



West Fargo City Commission Meeting
Monday June 4, 2018
Commission Chambers 5:30 PM

- A. Pledge of Allegiance
- B. Approve Order of Agenda
- C. Approval of Minutes – May 21, 2018 **(Pg 2-4)**
- D. Building Permits

Consent Agenda – Approve the Following:

- a) Bills **(Pg 5-11)**
- b) Gaming Site Authorization for Boys & Girls Club of the Red River Valley. Games to be conducted: Raffles, Pull Tabs, Electronic Pull Tabs, Twenty-One, Paddlewheels from 7/1/18 to 6/30/19 at Work Zone, 701 Main Avenue East. **(Pg 12-14)**
- c) Games of Chance for the American Foundation for Suicide Prevention (AFSP). Games to be conducted: Calendar Raffle from 6/1/18 to 7/31/18 at Fargo Harley Davidson, 701 Christianson Drive West. **(Pg 15)**
- d) Gaming Site Authorization for Prairie Public Broadcasting, Inc. Games to be conducted: Pull Tabs from 7/1/18 to 6/30/19 at Three Lyon’s LLC, 675 13th Avenue East. **(Pg 16-18)**
- e) Approve Resolution Finding that Petition for Partial Vacation is in Proper Form and Contains the Required Signatures **(Pg 19)**
- f) Schedule a 5:30pm Public Hearing on July 16, 2018 for a Petition for Partial Vacation of Goldenwood First Addition and Goldenwood Fourth Addition. **(Pg 20)**
- g) Final Plat Approval of Oak Ridge 14th Addition, a replat **(Pg 21-27)**
- h) Discontinue Street Improvement District No. 2248 **(Pg 28)**
- i) Create Assessment District for Sanitary Sewer Improvement District No. 1319, Authorize Engineer to prepare Engineer’s Report, Approve engineer’s Report for Sanitary Sewer Improvement District No. 1319, Authorize preparation of Plans & Specs, Approve Plans & Specs for Sanitary Sewer Improvement District No. 1319, Authorize Ad for Bids for Sanitary Sewer Improvement District No. 1319 **(Pg 29-33)**
- j) Approve Engineer’s Report for Street Improvement District No. 2249, Authorize preparation of Plans & Specs, Authorize Resolution of Necessity **(Pg 34-36)**
- k) Designate Fargo Forum as Official Newspaper
- l) Gaming Site Authorization for West Fargo Hockey Association. Games to be conducted: Bingo, Raffles, Pull Tab Jar, Electronic Pull Tabs, Twenty-One, Poker, Paddlewheels with Tickets, Paddlewheel Table from 7/1/18-6/30/19 at M&J Saloon, 817 West Main Avenue. **(Pg 157, 161)**
- m) Gaming Site Authorization for West Fargo Hockey Association. Games to be conducted: Bingo, Raffles, Pull Tab Jar, Electronic Pull Tabs, Twenty-One, Paddlewheels with Tickets from 7/1/18-6/30/19 at Pub West, 3140 Bluestem Drive **(Pg 158)**
- n) Gaming Site Authorization for West Fargo Hockey Association. Games to be conducted: Bingo, Raffles, Electronic Pull Tabs, Twenty-One, Poker, Paddlewheels with Tickets from 7/1/18-6/30/19 at Rookies, 715 13 Ave E. **(Pg 159, 162)**
- o) Gaming Site Authorization for West Fargo Hockey Association. Games to be conducted: Raffles, Pull Tab Jar, Electronic Pull Tabs, Twenty-One, Paddlewheels with Tickets, Paddlewheel Table from 7/1/18-6/30/19 at Brickhouse Tavern, 635 32 Ave E #104. **(Pg 160, 163)**

Regular Agenda

- 1. Review 2017 Audit – **Aaron Mitchell (Pg 37-99)**
- 2. Presentation of City of West Fargo Mobile App – **Ellen Rossow**
- 3. Review of proposed changes to the West Fargo Transit Route – **Larry Weil, Sage Thornbrugh, Matt Peterson (Pg 100-102)**
- 4. Approve Amendment of Engineering Contract for Sheyenne Street Segment 3 – **Chris Brungardt (Pg 103-140)**
- 5. Review bid tab for Sewer Improvement Project No. 1308 – **Dustin Scott (Pg 141-144)**
- 6. Review liquor license application for Awake LLC – **Tina Fisk (Pg 145-156)**
- 7. Review Red River Valley Fair Annexation and Development Agreement – **Tina Fisk, Matt Marshall (Pg 164-230)**
- 8. City Administrator’s Report
- 9. Correspondence
- 10. Adjourn



