

BOARD OF CITY COMMISSIONERS
Fargo, North Dakota

Regular Meeting: Monday: September 21, 2009:

The Regular Meeting of the Board of City Commissioners of the City of Fargo, North Dakota, was held in the City Commission Room at City Hall at 5:00 o'clock p.m., Monday, September 21, 2009.

The Commissioners present or absent were as shown following:

Present: Mahoney, Piepkorn, Williams, Walaker.

Absent: Wimmer.

Mayor Walaker presiding.

Order of Agenda Approved:

Commissioner Mahoney moved the Order of the Agenda be approved.

Second by Piepkorn. All the Commissioners present voted aye and the motion was declared carried.

Minutes Approved:

Commissioner Mahoney moved that the Minutes of the Regular Meeting of the Board held on September 8, 2009 be approved as read.

Second by Williams. All the Commissioners present voted aye and the motion was declared carried.

Consent Agenda Approved:

Commissioner Mahoney moved the Consent Agenda be approved as follows:

- a. Receive and file Ordinance Amending Section 25-1509.C and Section 25-1515 of Article 25-15 of Chapter 25 of the Fargo Municipal Code Relating to Alcoholic Beverages (allowing persons under 18 years of age to serve alcohol in a restaurant).
- b. 2nd reading, waive reading and final adoption of an Ordinance Relating to Waste, Yardwaste, Ashes and Other Waste – Removal and Disposal Of; 1st reading, 9/8/09.
- c. Receive and file Year to Date – Budget to Actual Report for August 2009.
- d. Acceptance of a 2009 Emergency Shelter Grant allocation in the amount of \$12,666.67 from the State Department of Commerce to assist with operations at the Gladys Ray Shelter (CFDA #14.231).
- e. Health Department budget adjustments and contract with the North Dakota Tobacco Prevention and Control Executive Committee (Contract #G09-08).

- f. Contract amendment with the North Dakota Department of Health for the Women's Way Program (CFDA #93.919).
- g. Health Department budget adjustments and contract with the North Dakota Department of Health for the Tobacco Prevention and Control Program (Contract #G09-35).
- h. Contract with the North Dakota Department of Health for the WIC Program (CFDA #10.557).
- i. Applications for property tax exemptions for improvements made to buildings:
 - (1) Ronald Holmquist, 306 28th Avenue North (5 years).
 - (2) Mark and Wendy Breitbach, 1133 1st Street North (5 years).
 - (3) David and Mary Johnson, 3407 Birdie Street North (3 years).
 - (4) KNS Properties, LLC, Kurt Kollman, 2800 Main Avenue (3 years).
- j. Expenditure of CDBG-R funds for the acquisition of 1517 1st Avenue South for \$70,000.
- k. Acceptance of bid from Industrial Builders in the amount of \$454,969 for demolition of the US Bank Parking Ramp and a portion of the skyway and installation of an asphalt parking lot; authorization for staff to develop agreement for pre/post-condition survey and seismic monitoring.
- l. Plat of Amber Valley Eighth Addition.
- m. Site Authorization for Metro Sports Foundation, Inc. at the Urban Plains Center.
- n. Applications for Games of Chance:
 - (1) Friends of Flynn for a raffle on 10/9/09; Public Spirited Resolution.
 - (2) Centennial Elementary PTA for bingo from 10/2/09 through 5/27/10.
 - (3) NDSU Student Dietetic Association for a raffle on 10/8/09.
 - (4) NDSU Intercollegiate Bowling Team for a raffle on 10/12/09.
 - (5) The Village Family Service Center for a raffle on 11/13/09.
 - (6) American Red Cross – Minn-Kota Chapter for a raffle on 10/23/09.
- o. Bid award for replacement of the cooling tower on top of the Police station to Accel Mechanical, LLC in the amount of \$43,863.00.
- p. Change Order No. CO 01 for an increase of \$1,030.00 for the GTC deck repair work project.
- q. Contract with Protech Contracting Services, Inc. for interior painting of the GTC.
- r. Change Order No. 1 for an increase of \$2,000.00 for interior painting of the GTC.

