**Wednesday March 8, 2023 1:00PM**

**Cass County Courthouse 211 9 St S, Fargo, ND Commission Room**

**Present: Virtual:**

Director Mary Phillippi – RRRDC Director Clay Co Finance Dir. Lori Johnson

Cass Co Finance Director Brandy Madrigga, Chair Fargo Finance Director Terri Gayhart

Moorhead Commissioner Ryan Nelson Michael Redlinger

Moorhead Finance Director Jenica Flanagan

Fargo Commissioner Denise Kolpack

**Also In Attendance:**

Chelaine Anderson, RRRDC

Sarah Heinle, Cass Accounting Manager

**Agenda**

Called to order by Madrigga at 1306

1. Approval of Agenda

Motion made by Kolpack, 2nd Nelson

* 1. All in favor, approved.

1. Approval of Minutes from February 8, 2023 meeting

Motion made by Nelson, 2nd by Flanagan

All in Favor, approved. No discussion.

1. Draft Audit with revisions

Last time it was requested to move funds allocated from BOA for IS expenses into a restricted category. Changes were made and revised draft was sent out by Phillippi. Recommendation at last meeting was to make these changes and would be approved. Discussion that fewer dollars allocated because this was from 2021 budget. No further discussion. Motion to send to Authority Board by Kolpack, 2nd by Nelson.

All in favor, approved.

1. Facility cost estimate

SEH’s most recent estimate for the new facility. Project costs have been revised from what was submitted to Cass Co Commission. This was done because soft costs were not included but they were looking for an entire budget number. Estimated at $15.39 million. Additional costs would include cut over process, in house project management, owner moving costs, etc. This now includes technology needed for the Center that wasn’t included before. Soft $6.036 million, hard (construction) $9.319 million. JPA lists portion to cost of facility at $12.5 million budget. Erik Johnson has been talked to for information to bring to Authority Board as far as expectations on when it was put into the JPA what costs were included/excluded. More than the approved number would have to be brought back to agencies and approved for additional cost. Madrigga asks where the numbers are at now - still with architect at this time. Nelson asks if the JPA number included the hard and soft? - That’s what’s being clarified with Erik Johnson. It appears it will go over the $12.5 million. Phillippi doesn’t know what expectations on what the costs should be as she wasn’t involved that discussion. All estimates are bids as well as for digital hardware but not including operating software. This was confusing because typically when purchasing new software you don’t include maintenance costs until at least a year later. Flanagan – asks about JPA details – percentage versus cost number – determined that it lists both a percentage and a dollar amount. Kolpack asked if this will be presented at meeting tomorrow – yes. Will Erik Johnson be at tomorrow meeting – yes. No further discussion at this time. This was information only.

1. 2022 Budget

Distributed: detail budget report.

100% year lapsed in 2022 and expended 90% of budget. Most of the difference was related to lack of employees. $216,000 related to just full-time staff pay and less cost for benefits, insurance due to lesser staff. Question last time related to line 4350 – maintenance service contracts. Quite a bit left in that. Checked and found that part of what was not paid out was $57,000 for Everbridge – was paid twice in previous year when new contract was made. Paid in November 2021 and again in January 2023. Also, a cost that Fargo IS requested to be $48,000 and $24,000 of that was for conversion for NET Motion – in police cars and fire trucks that connects them to dispatch. Had to make a change and were able to make in house so no additional costs. Madrigga asked when it was expected to engage in the 2022 audit. Widmer Roel and Phillippi expect to set date in May or June this year. The 2021 audit ran long as they had staffing issues. No additional questions.

1. 2023 Year to Date Budget

Distributed: 2023 YTD, revenue and cash balance

Budget, year to date: delay in getting budget entered into system. City of Fargo has also been delayed due to staffing. 17% through year and have expended 15% of the budget. Typically, first months of the year these numbers stay close. Many things paid up front (annual EAP, insurance, etc). Life insurance benefit – this will often be negative because RRRDC pays part of that up front and then it will get taken out throughout the year. Will fluctuate as year goes. We will not be over budget. On page 3, other services (33) will be over budget on a number of things related to personnel – employee drug testing, background checks, etc. Made so many offers but lost so many people. Computer equip repair (4321) 521% - this is carryover from 2022. UPS needed battery replacement. Had quote in 2022 set up and didn’t actually get completed until 2023. One item should be moved to maintenance service contracts from computer equipment repair. $4k amount. Page 5 Misc – employees have FLEX benefit which gets moved during payroll. It’s employee’s money. Depending on when report is run it could be zero. Kolpack asked about staffing. Currently 35 full time staff, authorized for 47, budgeted for 43. Of those, 3 are in training program. 32 are fully trained. Overtime is high. Struggles w/ recruiting and completing process? Yes - 7 offers were out, currently have 3. New issue with “ghosting” after offers are made. Once offer is made we never hear from them again. One did this, one who took another job, another failed to meet requirements of the background process. 2 new employees started on March 6th. Interviewing monthly, will be interviewing 13 this week. May get 2 out of those 13 to actually start once background is complete.

Revenue Report: usually match up for estimated and actual for Year To Date. Not sure if slow on getting invoices out or why they aren’t matching now. Flanagan had issues getting invoices in January – has been resolved. Flanagan - Error on total budget on annual estimate, says $11 million but should be something like $5 million. Phillippi believes they had this put in earlier and likely accidently doubled that.

Cash balance: no questions/discussion.

1. RRRDC CD

Distributed: reserve fund

Discussed last time a CD was going to come due April 14th. 2 different ones for a total of $190,000. Money set aside in CDs to offset sporadic budget shortfalls. Just a reserve fund originally. As time went on cash reserves would roll over into the CD. Nothing has been done with it. What should be done now that CD is expiring - keep in CD or move to something else? .01% interest rate. Maybe find something with better interest rate. Reserve fund? Is that an adequate reserve for the Center? Madrigga mentioned that in case of emergency you’d want to access it right away, wouldn’t want it in an investment. Would want it as a balance in the cash account. Flanagan asked where it’s at now - cash balance through City of Fargo? Phillippi said it’s separate CD under RRRDC with Phillippi and Glasoe names. Has been sitting since 2002. In 2009 former director Sieber put in CD as it was just sitting there. Money hasn’t been ever used – unknown what the purpose is anymore. $2 million is also sitting in checking account. City of Fargo has that comingled with their funds. Madrigga informed they’re in the process of opening bank account for when transitioning fiscal agents from City of Fargo to Cass Co at First International Bank– interest rate is over 4% for just basic checking account. Lock in investment or leave in the account as usable funds. Money markets? Sarah with Cass CO finance advised it’s a sweep – they’re doing the investments on their end. Let expire and put into account during transition so it’s not tied up but it’s somewhere earning money. Opening process started this week. Phillippi will have it wired over to account once it’s in place. Cass Co implementing a new finance system and with that Madrigga presented that they’d open a same account for RRRDC. Unknown date when this could be up and running. The next question would be if they want an extension. Phillippi going to check on formalities of that. Proposed to keep going to year end and then change on a Jan 1 of 2024 date instead of mid-2023. Nelson said it seems to make sense to have that money moved and available during construction. Have a healthy reserve without those funds but moving from .01% to 4% is no brainer. Motion for recommendation to move funds to First International Bank checking account when it is opened made by Nelson. Second by Kolpack. No further discussion.

All in favor, approved.

1. Other Business

No other business

Adjourned at 1343hrs by Madrigga.

Next Meeting Budget and Finance Committee: April 12, 2023