West Fargo City Commission Meeting
Monday, May 21, 2018
Commission Chambers 5:30 PM

The West Fargo City Commission met on Monday, May 21, 2018, at 5:30 pm. Those present were Mark Simmons, Rich Mattern, Duane Hanson and Mike Thorstad. Mark Wentz was absent. The President of the Board Rich Mattern called the meeting to order.

The Pledge of Allegiance was recited.

Commissioner Mattern advised that Consent Agenda Item "g" and Regular Agenda Item #10 would be removed from the agenda. Commissioner Hanson moved and Commissioner Simmons seconded to approve the order of the agenda with the changes. No opposition motion carried.

Commissioner Thorstad moved and Commissioner Hanson seconded to approve the Minutes from the May 7, 2018 meeting. No opposition. Motion carried.

The Commission reviewed the Building Department Activity Report dated May 21, 2018 and Building Permits #174-264.

Commissioner Hanson moved and Commissioner Thorstad seconded to approve the following items from the Consent Agenda:

- a) Bills
- b) Gaming Site Authorization for Team Makers Club, Inc. Games to be conducted: Raffles, Pull Tabs, Twenty-One, Poker on 7/1/18 to 6/30/19 at Hooligans, 3330 Sheyenne St S.
- c) Gaming Site Authorization for Team Makers Club, Inc. Games to be conducted: Raffles, Pull Tabs, Twenty-One, Poker on 7/1/18 to 6/30/19 at Bar Code, 835 23 Avenue East #207
- d) April Payroll Check Register
- e) April Cash Report
- f) Schedule a 5:30pm Public Hearing for Monday, June 18 for Return of Assessment for Snow Removal

No opposition. Motion carried.

REGULAR AGENDA

Community Development Director Larry Weil and Economic Development Director Matt Marshall appeared before the Commission for a 5:30pm Public Hearing for an amendment to the West Fargo General Plan for Urban Renewal and Urban Development. The Public Hearing was opened. There was no Public Comment. The Public Hearing was closed. After discussion, Commissioner Thorstad moved and Commissioner Simmons seconded to approve the amendment to the plan. No opposition. Motion carried.

Economic Development Director Matt Marshall appeared before the Commission for a 5:30pm Public Hearing and consideration for a Tax Increment Financing District. The Public Hearing was opened. City of West Fargo resident Frank Lenzmeier appeared before the Commission to voice his concerns. There was no other public comment. The Public Hearing was closed. After discussion, Commissioner Simmons moved and Commissioner Hanson seconded to approve the Tax Increment Financing District. No opposition. Motion carried.

Economic Development Director Matt Marshall appeared before the Commission to discuss a Plaza Update for downtown West Fargo. After discussion, Commissioner Simmons moved and Commissioner Hanson seconded to move forward with the sign design from Indigo Signworks. No opposition. Motion carried.

Planning & Zoning Director Tim Solberg appeared before the Commission for the Second Reading on the rezoning and Final Plat Approval for Pioneer Place 1st Addition. After discussion, Commissioner Hanson moved and Commissioner Thorstad seconded to put on Second Reading. No opposition. Motion carried.

Planning & Zoning Director Tim Solberg appeared before the Commission for the Second Reading of Zoning Ordinance Text Amendment to Section 4-0407.4C to provide for the removal of the 13th Avenue Tree Planting Plan. There have been no changes from the First Reading. Commissioner Hanson moved and Commissioner Simmons seconded to put on Second Reading. No opposition. Motion carried.

Planning & Zoning Director Tim Solberg appeared before the Commission for the Second Reading of Eaglewood Rezoning from C-OP: Commercial Office Park to C: Light Commercial. There have been no changes from the First Reading, and there have been no comments from the public received. Commissioner Thorstad moved and Commissioner Simmons seconded to put on First Reading. No opposition. Motion carried.