- s. Contract with MBA for the Ground Transportation Terminal remodel.
- t. Cost Participation Agreement with the North Dakota State Water Commission for Fargo flood control.
- u. Contract Amendment in the amount of \$74,500 for construction engineering services for Project No. 5881.
- v. Bid award for Project No. 5860 to Key Contracting in the amount of \$79,508.50.
- w. Bid advertisement for Project Nos. 5897-2 and 5902.
- x. Contracts and bonds for Project Nos. 5874 and 5901.
- y. Bills in the amount of \$8,227,411.61.

Second by Williams. On call of the roll Commissioners Mahoney, Williams, Piepkorn and Walaker voted aye.

Absent and not voting: Commissioner Wimmer.

The motion was declared carried.

Final Balancing Change Order No. 1 for Improvement District No. 5783 Approved:

Commissioner Mahoney moved approval of Final Balancing Change Order No. 1 for an increase of \$106,336.42 for Improvement District No. 5783.

Second by Williams. On call of the roll Commissioners Mahoney, Williams, Piepkorn and Walaker voted aye.

Absent and not voting: Commissioner Wimmer.

The motion was declared carried.

Final Balancing Change Order No. 1 for Improvement District No. 5838 Approved:

Commissioner Mahoney moved approval of Final Balancing Change Order No. 1 for an increase of \$4,820.00 for Improvement District No. 5838.

Second by Williams. On call of the roll Commissioners Mahoney, Williams, Piepkorn and Walaker voted aye.

Absent and not voting: Commissioner Wimmer.

The motion was declared carried.

Final Balancing Change Order No. 1 for Improvement District No. 5859 Approved:

Commissioner Mahoney moved approval of Final Balancing Change Order No. 1 for an increase of \$3,730.08 for Improvement District No. 5859.

Second by Williams. On call of the roll Commissioners Mahoney, Williams, Piepkorn and Walaker voted aye.

Absent and not voting: Commissioner Wimmer.

The motion was declared carried.

Final Balancing Change Order No. 1 for Improvement District No. 5866 Approved:

Commissioner Mahoney moved approval of Final Balancing Change Order No. 1 for an increase of \$1,097.35 for Improvement District No. 5866.

Second by Williams. On call of the roll Commissioners Mahoney, Williams, Piepkorn and Walaker voted aye.

Absent and not voting: Commissioner Wimmer.

The motion was declared carried.

Drain 27 Drain Improvement, Flood Protection and Incidentals Improvement District No. 5903 (Drain 27 from 52nd to 64th Avenues South):

Commissioner Mahoney moved the following action be taken in connection with Drain 27 Drain Improvement, Flood Protection and Incidentals Improvement District No. 5903:

Adopt Resolution Creating Improvement District No. 5903:

WHEREAS, The Board of City Commissioners of the City of Fargo, North Dakota, deems it expedient that Improvement District No. 5903 in the City of Fargo, North Dakota, be created

On Drain 27 from 52nd Avenue South to 64th Avenue South.

COMPRISING:

Lots 1 through 4, inclusive, Block 1.
All in Dakota Plaza Addition.

Lots 2 through 8, inclusive, Block 1.
Lots 1 through 2, inclusive, Block 2.
All in Austin's Subdivision.

Lots 1 through 2, inclusive, Block 1.
All in LL & L Subdivision.

Lots 1 through 2, inclusive, Block 1.
All in Currier Trust Subdivision.

Lots 1 through 3, inclusive, Block 1.
All in Dittmer Subdivision.

Lots 1 through 4, inclusive, Block 1.
All in Ken's Subdivision.

Lots 1 through 4, inclusive, Block 1.
All in Richard's Subdivision.

