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FINANCE COMMITTEE MEETING
MINUTES

Regular Meeting: **Monday, May 22, 2023**

The Regular Meeting of the Finance Committee of the City of Fargo, North Dakota, was held in the Meadowlark Room at City Hall at 10:00 a.m., Monday, May 22, 2023.

The Finance Committee Members present or absent were as follows:

Present: Timothy Mahoney, Dave Piepkorn, Michael Redlinger, Steve Sprague and Tanner Smedshammer.

Absent: None.

Others Present: Melissa Perala, Jan Eliassen, Jordan Beyer, Ben Dow, Kevin Gorder, Brenda Derrig, Dan Eberhardt, Doug Durgin, Nathan Boerboom, Bekki Majerus, Chief Zibolski, AC Stefonowicz, Nancy Morris, Denise Kolpack, Jordan Corneliusen and Jill Pagel.

Approval of Minutes

Mr. Piepkorn moved the minutes of the April 24, 2023 Finance Committee meeting be approved as presented. Second by Mr. Sprague. All Members present voted aye and the motion was declared carried.

Consent Agenda

Sole Source and PBC items Approved:

Two requests were approved to include Tech Sales and Johnson Controls.

Mr. Sprague moved to approve, second by Mr. Redlinger and all members present voted in favor.

Regular Agenda

Budget Adjustment Request Approved:

Ms. Perala summarized two budget adjustment requests. The first request is an adjustment for the nursing staff with the Cass County Jail contract increasing salaries by 10 percent. A budget adjustment of $38,584.44 reflects current salaries of staff, which will be 100 percent reimbursed by Cass County but needs to be reflected in the Health Department budget numbers.

The second request is for expenses for essential services for the Harm Reduction division. Ms. Eliassen spoke of the growth in the responsibilities of the Downtown Engagement Center. She stated staffing challenges of recruitment and scheduling of

existing programs with an increase of overtime hours of 6 staff members for which she does not see overtime going away.

Mr. Redlinger asked where the funds would come from. Ms. Perala's response was that they don't have direct funding but have just learned that Health will be receiving $374,000 increased state aid so the 2023 increase will amount to around $178,000. It is General State Aid funding and at this point has not been designated for anything in particular. This will at least offset the General Fund expenses for 2023 as they don't start a new program with this funding. Most of Harm Reduction is funded by the General Fund.

Mr. Sprague moved to approve the adjustment for the increase in the jail staff contract but had some hesitation with parts of the second request. He stated he had a concern with the long-term goal for staffing in 2024 but did move to approve. Mr. Redlinger made the second and all members present voted in favor.

Compass Minerals Salt Contract Extension Approved:

Mr. Dow explained that the RFP for 3,000 tons of bulk highway salt that is done this past year included an option for a maximum of two additional years. The total contract cost was $338,940.00, through negotiation with the vendor, the proposed contract price will increase to $354,090.00 for 2023/2024 season. If approved the one-year extended contract will be with an increase of $15,150.00.

Mr. Piepkorn moved to approve, second by Mr. Sprague and all members present voted in favor.

Funding for Demolition of City Owned Building Approved:

With the help of KLJ, Public Works and Solid Waste is working on a Campus Master Plan to have operations within one single campus. KLJ has identified four properties that would need to be purchased in order to accommodate Solid Waste into the campus.

In March of 2022 the old Monarch Photo Building was available for purchase with plans for the building to be demolished in the future. Based on the deteriorating condition of the building and recent concerns with people setting up residence in the building, a request is being made to move forward with the demolition. Funding for the demo was not included in the 2023 budget, but there may be the possibility to assess the cost against the property.

Mr. Piepkorn asked if it can be assessed if the City owns the property. Mr. Sprague replied that utilizing the nuisance abatement we can but only assess the property for one year. The question was raised if city staff could complete the demo and the response was that asbestos is involved, so this would not be an option.

Mr. Piepkorn moved to approve only if the property could be assessed as a nuisance abatement. Second by Mr. Redlinger and all members present voted in favor.

City Participation in Graver Alley overhead power burial Approved:

Mr. Gorder received a request from Kilbourne in March for assistance with the cost of burying the overhead power line on Graver Alley. When the Kesler Building was built, Kilbourne set their building back about 12.5' for clearance of the powerline. After construction started, Xcel notified Kilbourne that the overhead power had to be removed. The Kesler project thus incurred an additional $209,548 in costs. Kilbourne has asked the City to split this cost.

The City Engineer and Kilbourne sat down and discussed four possible options. Option 4 was agreed to by both parties. The cost share for the City will be $104,774.36.

Piepkorn moved to approve, second by Redlinger and all members present voted in favor.

Request for Deferment of Special Assessment for the Bruce Brand and Elwood Brand farmsteads Approved:

Mr. Eberhardt gave a background of the annexation plat in process with Eagle Ridge Development on 19th Avenue North and 57th Street North. The plat excludes the Brand Farmsteads. Bruce and Elwood Brand have agreed to be annexed but are requesting a deferral of special assessment as part of the annexation process.

If a deferral is not approved, they will wait for the annexation at this time. Ms. Derrig says it is a benefit for the City to agree to the deferral. Mr. Sprague asked if all of the farmstead, including the trucking area, is part of the request as it is not depicted in the attached picture. Mr. Eberhard confirmed that all the property is included.

Sprague moved to approve, second by Piepkorn and all members present voted in favor.

Request for Deferment of Special Assessment for the North Fargo Land, LLC and ARD Properties, LLC Approved:

Mr. Boerboom spoke on behalf of the Engineering Department in regard to the design for the expansion of the water distribution system along the northern edge of City limits. This project is scheduled to receive bids on June 7, 2023. This schedule is critical to take action on a grant application for a cost share with the North Dakota Water Commission.

One area in this project that the city does not have land rights to is the property owned by North Fargo Land, LLC and ARD Properties, LLC. The City has approved both parties to grant the City an easement for the installation of the water main. The owners

have tentatively agreed to grant these easements if the City is willing to grant the deferral request.

Mr. Piepkorn asked if this would be consistent with how the City has treated other situations and Mr. Boerboom shared that yes, this would be similar to the Bob Nelson situation.

Sprague moved to approve, second by Redlinger and all members present voted in favor.

Allocate Additional Funds for Ballistic Glass project Approved:

Ms. Majerus is requesting the remaining $100,000 ARP funding that was allocated to the Ballistic Glass project at the Fargo Police Department Headquarters. In additional she is asking for $129,375 to be moved from approved Capital Project funds to complete additional windows at the Police Department.

Mr. Redlinger asked where the funds to be reallocated would have been directed to, if not on this project. Her response was to do some updates at the Public Safety Building or the Media Room and possibly the Gladys Ray parking lot.

Mr. Piepkorn asked for clarification of the original plan and what windows would be included in this additional plan. AC Stefonowicz explained that only the west facing, front of the building was in the original request, but now with additional funding it makes sense to do all windows on first floor of the building the same time as the west windows.

Mr. Majerus re-emphasized that with Impact Security, the City is getting a cost savings, but the price will be going up soon if we don’t approve the funding.

Redlinger moved to approve, second by Smedshammer and all member present voted in favor.

Adjourn
The time at adjournment was 10:36 a.m.