Planning & Zoning Director Tim Solberg appeared before the Commission for the approval of a Conditional Use Permit for a sign at 1175 Main Avenue East. After discussion, Commissioner Simmons moved and Commissioner Hanson seconded to approve the Conditional Use Permit. Commissioner Thorstad abstained. No opposition. Motion carried.

Planning & Zoning Director Tim Solberg appeared before the Commission for the Second Reading for the adoption of the West Fargo Comprehensive Plan. After discussion, Commissioner Thorstad moved and Commissioner Hanson seconded to put on Second Reading. No opposition. Motion carried.

Planning & Zoning Director Tim Solberg appeared before the Commission for the approval of PUD Amendment for Dakota Territory 6th Addition. After discussion, Commissioner Simmons moved and Commissioner Hanson seconded to approve the PUD Amendment. Commissioner Thorstad opposed. The majority having voted aye, the motion carried.

City Attorney John Shockley appeared before the Commission for the Second Reading of proposed ordinance No. 1120, concerning the City Approval process. After discussion, Commissioner Hanson moved and Commissioner Thorstad seconded to put on Second Reading. No opposition. Motion carried.

Kendall Radke of Chris Hawley Architects, appeared before the Commission regarding an application for a Permit at Own Risk. After discussion, Commissioner Hanson moved and Commissioner Thorstad seconded to approve the Permit for Own Risk. No opposition. Motion carried.

Public Works Director Chris Brungardt appeared before the Commission to review project concepts for Street Improvement District No. 2249. After discussion, no action was requested of the Commission.

City Administrator Tina Fisk appeared before the Commission for approval of a renewal and update of the Extraterritorial Zoning Jurisdiction and Annexation Agreement with the City of Fargo. After discussion, Commission Hanson moved and Commissioner Thorstad seconded to approve the renewal. No opposition. Motion carried.

City Administrator Tina Fisk appeared before the Commission to request approval of an addition for an Assistant Clerk of Court. After discussion, Commissioner Hanson moved and Commissioner Thorstad seconded to approve the addition of an Assistant Clerk of Court. No opposition. Motion carried.

There was no City Administrator's Report.

Commissioner moved and Commissioner seconded to close the regular City Commission meeting and move into *Executive Session pursuant to N.D.C.C. § 44-04-19.2 and N.D.C.C. § 44-04-19.1, subdivision 9, for the purpose of receiving an update from the City Attorney and providing negotiating instructions to the City Attorney regarding modifications, amendments and/or potential claims regarding a potential claim against KPH, Inc.'s bid bond for Se Improvement Project No. 1310.*

Commissioner Mattern reopened the regular Commission Meeting at 7:24pm.

There was no correspondence.

Commissioner Hanson moved and Commissioner Thorstad seconded adjourn. No opposition. The meeting was adjourned.