Lots 1 through 2, inclusive, Block 1.
Lot 1, inclusive, Block 3.
Lots 1 through 3, inclusive, Block 5.
Lot 1, inclusive, Block 6.
All in District of Fargo.

Lots 1 through 2, inclusive, Block 1.
Lots 1 through 2, inclusive, Block 2.
All in the District of Fargo 2nd Addition.

All unplatted tracts of land within the City of Fargo in:
Section 3, Township 138 Range 49.
Section 4, Township 138 Range 49.
Section 5, Township 138 Range 49.

All of the foregoing is located in the City of Fargo, Cass County, North Dakota.

NOW, THEREFORE, BE IT RESOLVED, That Drain 27 Drain Improvement, Flood Protection and Incidentals Improvement District No. 5903 in the City of Fargo, North Dakota, be and the same is hereby created.

Request Report and Estimate of Cost From the City Engineer for Improvement District No. 5903:

Direct City Engineer to report as to the general nature, purpose and feasibility relative to the construction of Improvement District No. 5903 in the City of Fargo, North Dakota; as well as an estimate of the approximate cost of said construction. (The Engineer's estimate of cost is \$1,455,785.00)

Order Plans and Specifications for Improvement District No. 5903:

Direct City Engineer to prepare Plans and Specifications for the construction of Improvement District No. 5903 in the City of Fargo, North Dakota.

Adopt Resolution Approving Plans and Specifications and Engineer's Report for Improvement District No. 5903:

WHEREAS, The Board of City Commissioners of the City of Fargo, North Dakota, has created Improvement District No. 5903 in the City of Fargo, North Dakota, as required by law; and

WHEREAS, Plans and Specifications and the Engineer's Report prepared by the City Engineer, have been considered.

NOW, THEREFORE, BE IT RESOLVED, That the Plans and Specifications and Engineer's Report for the construction of Improvement District No. 5903, in the City of Fargo, North Dakota, be and the same are hereby approved and ordered filed in the Office of the City Auditor.

Direct City Auditor's Office to Call for Bids for Improvement District No. 5903:

Direct City Auditor's Office to publish a Notice, as required by law, calling for bids for the construction of Improvement District No. 5903 in the City of Fargo, North Dakota.

Second by Williams. On call of the roll Commissioners Mahoney, Williams, Piepkorn and Walaker voted aye.

Absent and not voting: Commissioner Wimmer.

The motion was declared carried.

Resolution Adopted Approving a Two-Year Tax Exemption for New Homes Started After the 2008 Taxable Year Allowing for the Full Exemption of up to \$150,000 of Building Value for the First Owner After the Builder Who Occupies the Residence:

The Board received a communication from Ben Hushka, City Assessor and Member of the Tax Exempt Review Committee, stating the Tax Exempt Review Committee met to discuss new legislation relating to the exemption of new residences available to the first owner after the builder. Mr. Hushka said new legislation provides for an exemption of up to \$150,000 of building value for new residences, condominiums and townhouses to the first owner for the two taxable years after completion of construction and occupancy for the first time. Mr. Hushka stated that there have been discussions and dialog with representatives of the FM Home Builders Association. Based on those discussions, he said, the Tax Exempt Review Committee recommends adopting the resolution which grants the new residence exemption authorized under N.D.C.C. 57-02-08(35) according to the following conditions:

1. Special assessments and taxes on the property are not delinquent.
2. Exemption of up to \$150,000 of building value.
3. Term is for two taxable years after completion, first ownership after the builder and occupancy.
4. Home must be occupied by the owner.
5. Construction began after the 2008 taxable year.

In response to a question from Commissioner Williams about whether or not the Tax Review Committee had considered targeting geographic areas with these incentives, Mr. Hushka stated that has not been brought up for about five years.

