

**FLOOD DIVERSION FINANCE COMMITTEE
JANUARY 25, 2017—4:00 PM**

1. MEETING TO ORDER

A meeting of the Flood Diversion Finance Committee was held on Wednesday, January 25, 2017, at 4:00 PM in the Fargo City Commission Chambers, Fargo City Hall, with the following present: Fargo Finance Director Kent Costin; Fargo City Commissioner Tony Gehrig; Fargo City Commissioner Tony Grindberg; Moorhead City Councilman Chuck Hendrickson; Clay County Auditor/Treasurer Lori Johnson; Cass County Joint Water Resource District Vice Chairman Rodger Olson; Fargo City Assistant Administrator Mike Redlinger; and Moorhead Finance Director Wanda Wagner. Cass County Commission Representative Darrell Vanyo was present via teleconference. Cass County Joint Water Resource District Chairman Mark Brodshaug; Fargo City Mayor Tim Mahoney; Cass County Auditor Mike Montplaisir; and Cass County Commissioner Rick Steen were absent.

Robert Cowen, CH2M; Ty Smith, CH2M; and Eric Dodds, AE2S were also present.

2. APPROVAL OF MINUTES FROM PREVIOUS MEETING

MOTION, passed

Mr. Hendrickson moved and Mr. Gehrig seconded to approve the minutes from the January 11, 2017, meeting as presented. Motion carried.

3. APPROVAL OF BILLS

Mr. Costin said there is only one bill for approval at this time.

MOTION, passed

Mr. Vanyo moved and Mr. Redlinger seconded to approve the bills in the amount of \$1,453.04 and to forward them to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.

4. PMC UPDATE

Robert Cowen of CH2M was present to give an overview of the January 2017 Program Management Consultant Report, which included the overall program status, a review of FY 2016 year-end budget, and a review of the FY 2017 cash budget.

5. RECOMMENDED CONTRACTING ACTION

Ty Smith of CH2M reviewed the following contracting action:

Construction Change Order

- ICS, Inc. Change Order 9 (4th Street Pump Station)—fuel level sensors and floodwall coping in the amount of \$6,113.80.

MOTION, passed

Mr. Redlinger moved and Mr. Costin seconded to approve the appropriation of funds for the outlined Change Order, and to forward the recommendation to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.

6. OTHER BUSINESS

Resale of Oxbow buyout homes

Mr. Gehrig said it recently came to his attention that buyout homes in Oxbow are being listed for sale for a short amount of time before subsequently being sold to contractors for demolition or resale. Mr. Gehrig believes the homes should be left on the market for a longer period of time.

Eric Dodds of AE2S was present to discuss the matter. Mr. Dodds said costs are incurred for the upkeep of the buyout homes, including utilities, snow and lawn care, taxes, and security. The technical team has recommended the removal of the homes so the sites can be prepped for the ring levee. Historically, the price to remove a home is around \$45,000. The low bid for a recent construction bid package to remove 11 homes was \$150,000, which would result in a cost savings of roughly \$350,000 compared to the cost of demolishing the homes. Contractors are encouraged to repurpose the existing homes.

Mr. Dodds said the City of Fargo and Cass County have purchased hundreds of homes in the past decades. Selling homes to contractors has been established as a best practice as the contractor removes the home, caps utilities, and fills and levels the ground.

Mr. Gehrig said as the federal injunction prohibits construction on the ring levee at this time, there is ample time to list the homes for sale and attempt to recoup additional costs. There is also no guarantee that a ruling on the lawsuit will be in favor of the project; if such is the case, the homes could be resold.

Mr. Dodds said the subject should be brought to the Land Management Committee.

Mr. Vanyo said Mr. Redlinger and himself have an upcoming meeting with Oxbow Mayor Nyhof, and the topic can be discussed. Previously, the city has advocated for the timely removal of homes as there are security concerns with the multitude of empty houses.

Sub-committee

Mr. Costin said a request was recently put forth by this committee to look into having an independent financial audit performed. Mr. Costin has contacted Eide Bailly, which performs auditing services for the City of Fargo. A sub-committee will be formed to further discuss and study the option.

Mr. Costin said a discussion also needs to be held about what to do with the proceeds of interest income from the Diversion Authority cash account.

7. NEXT MEETING

The next meeting will be held on February 8th, at 4:00 PM.

8. ADJOURNMENT

MOTION, passed

On motion by Mr. Redlinger, seconded by Mr. Costin and all in favor, the meeting was adjourned at 4:26 PM.