

Fergus Falls Port Authority Minutes
August 21, 2023

The Fergus Falls Port Authority held a regular meeting on Monday August 21, 2023 at 4:30 pm in the City Hall Council Chambers. Chair Bridget Leonard called the meeting to order at 4:31 pm and the following Port Authority Commissioners were in attendance in the Council Chambers: Leonard, Thompson, Petersen, Rufer, and Schoeneck. Absent were Hicks and Kremeier.

Minutes

A motion and second were made by Thompson and Petersen to approve the agenda and the minutes from July 21, 2023. Motion carried.

Proposed 2024 Port Authority Budget

Chair Leonard asked staff to present the budget. Bill Sonmor explained the proposed 2024 Port Authority budget and the Port Authority financial statements for the period ending 07/31/23. He highlighted the expected revenue and expenditures for the coming year, noting the debt service payments for the DEED loans for the Dairy projects in February 2024. Bill mentioned that he has some sales of investment in the budget to make the February 2024 Dairy DEED Loan payments. Bill stated the cash balance is separated into four categories: General Port Authority, \$242,638, MN DEED Revolving Loan Funds \$150,813, Community Behavioral Health Hospital (CBHH) operating funds, \$8,344, and CBHH capital reserve \$589,455. Bill explained how the CBHH funds are received from the State of Minnesota and are restricted for the CBHH operation and capital replacements. Bill noted that the CBHH is charged for some of staff's time. Bill explained the taxes receivable, lease receivable, land for resale, and liabilities.

Bill presented the Port Authority Cash Projection sheet, noting that the projected cash balance on December 31, 2024 is \$117,050 which includes the February 2024 debt service payments for the Dairy loans, and a tax levy of \$72,000 to fund the general operations of the Port Authority. Bill also explained that once a levy is approved for the year, the levy amount could be decreased, but not increased.

Bill explained that he is looking for a motion tonight on the budget and levy because he will be presenting the budget to the City Council in September for approval on the preliminary budget. The final budget will be approved in December.

A motion and second were made by Thompson and Rufer approving the budget as presented and asking the City Council to approve a tax levy of \$72,000 for the Port Authority. Motion carried.

Progress Drive

Klara Beck presented information on the remaining five lots available for development on Progress Drive which all have deferred special assessments. There was some discussion about how the assessments were high because the lot were shovel ready when they were developed. Klara mentioned that Western Minnesota Industries paid off half of the assessments in 2017 with the hope to make the lots more appealing to developers. Bill Sonmor explained how special assessments are levied. He noted that the bonds to finance the development of these lots were paid off, and he is working with our bond attorneys to research if the City could legally reduce the special assessments on these lots.

There was some discussion about how the Port had greatly reduced the price of lots and whether a developer would pay the reduced price plus the cost of the special assessments on the property. Bill Sonmor explained the proceeds that we received for the special assessments would good back in the special assessment fund to be used on future infrastructure development. There was some discussion about the cost of the lots and how we have a low-cost basis in the land. Klara Beck mentioned that we are willing to consider offers on the lots. Chair Leonard stated that the goal is to get these lots sold, create good jobs, and get them paying property taxes.

The meeting adjourned at **4:57 pm**.

Jill M. Hanson