Commissioner Williams stated there are opportunities here to target these incentives geographically to grant the exemption in the most desirable growth areas. He said the Renaissance Zone and the City's neighborhood revitalization initiative are targeted incentives with boundaries determined by the City Commission. He said targeting an area does not require someone to locate in a particular area, but simply incents them to build in areas that have existing infrastructure such as transit, streets, etc. He said there is an opportunity to determine where growth will occur as the City expands that would be most beneficial in using current resources. The better the City does with that, he said, the more attractive Fargo will be and the more competitive it will be with its neighbors.

John Gunkelman, President of the North Dakota Association of Builders, said they worked hard to get this incentive passed through the State Legislature and bring it up to today's standards. He said as far as targeting certain areas of the City for the incentive program, it would be very difficult to know what builders would be eligible for the program and which ones would not.

Commissioner Piepkorn offered the following Resolution and moved its adoption:

WHEREAS, Section 57-02-08(35) of the North Dakota Century Code provides for the exemption of up to one hundred fifty thousand dollars(\$150,000.00) of the true and full value of all new single-family and condominium and townhouse residential property, exclusive of the land on which it is situated, from taxation for the two taxable years after the taxable year in which construction is completed and the residence is owned and occupied for the first time if all of certain enumerated conditions are met; and

WHEREAS, The exemption is to be implemented by resolution of the Board of City Commissioners; and

WHEREAS, The Board of City Commissioners has the authority to limit or impose conditions upon the exemption pursuant to state law; and

WHEREAS, The Board of City Commissioners of the City of Fargo, North Dakota, deems it to be in the best interests of the City to implement the authority granted in order to provide an incentive for the construction of new dwelling units in the community.

NOW, THEREFORE, BE IT RESOLVED by the Board of City Commissioners of the City of Fargo that up to one hundred fifty thousand dollars (\$150,000.00) of the true and full value of all new single-family, condominium and townhouse residential property, exclusive of the land on which it is situated, shall be exempt from taxation for two taxable years after the taxable year in which construction is completed and the residence is occupied for the first time if the following conditions are met:

- a) Special assessments and taxes on the property upon which the residence is situated are not delinquent.
- b) The residence must be occupied by the owner.
- c) Construction began after the 2008 taxable year.

BE IT FURTHER RESOLVED, That this resolution shall be effective for taxable years beginning after December 31, 2008.

Second by Mahoney. On the vote being taken on the question of the adoption of the Resolution Commissioners Piepkorn, Mahoney and Walaker voted aye.

Commissioner Williams voted nay.

Absent and not voting: Commissioner Wimmer.

The Resolution was adopted.

Application Filed by Pedigree Technologies, LLC for a Five Year Property Tax Exemption Approved:

A Hearing had been set for this day and hour on an application filed by Pedigree Technologies, LLC for a five year property tax exemption for an expansion to their operation at 1810 NDSU Research Circle North which the applicant will use to develop computer software to be combined with electronic sensors.

No written protests have been filed for the attention of the Board.

Carl Hanson, Pedigree Technologies, LLC Accounting Specialist, said they have been in business since 2003 and are currently working on a five-year contract with the DOT. As of last April, he said, they have gone live with a commercial product that combines both asset management and tracking for any commercial sector business. He stated businesses that they are targeting are fleet services, C-stores, bulk tank sites and cryogenic industries. If there is a sensor for it they can integrate it into a software system and make it web active, he said. Half of his researchers are local NDSU graduates, he said, and they have also hired interns from NDSU for development.

The Board determined that no person is present at this Hearing to protest or offer objection thereto.

Commissioner Piepkorn moved that the application filed by Pedigree Technologies, LLC for a five year 100% property tax exemption pursuant to Chapter 40-57.1, NDCC be approved.

Second by Mahoney. On call of the roll Commissioners Piepkorn, Mahoney, Williams and Walaker voted aye.

Absent and not voting: Commissioner Wimmer.
The motion was declared carried.

