

**City of Moorhead  
Committee of the Whole  
Meeting Minutes  
September 20, 2010 at 5:30 PM  
City Hall Council Chambers**

Pursuant to due call and notice thereof, a regular meeting of the Committee of the Whole was held in the City Hall Council Chambers, on September 20, 2010, at 5:30 PM.

**Roll call of the members was made as follows:**

1st Ward Council Member:	Luther Stueland	Present beginning at 6:07 p.m.
1st Ward Council Member:	Nancy Otto	Present
2nd Ward Council Member:	Diane Wray Williams	Present
2nd Ward Council Member:	Mark Altenburg	Present
3rd Ward Council Member:	Dan Hunt	Present
3rd Ward Council Member:	Brenda Elmer	Present
4th Ward Council Member:	Mark Hintermeyer	Absent
4th Ward Council Member:	Greg Lemke	Present
Mayor:	Mark Voxland	Present

**Committee of the Whole Meeting**

1. [Discuss Bridge Company Proposal to Extend Agreement \(15th Ave. N. Toll Bridge\)](#)

Minutes: Michael Redlinger, City Manager, provided a brief overview of the current request from The Bridge Company (Bridge Co.) to extend the current operating agreement with the City of Moorhead for the operation of the 15<sup>th</sup> Avenue North Toll Bridge. If granted this extension, Bridge Co. would retain control over the bridge for an additional five year period beyond the current extension option, resulting in a total of ten years additional operation by the company.

Redlinger provided the Mayor and Council Members with a copy of the "12<sup>th</sup> Avenue North / 15<sup>th</sup> Avenue North Corridor Study" prepared by the ND LEA Engineers & Planners Inc. for the Fargo-Moorhead Metropolitan Council of Governments (MetroCOG) and materials from a Public Open House held on February 26, 2004 related to release of the study.

Kip Moore, representative of Bridge Co., provided a brief statement regarding the basis of the request and in response to Mayor and Council questions, Moore clarified the following:

- Red River flooding has caused significant revenue losses to Bridge Co. due to bridge closures during flood events and for related bridge repairs.
- The level of traffic crossing the bridge has not been as high as originally projected.
- Owners of Bridge Co. do not believe it will be possible for the company to pay off current debts within the next eight years.

- If the current lease agreement is not extended, Bridge Co. plans to raise the current toll rate and/or request mediation.
- Bridge Co. is required to pay all real estate taxes in Minnesota and North Dakota. Currently Bridge Co. owes two years backtaxes due to revenue losses.
- Bridge Co. does not intend to refinance its project or developer debt with the cities of Moorhead or Fargo.

City staff clarified the following in response to Mayor and Council questions:

- The City of Fargo Finance Committee has discussed the lease extension and will likely recommend approval to the Fargo City Commission.
- It has been the understanding of City staff that Bridge Co. intended to refinance its current debt as part of an extended lease agreement. The City Attorney advises against the Mayor and City Council authorizing Bridge Co. to refinance for anything other than the original debt or any items not covered by paragraph 6.1.b of the current lease agreement.
- A lease extension must be determined by mutual consent of Bridge Co., City of Moorhead, and City of Fargo. If an agreement is not reached, City staff would advise the elected bodies to seek consensus through dialogue.
- If the City Council desires to acquire the bridge as soon as possible, the Council should not extend the agreement past 2018.
- If Bridge Co. were to file bankruptcy, the Courts would control the agreement and determine any debt owed by the City. The bank could make a claim against the estate.

The Mayor and Council Members stated/noted the following:

- Citizens contribute toward taxes through payment of toll fees.
- Concern was noted in that Bridge Co.'s projected repayment of \$20,000 per year has not been realized.
- The location of the Toll Bridge has proved to be a necessity for residents. It is clear that use of the bridge would increase significantly if the toll was eliminated.
- Increased vehicle counts after removal of the toll could positively influence economic impact in that area.
- Concern was noted regarding Bridge Co.'s continued agreement extension requests.
- There appears to be little reason to extend the current agreement beyond 2013 since the only debt of Bridge Co. would be that of the

owners/shareholders.

- Concern was noted regarding the age of the bridge that would be inherited by the City and cost of future repairs and maintenance.

Redlinger stated that City staff will:

- Share the City Attorney's memorandum to the Moorhead City Council regarding the proposed agreement extension with Bridge Co. officials.
- Collect additional financial information from Bridge Co.
- Speak with City of Fargo staff regarding Moorhead's concerns and monitor the Fargo City Commission's consideration of the lease extension request.
- Request clarification regarding Fargo's plan to remove or retain the toll obligation following the Bridge Co. lease term.
- Consult with the City Attorney and clarify the discrepancy between Bridge Co. and City Staff regarding the refinancing issue.

## 2. [Sandbag Policy Discussion](#)

Minutes: Bob Zimmerman, City Engineer, provided a brief report regarding the conceptual plan for a sandbag production/storage facility.