Rich Mattern
President of the Board

Tina Fisk
City Auditor

Consent Agenda Item a

05/22/18
12:17:20

CITY OF WEST FARGO, ND
Check Register
For the Accounting Period: 5/18

Page: 1 of 7
Report ID: AP300

Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
78094	S	2499 FM CONVENTION & VISITORS BUREAU	7662.01	05/22/18			
						CL 79599	7662.01
78095	S	2499 FM CONVENTION & VISITORS BUREAU	3831.00	05/22/18			
						CL 79600	3831.00
78096	S	3168 AARON MITCHELL	1772.34	05/22/18			
						CL 79568	1772.34
78097	S	289 ACME TOOLS	109.46	05/22/18			
						CL 79640	109.46
78098	S	2544 AIRGAS USA, LLC	162.95	05/22/18			
						CL 79608	162.95
78099	S	999999 ALEXIS DEPEE	190.00	05/22/18			
						CL 79588	190.00
78100	S	317 AMERICAN WELDING & GAS, INC.	51.00	05/22/18			
						CL 79631	51.00
78101	S	2838 ANNIE BURTHOLD	1010.44	05/22/18			
						CL 79501	1010.44
78102	S	36 BERT'S TRUCK EQUIPMENT	42.00	05/22/18			
						CL 79622	42.00
78103	S	34 BLUE CROSS BLUE SHIELD	396.44	05/22/18			
						CL 79469	396.44
78104	S	3150 BLUE OCEANS SATELLITE SYSTEMS INC.	1190.00	05/22/18			
						CL 79555	1190.00
78105	S	1403 BLUE TARP FINANCIAL, INC	19.99	05/22/18			
						CL 79436	19.99
78106	S	26 BORDER STATES ELECTRIC SUPPLY	481.68	05/22/18			
						CL 79611	304.00
						CL 79624	114.00
						CL 79643	63.68
78107	S	2704 BRAD'S COFFEE SERVICE	120.00	05/22/18			
						CL 79425	120.00
78108	S	999999 BRANDEN PERZINSKI	190.00	05/22/18			
						CL 79591	190.00
78109	S	73 BRAUN INTERTEC	202.00	05/22/18			
						CL 79597	202.00
78110	S	16 BROKERAGE PRINTING	31.50	05/22/18			
						CL 79613	31.50
78111	S	351 BUSINESS ESSENTIALS	523.87	05/22/18			
						CL 79444	18.90
						CL 79515	443.90
						CL 79532	61.07
78112	S	2384 CAMRUD FOSS CONCRETE CONST. INC.	1260.00	05/22/18			
						CL 79609	1260.00
78113	S	2660 CASEY'S GENERAL STORE INC	119.16	05/22/18			
						CL 79507	119.16
78114	S	51 CASS COUNTY ELECTRIC COOP	38931.02	05/22/18			
						CL 79527	353.11
						CL 79650	38577.91

Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
78115	S	61 CASS COUNTY TREASURER	24160.00	05/22/18	_____	CL 79554 CL 79653	8275.00 15885.00
78116	S	1512 CDW GOVERNMENT, INC	13.78	05/22/18	_____	CL 79512	13.78
78117	S	1777 CENTURY LINK	113.36	05/22/18	_____	CL 79526	113.36
78118	S	672 CHRIS BRUNGARDT	943.18	05/22/18	_____	CL 79544	943.18
78119	S	999999 CHRIS DESJARLAIS	300.00	05/22/18	_____	CL 79595	300.00
78120	S	3216 CINTAS	81.19	05/22/18	_____	CL 79637	81.19
78121	S	111 CITY OF FARGO	124331.09	05/22/18	_____	CL 79437 CL 79445 CL 79446 CL 79579	94.00 47707.81 31082.44 45446.84
78122	S	2880 CITY OF FARGO	205691.55	05/22/18	_____	CL 79500 CL 79529	8.80 205682.75
78123	S	1904 CODE 4 SERVICES, INC	3411.19	05/22/18	_____	CL 79516 CL 79577	140.25 3270.94
78124	S	229 CONSOLIDATED COMMUNICATIONS	1397.84	05/22/18	_____	CL 79531	1397.84
78125	S	2403 CRAIG DANIELSON	184.31	05/22/18	_____	CL 79521	184.31
78126	S	60 CROSSCOUNTRY FREIGHT SOLUTIONS	96.23	05/22/18	_____	CL 79432	96.23
78127	S	79 DAKOTA HOSE & EQUIP	84.18	05/22/18	_____	CL 79629	84.18
78128	S	624 DAKOTA SUPPLY GROUP	6634.60	05/22/18	_____	CL 79440	6634.60
78129	S	2225 DTN, LLC	358.75	05/22/18	_____	CL 79585	358.75
78130	S	2100 EAGLE RUN CROSSING LLC	616.20	05/22/18	_____	CL 79420	616.20
78131	S	3207 ELLEN ROSSOW	58.21	05/22/18	_____	CL 79442	58.21
78132	S	877 ENVIRONMENTAL TOXICITY CONTROL INC.	775.00	05/22/18	_____	CL 79433	775.00
78133	S	3013 EPIC MANAGEMENT, LLC	7725.00	05/22/18	_____	CL 79542	7725.00
78134	S	3199 Epic Welding & Manufacturing	2155.00	05/22/18	_____	CL 79617	2155.00
78135	S	660 FARGO FREIGHTLINER	203.25	05/22/18	_____	CL 79573 CL 79621	28.17 175.08

Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
78136	S	979 FARGO LINE-X	450.00	05/22/18			
78137	S	144 FARMERS BROTHERS COFFEE	335.05	05/22/18		CL 79553	450.00
78138	S	124 FASTENAL	6.28	05/22/18		CL 79548	335.05
78139	S	329 FERGUSON WATERWORKS #2516	31712.64	05/22/18		CL 79606	6.28
78140	S	1812 FIRESTONE	459.00	05/22/18		CL 79562	31712.64
78141	S	104 FORUM COMMUNICATIONS	647.19	05/22/18		CL 79518	459.00
78142	S	139 FRS INDUSTRIES, INC.	27.25	05/22/18		CL 79427	196.02
78143	S	155 GALLS, LLC	574.81	05/22/18		CL 79535	269.73
78144	S	2864 GOODIN COMPANY	310.09	05/22/18		CL 79537	181.44
78145	S	2558 GOODYEAR COMMERCIAL TIRE	2601.89	05/22/18		CL 79426	27.25
78146	S	939 GRAYBAR	111.35	05/22/18		CL 79522	574.81
78147	S	3206 GREAT OUTCOMES CONSULTING LLC	2400.00	05/22/18		CL 79604	310.09
78148	S	2877 GREATAMERICA FINANCIAL SERVICES	704.51	05/22/18		CL 79565	440.89
78149	S	2713 HAMPTON INN & SUITES	418.50	05/22/18		CL 79603	2161.00
78150	S	135 HAWKINS WTR TREATMENT	10062.36	05/22/18		CL 79632	111.35
78151	S	2500 INLAND TRUCK PARTS & SERVICE	58.13	05/22/18		CL 79430	2400.00
78152	S	233 J & L SPORTS	53.00	05/22/18		CL 79580	704.51
78153	S	811 JASON ANDERSON	15.01	05/22/18		CL 79511	418.50
78154	S	999999 JIM HOWARD	190.00	05/22/18		CL 79434	6149.06
78155	S	2055 JOBS HQ	799.20	05/22/18		CL 79607	3913.30
78156	S	999999 KRISTIN EFTERFIELD	190.00	05/22/18		CL 79563	58.13
						CL 79605	21.00
						CL 79614	32.00
						CL 79615	15.01
						CL 79589	190.00
						CL 79424	799.20
						CL 79586	190.00

Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
78157	S	705 LAWSON PRODUCTS	472.59	05/22/18			
78158	S	2570 LG EVERIST INC	954.41	05/22/18		CL 79546	472.59
78159	S	999999 LINDSEY HUNT	190.00	05/22/18		CL 79558	954.41
78160	S	711 LUTHER FAMILY FORD	514.70	05/22/18		CL 79593	190.00
78161	S	301 MACS INC	246.11	05/22/18		CL 79633	395.20
78162	S	299 MENARDS	277.82	05/22/18		CL 79635	119.50
78163	S	999999 MICHAEL HACANSON	300.00	05/22/18		CL 79627	246.11
78164	S	2657 MICHAEL KANE	65.00	05/22/18		CL 79641	277.82
78165	S	999999 MICHAEL MONSON	190.00	05/22/18		CL 79641	277.82
78166	S	102 MIDSTATES WIRELESS	62.50	05/22/18		CL 79587	300.00
78167	S	3040 MR MANHOLE	1455.07	05/22/18		CL 79584	65.00
78168	S	628 MTW TOWING	85.00	05/22/18		CL 79590	190.00
78169	S	298 MVTL LABORATORIES	227.00	05/22/18		CL 79524	62.50
78170	S	695 NASRO	445.00	05/22/18		CL 79524	62.50
78171	S	335 ND DEPT OF TRANSPORTATION	22726.86	05/22/18		CL 79566	1455.07
78172	S	370 ND SAFETY COUNCIL	320.26	05/22/18		CL 79506	85.00
78173	S	911 NDPOA	210.00	05/22/18		CL 79618	227.00
78174	S	364 NELSON INTERNATIONAL	36.66	05/22/18		CL 79517	445.00
78175	S	271 NETWORK CENTER COMMUNICATIONS	17431.40	05/22/18		CL 79517	445.00
78176	S	2261 NETWORK CENTER INCORPORATED	2400.00	05/22/18		CL 79162	22726.86
78177	S	2035 NORTH CENTRAL RENTAL & LEASING, INC	78880.00	05/22/18		CL 79513	320.26
78178	S	141 NORTH STAR SAFETY, INC	426.03	05/22/18		CL 79503	210.00
						CL 79564	36.66
						CL 79422	482.00
						CL 79541	16949.40
						CL 79443	2400.00
						CL 79549	78880.00
						CL 79439	418.14
						CL 79612	7.89

Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
78179	S	328 NORTHERN ENGINE & SUPPL	181.96	05/22/18			
78180	S	322 NOVA FIRE PROTECTION	95.00	05/22/18		CL 79636	181.96
78181	S	1774 O'REILLY AUTOMOTIVE STORES, INC	21.50	05/22/18		CL 79642	95.00
78182	S	352 OK TIRE	15.00	05/22/18		CL 79630 CL 79634	10.06 11.44
78183	S	399 OLYMPIC SALES	458.65	05/22/18		CL 79557	15.00
78184	S	631 ONE CALL CONCEPT	104.50	05/22/18		CL 79543	458.65
78185	S	3213 OPPIDAN	43700.00	05/22/18		CL 79569	104.50
78186	S	276 OSTROMS ACE HARDWARE	32.28	05/22/18		CL 79583	43700.00
78187	S	999999 PAM NIKLE	75.00	05/22/18		CL 79505	32.28
78188	S	563 PETRO SERVE USA	2743.62	05/22/18		CL 79596	75.00
78189	S	1987 PETSMAST	53.74	05/22/18		CL 79421	2743.62
78190	S	2922 PIERRE FREEMAN	619.07	05/22/18		CL 79536	53.74
78191	S	1295 PRO-WEST & ASSOCIATES, INC	3456.96	05/22/18		CL 79545	619.07
78192	S	1166 PRODUCTIVITY PLUS ACCOUNT	309.37	05/22/18		CL 79528	3456.96
78193	S	2977 RAMKOTA HOTEL & CONFERENCE CENTER	83.70	05/22/18		CL 79610	309.37
78194	S	1766 RED RIVER CHILDREN'S ADVOCACY CENTER	4000.00	05/22/18		CL 79530	83.70
78195	S	663 ROAD EQUIPMENT PARTS CENTER	326.57	05/22/18		CL 79578	4000.00
78196	S	1519 RYAN DENIS	114.32	05/22/18		CL 79626	326.57
78197	S	452 SAM'S CLUB	418.39	05/22/18		CL 79520	114.32
78198	S	437 SANDY'S DONUTS	44.40	05/22/18		CL 79547 CL 79628	341.39 77.00
78199	S	2256 SIGN A RAMA	51.96	05/22/18		CL 79509	44.40
78200	S	1626 SIRCHIE FINGERPRINT LABORATORIES	65.32	05/22/18		CL 79560	51.96
78201	S	31 STURDEVANT'S AUTO PARTS	110.99	05/22/18		CL 79514	65.32
						CL 79550	110.99

Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
78202	S	634 SWEENEY CONTROLS COMPANY	237.20	05/22/18			
78203	S	2990 TACTICAL MEDICAL SOLUTIONS	1037.21	05/22/18		CL 79438	237.20
78204	S	1156 TESSMAN	402.50	05/22/18		CL 79523	1037.21
78205	S	1900 THE UPS STORE #5998	131.97	05/22/18		CL 79620	402.50
78206	S	999999 TODD BERNING	190.00	05/22/18		CL 79435 CL 79623	70.20 61.77
78207	S	999999 TOM KLABUNDE	190.00	05/22/18		CL 79594	190.00
78208	S	2952 Town Planning & Urban Design Collaborati	306.04	05/22/18		CL 79592	190.00
78209	S	3001 TRAVIS GENTY	343.28	05/22/18		CL 79651	306.04
78210	S	665 TWIN CITY GARAGE DOOR	150.00	05/22/18		CL 79598	343.28
78211	S	3215 TWIN CITY HARDWARE	330.57	05/22/18		CL 79508	150.00
78212	S	2478 VALLI	10068.82	05/22/18		CL 79639	330.57
78213	S	1267 VERIZON WIRELESS	9650.83	05/22/18		CL 79498 CL 79499	8866.71 1202.11
78214	S	3212 VISA ADMINISTRATION	3651.79	05/22/18		CL 79502 CL 79575	91.26 9559.57
78215	S	2437 VISA ASSESSING	103.11	05/22/18		CL 79572	3651.79
78216	S	2439 VISA IT	430.51	05/22/18		CL 79572	103.11
78217	S	2438 VISA PLANNING	970.15	05/22/18		CL 79556	430.51
78218	S	2423 VISA PW	2099.79	05/22/18		CL 79571	970.15
78219	S	1346 VISTO'S TRAILER SALES	45.94	05/22/18		CL 79429	970.15
78220	S	544 WALLWORK TRUCK CENTER	68.97	05/22/18		CL 79534	2099.79
78221	S	576 WALMART COMMUNITY	218.17	05/22/18		CL 79559	45.94
78222	S	999999 WASTE MANAGEMENT ATTN:AP	905.58	05/22/18		CL 79574	68.97
78223	S	2740 WASTE MANAGEMENT OF WI-MN	56848.18	05/22/18		CL 79576	218.17
						CL 79431	905.58
						CL 79561	56848.18

Claim Checks

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78224	S	577 WAYNE TROPHIES	55.00	05/22/18	_____		
						CL 79551	55.00
78225	S	566 WEST FARGO PARK DISTRICT	401145.36	05/22/18	_____		
						CL 79533	401145.36
78226	S	2625 WEST FARGO POLICE EXPLORER POST	106.71	05/22/18	_____		
						CL 79504	106.71
78227	S	569 WF ANIMAL HOSPITAL	1133.25	05/22/18	_____		
						CL 79510	1133.25
78228	S	549 WF PUB SCHOOLS DIST #6	11990.00	05/22/18	_____		
						CL 79652	11990.00
78229	S	338 XCEL ENERGY	29075.88	05/22/18	_____		
						CL 79538	602.77
						CL 79539	115.11
						CL 79540	28358.00
78230	S	3217 First International Bank & Trust	38515.50	05/22/18	_____		
						CL 79654	38515.50
78231	S	2184 WEST SIDE STEEL	155.69	05/22/18	_____		
						CL 79567	155.69
Total for Claim Checks			1245313.74				
Count for Claim Checks			138				

* denotes missing check number(s)

of Checks: 138 Total: 1245313.74

Consent Agenda Item b

MAY 29 2018



GAMING SITE AUTHORIZATION
OFFICE OF ATTORNEY GENERAL
SFN 17996 (02/2018)

G - _____ (_____) _____ Site License Number (Attorney General Use Only)

Full, Legal Name of Gaming Organization **Boys & Girls Club of the Red River Valley**

The above organization is hereby authorized to conduct games of chance under the license granted by the Attorney General of the State of North Dakota at the following location

Name of Location Work Zone			
Street 701 Main Avenue East	City West Fargo	ZIP Code 58078	County Cass
Beginning Date(s) Authorized 7/1/18	Ending Date(s) Authorized 6/30/19	Number of twenty-one tables if zero, enter "0": 1	
Specific location where games of chance will be conducted and played at the site (required) Entire bar area, excluding restrooms and outdoor patio			
If conducting Raffle or Poker activity provide date(s) or month(s) of event(s) if known			

RESTRICTIONS (City/County Use Only)

Days of week of gaming operations (if restricted)	Hours of gaming (if restricted)
---	---------------------------------

ACTIVITY TO BE CONDUCTED Please check all applicable games to be conducted at site (required)

<input type="checkbox"/> Bingo	<input type="checkbox"/> Club Special	<input type="checkbox"/> Sports Pools
<input checked="" type="checkbox"/> ELECTRONIC Quick Shot Bingo	<input type="checkbox"/> Tip Board	<input checked="" type="checkbox"/> Twenty-One
<input checked="" type="checkbox"/> Raffles	<input type="checkbox"/> Seal Board	<input type="checkbox"/> Poker
<input type="checkbox"/> ELECTRONIC 50/50 Raffle	<input type="checkbox"/> Punchboard	<input type="checkbox"/> Calcuttas
<input checked="" type="checkbox"/> Pull Tab Jar	<input type="checkbox"/> Prize Board	<input checked="" type="checkbox"/> Paddlewheels with Tickets
<input type="checkbox"/> Pull Tab Dispensing Device	<input type="checkbox"/> Prize Board Dispensing Device	<input type="checkbox"/> Paddlewheel Table
<input checked="" type="checkbox"/> ELECTRONIC Pull Tab Device		