Application Filed by Copperfields Coffee, Inc. d/b/a Atomic Coffee for an Alcoholic Beverage License Approved:

A Hearing had been set for this day and hour on the application filed by Copperfields Coffee, Inc. d/b/a Atomic Coffee for a Class "GH" Alcoholic Beverage License at 222 Broadway, Unit 1, notice of which had been duly published in the official newspaper for the City of Fargo.

No written protest or objection to the granting of the application has been received or filed in the office of the City Auditor, and said application has been approved by the Police Department as to the character of the applicant.

The Board determined that no person is present at this Hearing to protest or offer objection to the granting of the application.

Commissioner Piepkorn moved the application be approved.

Second by Williams. On call of the roll Commissioners Piepkorn, Williams, Mahoney and Walaker voted aye.

Absent and not voting: Commissioner Wimmer.
The motion was declared carried.

Parcels of Land in Prairie Grove First Addition Rezoned (5323 through 5369 27th Street South):

At a Hearing held on August 12, 2009 the Fargo Planning Commission recommended approval of a Zone Map Correction (Zoning Change) from LC, Limited Commercial to MR-3, Multi-Dwelling on Lot 3, Block 1, Prairie Grove First Addition.

The City Auditor's Office published a Notice of Hearing stating this is the time and date set for said Hearing at which time all interested persons could appear and would be heard.

Commissioner Williams offered the following Resolution and moved its adoption:

WHEREAS, All legal requirements in connection with the above-described request for rezoning have been complied with; and

WHEREAS, There have been no written or verbal protests to the request for rezoning and no one is present to protest thereto.

NOW, THEREFORE, BE IT RESOLVED, That the findings of staff be accepted and the zone map correction be approved on the basis that the proposal satisfactorily complies with the Comprehensive Plan, Standards of Section 20-0906.F (1-4) and all other applicable requirements of the LDC.

Second by Piepkorn. On the vote being taken on the question of the adoption of the Resolution Commissioners Williams, Piepkorn, Mahoney and Walaker voted aye.

Absent and not voting: Commissioner Wimmer.
The Resolution was adopted.

First Reading of an Ordinance Rezoning Certain Parcels of Land Lying in Prairie Grove First Addition to the City of Fargo:

Commissioner Williams moved the requirement relating to receipt of the Ordinance by the Commission one week prior to first reading be waived and that the

Ordinance Rezoning Certain Parcels of Land Lying in Prairie Grove First Addition to the City of Fargo be placed on first reading.

Second by Piepkorn. On call of the roll Commissioners Williams, Piepkorn, Mahoney and Walaker voted aye.

Absent and not voting: Commissioner Wimmer.

The motion was declared carried.

Tax Levies for the Budget Year Beginning January 1, 2010 and Ending December 31, 2010 Approved:

The City Auditor's Office published a Notice of Hearing stating this is the time and date set for a Hearing on the 2010 Budget at which time all interested persons could appear and would be heard.

In response to a question from Commissioner Mahoney regarding whether or not other companies across the country are giving cost of living increases, Kent Costin, Director of Finance, stated that he is not sure about around the country, but locally there have been some companies that are giving cost of living increases.

Mayor Walaker stated that most of those companies do not have a \$2.5 million deficit, so they are able to give increases. He said the City needs to stay within a lean budget until more is known about the future economy.

Commissioner Mahoney said he would like to see the Commission look at the budget again in six months to determine if it would be feasible to give a cost of living increase at that time.

