00. The second amendment would reduce the snow removal cost responsibility of Interstate Parking to not exceed $40,000. Currently, Interstate Parking is responsible for the first $42,000 of snow removal costs.

Costin stated a $1,200 discount on a $27,000 contract does not seem reasonable. Williams stated staff has had extensive conversations with Interstate Parking to further understand why the management fees are not relational to the proportion of work, but extensive overhead costs are built into the management.

Costin made the motion to approve the first amendment, which is the reduction in management fees of $1,264.00, and not approve an amendment of the reduction in the snow removal cost. Piepkorn seconded and all voted in favor of the reduction in management fees.

Roll Over 2021 Capital Outlay Funds to 2022 (Brenda Derrig) - Approved

Derrig stated the Engineering Department has been working to purchase a GPS unit for construction inspections, locator, and digital level using Capital Outlay Funds. However, due to the shortage of materials, the items will not be received by the end of 2021. There is currently $40,574.74 in unspent Capital Outlay.

Last year Engineering worked with Public Works to use GPS systems to incorporate infrastructure coordinates in the GIS map as they are installed. This is above and beyond the survey crew work tasks, and last year two GPS systems were purchased with much success. Derrig would like to purchase an additional one to support new development. The locators are also of an age that repair is no longer available. The 2022 budget is approved for one locator next year and Derrig would like to add an additional one. The final item is a digital level for survey.

Derrig would like to rollover $30,000 of the 2021 Capital Outlay funds to 2022 to purchase 1 GPS Unit, 1 Locator, and 1 Digital Level.

Grubb made the motion to approve all three agenda items for Budget Carry Over. Costin seconded and all voted in favor.

2022 Budget Rollover Request (Jim Hausauer) - Approved

Hausauer stated he would like to roll over unused balances to 2022 for several Rate and Sales Tax Funded Wastewater projects to cover identified projects and possible emergency repairs for the Water Reclamation Utility. Projects and funds include:

WW2001/WW2101 Wastewater Rehab and Renewal - Sales Tax Fund 455: $336,162.39

WW2002/WW2102 Lift Station Rehab and Renewal - Sales Tax Fund 455: $177,540.75

WW2004 Effluent Force Main Improvement - Sales Tax Fund: $50,000

WW2005 Lift Station #58 (Regional South Side LS) - Sales Tax Fund 455: $100,000

WW2051/WW2151 Lift Station Large Wear Item - Rate Fund 521: $32,042.71

WW2152 Regional Maintenance/Harwood Lagoon - Rate Fund 521: $100,000

Grubb made the motion to approve all three agenda items for Budget Carry Over. Costin seconded and all voted in favor.

2021 to 2022 Budget Carry Over Requests (Troy Hall) – Approved

Water Utility staff is requesting that all active projects with available project balances be carried over from the 2021 budget to the 2022 budget. This is because the projects have not been completed and/or closed out. Since an updated report will be available in January, Hall would like to use the January information to better represent the end-of-year balances. Other than the projects listed in the report, there are no other carry-over item requests from the Water Utility for 2021 to 2022. The Water Utility projects involve both Fund 501 (Rate-Funded) and Fund 450 (Infrastructure Sales Tax).

Grubb made the motion to approve all three agenda items for Budget Carry Over. Costin seconded and all voted in favor.

Trade In Drones Approved

The Red River Valley Unmanned Aerial System Unit has acquired different pieces of equipment over the last five years to enhance operations. Two of the current drones are not being utilized due to being outdated and too expensive to update. Dirksen stated if they were to be sold on auction, they would likely get between $250 - $300, but a vendor has offered $4,500 dollars for the two drones, to be provided as credit for the purchase toward a new drone. The cost of a new drone with updated software and camera is $6,500. The team has funds available to cover the additional $2,000 needed for the purchase.

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

Fire Department Station alerting components Approved

Over the past few months, two fire stations have been experiencing issues with dispatch software recognizing that a fire truck was available for calls in station. In working with the IS Department, it appears that the signal is being prevented from reaching the fire trucks when they are parked in the building. The solution would be to install a repeater within the two stations that will boost the signal received outside of the station and broadcast it to the trucks on the building. The cost for the repeaters is approximately $5,000 each and there would be some labor and electrical costs of about $2,500/station. The total cost to fix this situation is $15,000.

Annually the Fire Department receives funding from the State Insurance Commissioner based on funds collect through the Insurance Premium Tax. In 2021, it was estimated that $765,000 would be received but actual received was $926,000. Dirksen would like $15,000 of the additional Insurance Premium Tax refund be put into Fire Capital Project Fund 475-4010-510.74.10 to cover the cost.