City staff clarified the following in response to Mayor and Council questions:

- The City of Moorhead would not be allowed to pay a rental fee to itself in order to receive reimbursement from FEMA in a disaster declaration.
- The City would need to finance all construction and maintenance costs of a sandbag production/storage facility. Minnesota Department of Natural Resources (DNR) Flood Damage Reduction Grant program funds would not be available for this purpose.
- It is estimated that it costs the City \$2-\$3 per sandbag in a flood event. It is projected that a total of 5,253,590 sandbags would be required for 364 private properties at a 43 foot river level. This cost includes sandbag removal.
- The estimated cost for construction of a private clay levee is approximately \$5,000-\$10,000 per property or \$250/foot.
- Private clay levees have been constructed in some areas of the city. For some properties construction is not feasible due to current geotechnical issues.
- Flood buy-outs have been prioritized based on planned infrastructure improvements. Any private property owner can voluntarily request to

be placed on the flood buyout list. The City plans to acquire any property on the list if funds are available.

- The City of Fargo does not have an established policy regarding City production and distribution of sandbags for private property owners.
- A flood disaster event is easier for City staff to manage with full control over sandbag production and distribution. The City is able to direct resources where they are most needed and sophisticate the targeting of sandbags.
- Public infrastructure is protected to 43.5-44 feet. The sanitary system is potentially vulnerable at the lowest property elevation. It is conceivable that individual properties could be shut off from the sanitary system; however, it could be quite complicated to address individual homes in a timely fashion. Special plugs could be placed in the City right-of-way to isolate a section of homes.
- Anticipated City costs in a potential flood event are not outlined in the Preliminary 2011 Operating and Capital Budget. Funding in a disaster event would derive from General Fund Reserves.
- Anecdotally the City has received greater than 90% of flood reimbursements from FEMA for the 2010 flood event and approximately 80% for the 2009 flood event.
- Maintenance costs for a sandbag production/storage facility would be limited and absorbed by the City. The City does not plan to increase Wastewater rates for construction of the facility.
- A production/storage facility would not be ready for a flood event in spring 2011.
- The threshold for a disaster declaration in Minnesota is much higher than North Dakota.

The Mayor and Council Members stated/noted the following:

- The City should consider ways to reduce the number of private properties that require sandbags: encourage private homeowners to protect their property; restrict walkout basements; encourage residents to voluntarily place their home on the flood buy-out list; fund low interest loans for the purpose of private clay levee construction or other flood control measures; and/or seek ways to charge residents who receive flood protection from City resources.
- Information provided by City staff is convincing that the City should have a policy to provide sandbags in at least some flooding situations. A firm policy should be set based on river forecast probabilities.
- It will be important to maintain a healthy reserve balance in the event the City endures another flood event.

- Some property owners may not be able to construct a private levee or have not been eligible for a buyout up to this point and need City assistance in a flood fight.
- Private property owners need to take personal responsibility for the cost of flood fighting. It is very costly to all City taxpayers.
- It is unknown if or when a permanent diversion would be constructed to protect the Fargo-Moorhead area. Plans to protect Moorhead residents need to be put into place in the interim.
- It would be beneficial for the City to coordinate an assessment of properties that receive sandbags to determine flood control needs and options for protection.
- A new facility would be beneficial as an additional storage location for City equipment.

Redlinger stated that City staff will:

- Consult with legal counsel on the ability of the City to charge an "Impact Fee" to residents who are provided with sandbags or request sandbag removal.
- Consider incentive programs to persuade private homeowners to protect their property.
- Provide the Mayor and City Council with some guidance regarding a policy for private property sandbag production and distribution based on probabilistic forecasting.
- Solicit informal proposals from geotechnical firms who might be able to conduct initial assessments of private properties along the river.
- Bring forward a resolution for the design of a sandbag storage/production facility at a future City Council meeting.

### 3. [City Manager Reports](#)

Minutes: Redlinger stated that citizens may provide comment on the City's Preliminary 2011 Levy, Operating Budget, and Capital Budget. A unique email has been created and citizen comments will be shared with the Mayor and City Council.

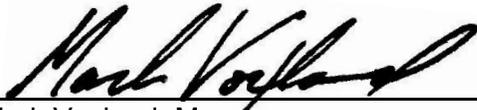
Council Members are encouraged to contact Redlinger if they desire additional follow-up information or meetings regarding the preliminary levy or budgets.

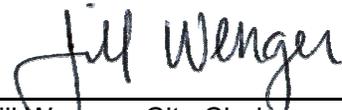
Representatives from Moorhead Area Public Schools will provide a brief informational presentation on the district's operating levy referendum at the September 27, 2010 City Council Meeting.

Meeting adjourned at 7:38 p.m.

APPROVED BY:

ATTEST:

  
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Mark Voxland, Mayor

  
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Jill Wenger, City Clerk

The proceedings of this meeting are digitally recorded and are available for public review.

*Respectfully submitted by:*  
*Jill Wenger, City Clerk*