Commissioner Piepkorn moved the Commission re-evaluate the budget in six months to determine if a cost of living increase can be given to all employees and that the 12-month budget beginning January 1, 2010 and ending December 31, 2010 be approved as follows:

General Fund	\$68,842,653
--------------	--------------

Special Revenue Funds:

City Share of Special Assessments	\$850,000
Noxious Weeds	50,000
Emergency 911	1,729,228
Outdoor Warning	75,000
Convention Bureau	1,650,000
Regional Law Enforcement Training Center	98,850
Transit Capital Escrow	20,000
Court Forfeits	215,000
Broadway Mall Maintenance	50,000
Skyway Maintenance	85,000
Winter Lights Maintenance	23,000
Neighborhood Revitalization Initiatives (NRI)	138,645
Community Development Block Grants	682,279
HOME Program	30,000
Neighborhood Stabilization Grant	4,000,000
HOME Projects	594,025
Parking Authority Operations	1,443,662
Parking Repair and Replacement	12,500
Revenue Stabilization	400,000

City Building Repair Escrow	94,751
City Vehicle Reserve	1,500,000
Computer Replacement	20,000
Civic Memorial Auditorium Capital	50,000
Newman Outdoor Stadium	185,000
Total Special Revenue Fund Expenditures	\$13,996,940
Debt Service Fund Expenditures	\$57,296,877
Enterprise Funds:	
Water	\$18,765,817
Water Revenue Bond	3,972,693
Wastewater	11,084,807
Southeast Cass Sewer	50,000
Storm Sewer	1,481,655
Vector Control	607,152
Street Lighting	1,728,728
Solid Waste	11,583,655
Forestry	1,572,721
Total Enterprise Fund Expenses	\$50,850,228
Internal Service Funds:	
Health Insurance	\$6,217,000
Total Internal Service Fund Expenses	\$6,217,000
Airport Authority:	
Operations & Maintenance	\$3,458,786
Airport Construction	3,757,310
Passenger Facility Surcharge (PFC)	1,150,000
PFC Bond Fund	1,423,252
Total Airport Authority Expenses	\$9,789,348
FargoDome:	
Operations	\$3,431,445
Sales Tax Surplus	50,000
Building Capital	1,109,500
Total FargoDome	\$4,590,945
Convention Bureau:	
Operations	\$1,284,570
Restricted Capital	496,200
Total Convention Bureau	\$1,780,770
Grand Total - All Funds	\$213,364,761
Preliminary Tax Levies Are:	
General Fund	53.32
City Share of Special Improvements	2.83
Noxious Weeds	.10

Airport Construction	2.00
Total Proposed Mills to be Levied for 2010 Budget	58.25

Second by Williams. On call of the roll Commissioners Piepkorn, Williams, Mahoney and Walaker voted aye.

Absent and not voting: Commissioner Wimmer.

The motion was declared carried.

Resolution Adopted Approving a Tax Exemption for New Homes Started after the 2008 Taxable Year, Allowing for the Exemption of Up To \$150,000 of Building Value For Up To Five Unoccupied Homes Owned by the Builder:

The Board received a communication from Ben Hushka, City Assessor and Member of the Tax Exempt Review Committee, stating the Tax Exempt Review Committee met to discuss new legislation relating to the exemption of new residences available to the builder. N.D.C.C. 57-02-08(42), he said, provides for an exemption of the building value for new residences to the builder for the taxable year construction began and the next two taxable years, on no more than ten properties, if they remain owned by the builder and are unoccupied. The Tax Exempt Review Committee, he said, has had several meetings including discussion and dialog with representatives of the Home Builders Association of Fargo-Moorhead. He stated based on that, the Tax Exempt Review Committee recommends adopting the resolution which grants the new residence exemption authorized under N.D.C.C. 57-02-08(42) according to the following conditions:

1. Special assessments and taxes on the property are not delinquent.
2. Exemption of up to \$150,000 of building value.
3. Maximum term is for the taxable year construction began and the next one taxable year.
4. Home must be owned by the builder and remain unoccupied.
5. A builder is eligible for the exemption on no more than five properties in a taxable year.
6. Construction began after the 2008 taxable year.

Commissioner Williams asked whether or not the Tax Exempt Review Committee has considered looking at all properties that a builder owns to make sure they are not delinquent on their taxes or special assessments to be eligible for the incentive.

Mr. Hushka stated that is certainly something the City Commission can impose; however, it is not something that is currently being done.