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

Temporary/Early Hire for Fire Department Approved

Dirksen is anticipating the retirement of two fire department employees in May of 2022. The department would like the ability to make a temporary/early offer of employment to two people for the Spring 2022 recruit class beginning February 22, 2022.

There will be no additional costs incurred to the 2022 Fire Department budget to hire temporary/early employees. The salary savings for the first seven weeks of the year, for four open positions, should cover the cost.

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

Bulk Parking Rate at Mercantile Denied

Gilmoure is recommending a bulk-parking rate for the Mercantile Apartment Building which he thinks would benefit both the City and the owners of the apartment building.

Mercantile has 100 apartment units. If 44% of tenants rent parking, month revenue at $106 per parking space will be $4,664 a month. Kilbourne Group thinks it would be easier to rent the apartments if a parking space is included with each apartment. However, we know that only about half the tenants will use the parking during the day. If a 50% discount on parking is provided, and the apartment building is required to lease 100 parking spaces at $53 a month, monthly revenue would be $5,300. This is more than if parking spaces are rented individually.

Interstate Parking will monitor parking usage of the 100 parking passes, and the rate can be adjusted in the future, or change to renting parking spaces to individual tenants.

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

Proposal for Parking Planning Services Approved

Gilmour stated he received a proposal from Walker Consultants to evaluate what type of demand there is for parking downtown now and in the future. Gilmour would rather put together the data and send to Walker Consultants and have them run the models. The study would be approximately $25,000.

Costin thinks it would be a good idea to put together something like a revenue adequacy model to show the demand and the affordability because there currently aren't any financing options unless a different revenue source is used.

Piepkorn stated it wouldn't be built for right now, more like 25 years from now, even though it has to be paid for now. Piepkorn moved to approve because the consult will help answer some of the questions regarding future parking. Sprague seconded and all voted in favor.

Draw Request on letter of credit for Cottagewood – Informational only

Sprague stated during the platting of land for the Cottagewood Development, a private storm sewer was put in and specials assessed against the lots. The developer, Craig Helenske, stopped paying the taxes and specials so they drew on the letter of credit, which doesn't happen often. The draw was approximately $276,000, which covered two projects that were levied against two lots. Sprague stated the project was done, assessed, and Helenske paid it for a couple of years. Sprague believes Helenske thought the land was not developable and quit paying.

Costin asked Brenda Derrig if there was a situation like this before; she stated there was one area north of 32nd Avenue that has since been replatted. Situations like that become problematic. Helenske was supposed to set up an HOA, which wasn't done. Derrig stated Helenske wants to enter into a maintenance agreement with the HOA and would maintain the ponds. Derrig was concerned because the building to the south encroaches into the lot, meaning decisions will need to be made on how to handle the encroachment, now that he no longer owns the land and an encroachment agreement was not recorded.

The Storm Sewer utility fees pay the special assessments and they were not aware they were going to get a $250,000 bill with no notice. Costin asked if the amount included the uncertified and delinquent certified specials; Sprague stated only on the two projects. Several smaller projects won't be collected which adds up to approximately $30,000.

Close Out Civic Center Plaza Approved

Costin stated the City Commission previously authorized work that was completed in 2019 and 2020 for the Civic Center Plaza Phase I project (BP0053). The final bills were paid in September 2020 and the project is ready to close out. Total funds expended were $2,158,513.25. Instead of bonding it, Costin is making the recommendation to use surplus CARES funds received in 2020 to fund the project, which are currently being retained in the General Fund. ARP funding was not available since these costs were incurred before the ARP legislation was passed. Budget amendments would be done to transfer funds from the General Fund to the City's Building Projects, Fund 402.

There has not been any movement of future phases of this vision in the 2022 budget. An additional funding option would be to incorporate the costs into a bond sale in conjunction with Fire Station # 8, however, this will drive up the fixed debt service costs.

Piepkorn moved to approve the transfer from surplus CARES funding and close out the project. Redlinger seconded and all voted in favor.

Joint Powers Agreement for Cass County Election Administration Services Approved

Redlinger stated the Cass County Government has prepared a draft Joint Powers Agreement (JPA) to formalize election administration services between Cass County, municipalities, park districts, and school districts. For several years, Cass County has provided election services on an informal basis to political subdivisions, and it is recommended that a Joint Powers Agreement be approved between Cass County and its partner jurisdictions to define and document the responsibilities of the entities. The proposed JPA will be utilized for future County Primary Elections, General Elections, and Special Elections.

Redlinger wanted to draw attention to a specific reference, which states: "If a City or District requires that absentee or vote-by-mail applications be sent to all potential voters, the City or District shall be responsible for all related administrative costs including but not limited to staffing costs, mileage, postage, etc". The agreement does not resolve that issue. It has yet to come back to the City Commission. The agreement is for one year because they want to try to keep the agreement on an annual basis.