Commissioner Piepkorn offered the following Resolution and moved its adoption:

WHEREAS, Section 57-02-08(42) of the North Dakota Century Code provides for the exemption of all new single-family residential property, exclusive of the land on which it is situated, from taxation for the taxable year in which construction began and the next two taxable years, on no more than ten properties if the properties remain owned by the builder, remain unoccupied and if all of certain enumerated conditions are met; and

WHEREAS, The exemption is to be implemented by resolution of the Board of City Commissioners; and

WHEREAS, The Board of City Commissioners has the authority to limit or impose conditions upon the exemption pursuant to state law; and

WHEREAS, The Board of City Commissioners of the City of Fargo, North Dakota, deems it to be in the best interests of the City to implement the authority granted in order to provide an incentive for the construction of new dwelling units in the community.

NOW, THEREFORE, BE IT RESOLVED by the Board of City Commissioners of the City of Fargo that up to one hundred fifty thousand dollars (\$150,000.00) of the true and full value of all new single-family, residential property, exclusive of the land on which it is situated, shall be exempt from taxation for the taxable year in which construction began and the next one taxable year if the property remains owned by the builder, remains unoccupied, and all of the following conditions are met:

- a) Special assessments and taxes on the property upon which the residence is situated are not delinquent.
- b) A builder is eligible for exemption of no more than five properties in a taxable year.
- c) Construction began after the 2008 taxable year.

BE IT FURTHER RESOLVED, That this Resolution shall be effective for taxable years beginning after December 31, 2008.

Second by Mahoney. Commissioner Williams stated he would not repeat his concerns, but feels the City should target these incentives.

On the vote being taken on the question of the adoption of the Resolution Commissioners Piepkorn, Mahoney and Walaker voted aye.

Commissioner Williams voted nay.

Absent and not voting: Commissioner Wimmer.

The Resolution was adopted.

Recommendation from the Finance Committee to Authorize the Issuance of \$28,120,000 of Sales Tax Revenue Bonds for Flood Control Project Funding Approved:

The Board received a communication from the Finance Committee stating they met on September 15, 2009 to consider the scope and sizing of a bond financing plan for flood control projects in the near term and into next year. At the City Commission meeting on August 10th, they said, approval was granted to proceed with a flood buyout policy and authorization to issue \$10 million of sales tax revenue bonds for this purpose. Since that time, they said, flood control projects that could be started this fall or early spring have been identified and there is a need for resources to enable these projects to be constructed as soon as possible. They recommended the bond issue size be raised from the current \$10 million that is dedicated to Phase I of the flood buyout program funding to \$25 million to provide the financial resources for these projects in 2010. The City Engineer, they said, has highlighted plans, locations and scope of these additional projects. They stated they are also recommending that the bonds be paid off over a five year period to allow for a combination of pay as we go and future bond financing. This structure, they said, will preserve future bond capacity for the Army Corps Metro Study flood option which is forthcoming. Revenue coverage levels, they said, are set at 125% of the annual debt service and also include a required debt service reserve fund.

Director of Finance Kent Costin stated he received a phone call today from the press wondering why \$28 million in bonds are being issued when only \$25 million are being returned on the net proceeds of the sale. He stated the bond holder takes \$2.8 million as a reserve in the case that there is a sales tax revenue decline.

Commissioner Mahoney moved the issuance of \$28,120,000 of sales tax revenue bonds for flood control project funding be authorized, setting the amortization of debt over a five year repayment term.

Second by Piepkorn. On call of the roll Commissioners Mahoney, Piepkorn, Williams and Walaker voted aye.

Absent and not voting: Commissioner Wimmer.

The motion was declared carried.

Commissioner Piepkorn moved that the Board adjourn to 5:00 o'clock p.m., Monday, October 5, 2009.

Second by Mahoney. All the Commissioners present voted aye and the motion was declared carried.

The time at adjournment was 5:59 o'clock p.m.