The Cass County Commission approved the Joint Powers Agreement on November 15, 2021. The Finance Committee is asked to consider the JPA and recommend approval to the City Commission at its December 27, 2021 meeting.

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

Baker Tilly Executive Search Services Approved

Redlinger stated they are currently recruiting for the Finance Director vacancy but have had a challenging search and not seen many applicants. Baker Tilly's proposal is to provide assistance with recruitment, broaden the search pool, and get access to more candidates. They are trying to help the political subdivision recruit and create appeal for the Fargo position, which is a very big job.

There was discussion on also looking for an Assistant Finance Director. Costin stated our current structure is atypical when comparing the City of Fargo size to another City similar in size. Piepkorn thinks the Assistant Finance Director position should be brought to Baker Tilly just to get their perspective on it.

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

Update on lease agreement with Metro Flood Diversion Authority – Informational Only

Mike Redlinger received a written request from the Diversion Authority to hold-over the existing Civic Center office lease with the City of Fargo for January and February 2022. The City will consider this extension for two months to be consistent with a "hold-over" of the lease between the landlord and tenant under the same terms and conditions.

Employee Year-End Discussion – Option Approved

Jill Minette was asked to review the option of a potential bonus for employees and the understanding was the goal was $1,000 for full time employees. If a bonus was applied it would be to all employment categories that fall under the official pay plan it excludes positions not covered under the official pay plan. It would also be based off the status of the employee as of 12/31.

One proposal is $1,000 for all full time 40 hour a week employees, down to $750 for those in the 30 – 39 hours a week, and $500 for the 20 – 29 hours a week employees. Another option is to build up the bonus approximately 25% so taxes are covered and the full time employees would be left with a $1,000 bonus.

Minette stated they need to be aware of what the bonus is called and what the purpose is. A retention bonus is considered non-discretionary and is subject to being a part of the overtime calculation, which would present some issues given the limitations of the payroll system. Piepkorn stated it isn't a retention or performance bonus, he considers it an appreciation bonus. Costin stated the system has been configured to pay on 12/26 as a part of normal payroll as they do not want to push it in on the last day of the year.

Piepkorn made the motion to approve. Mahoney stated the Finance Committee supports the first option and all were in favor.

Purchase Spartan Fire Pumper Truck Approved

A cost evaluation process was started in spring 2021 for the purchase of a new 2022 Fire Pump Truck. Multiple vendors were contacted and proposals evaluated. It was determined that refurbishing one of the current pump trucks along with utilizing a purchasing consortium was the best solution for the purchase. The Sourcewell Cooperative Purchasing agency has contract number 022818-SPR (Fire Fighting Apparatus) available that meets all of the City of Fargo purchasing guidelines.

The review committee, consisting of Chief Dirksen, Lee Soeth and Tanner Smedshammer, determined this option and proposal met the specifications required of the Fire Department and the recommendation is to purchase from Spartan ERV (SPR) using the Sourcewell Buying contract. Funding for this project is included in the 2022 Vehicle Replacement Budget.

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

Other Items

Attorney Agreements for 12/13 City Commission Meeting (Approved via Email)

Mike Redlinger sent two final agreements with the Serkland Law Firm (Civil & Prosecutorial Legal Services) and Erik R. Johnson & Associates, Ltd. (Co-Counsel Services). The City Commission approved the Serkland Law Firm legal services proposals on November 29, 2021. The Finance Committee is requested to approve final agreements with Serkland and Erik Johnson. The agreement terms are consistent with the Serkland Law Firm Request for Proposals (RFP) submittals of November 5, 2021.

Following electronic approval by the Finance Committee, the City Commission will consider and approve the agreements on December 13, 2021 (Consent Agenda). Approval on this date will provide the Serkland Law Firm and Erik's current employees additional time to complete transition activities, including securing insurance, approving employment contracts, and other administrative tasks in support of the transition. The outcome of the Finance Committee vote will be reported in a Report of Action to the City Commission.

Bruce Grubb made the motion to approve. Sprague seconded the motion; Mahoney approved and Redlinger approved.

Restructure of IS Department (Approved by PEC and via Email)

Gronneberg stated due to Dave Hokstad leaving and the growing demands on the Desktop Services and Business Services teams, he would like to separate out the leadership. He updated the Addendum section of the IS Manager Position description to reflect separate positions for each team; the core IS Manager duties were not changed. With the changes, there will be two positions within the IS staff that would be promoted to management position. The IS Manager-Business Services promotion would cost $4k to implement and the IS Manager-Public Safety has been approved by RRRDC and is fully funded by them. PEC approved the reclass for both positions.

Sprague moved to approve. Also approved via email by Bruce Grubb and Mike Redlinger.