APPROVALS

Attorney General	Date
Signature of City/County Official	Date
PRINT Name and official position of person signing on behalf of city/county above	

INSTRUCTIONS:

1. City/County-Retain a **copy** of the Site Authorization for your files.
2. City/County-Return the **original** Site Authorization form to the Organization.
3. Organizations - Send the **original, signed**, Site Authorization to the Office of Attorney General with any other applicable licensing forms for final approval.

RETURN ALL DOCUMENTS TO:

Office of Attorney General
Licensing Section
600 E Boulevard Ave, Dept. 125
Bismarck, ND 58505-0040
Telephone: 701-328-2329 OR 800-326-9240

*CK# 4023
Pd 5/29/18
\$100.-*



RENTAL AGREEMENT
 OFFICE OF ATTORNEY GENERAL
 LICENSING SECTION
 SFN 9413 (Rev. 02-2018)

License Number (Office Use Only)

Site Owner (Lessor) Work Zone		Site Name Work Zone		Site Phone Number (701) 280-2566	
Site Address 701 Main Avenue E		City West Fargo	State ND	Zip Code 58078	County Cass
Organization (Lessee) Boys & Girls Club Red River Valley			Rental Period 7/1/2018 to 6/30/2019		Monthly Rent Amount
1. Is Bingo going to be conducted at this site? 1a. If "Yes" to number 1 above, is Bingo the primary game conducted? If "Yes," enter the monthly rent amount to be paid. Then answer questions 2 - 7 but do not enter any rent amounts.		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		\$	
2. Is Twenty-One conducted at this site? Number of Tables with wagers up to \$5 _____ X Rent per Table \$ _____ Number of Tables with wagers over \$5 <u>1</u> X Rent per Table \$ <u>300.00</u>		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		\$	
3. Is Paddlewheels conducted at this site? Number of Tables _____ X Rent per Table \$ _____		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		\$	
4. Is Pull Tabs involving either a jar bar and/or a dispensing device conducted at this site? Please check: <input checked="" type="checkbox"/> Jar Bar Only <input type="checkbox"/> Dispensing Device Only <input type="checkbox"/> Jar Bar and Dispensing Device		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		\$	
Total Monthly Rent				\$ 300.00	
5. Is Electronic Pull Tabs involving an Electronic Pull Tab Device conducted at this site? No additional rent can be paid for electronic pull tabs. Rent must be based on standard dispensing device requirements per NDCC 53-06.1-11(5)(a)(b)		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		If "Yes", number of devices _____	
6. If the only gaming activity to be conducted at this site is a raffle drawing, please check here.		<input type="checkbox"/>			

TERMS OF RENTAL AGREEMENT:

This RENTAL AGREEMENT is between the Owner (LESSOR) and Organization (LESSEE) that will be leasing the site to conduct games of chance.

The LESSOR agrees that no game will be directly operated as part of the lessor's business.

The LESSOR agrees that the (lessor), (lessor's) spouse, (lessor's) common household members, (management), (management's) spouse, or an employee of the lessor who is in a position to approve or deny a lease may not conduct games at any of the organization's sites and, except for officers and board of directors members who did not approve the lease, may not play games at that site. However, a bar employee may redeem a winning pull tab or prize boards involving a dispensing device and sell raffle tickets or sports pool chances on a board on behalf of an organization.

The LESSOR agrees that the lessor's on call or temporary or permanent employee will not, directly or indirectly, conduct games at the site as an employee of the lessee on the same day the employee is working in the area of the bar where alcoholic beverages are dispensed or consumed.

If the LESSEE provides the Lessor with a temporary loan of funds for redeeming pull tabs or prize boards, or both, involving a dispensing device, the Lessor agrees to repay the entire loan immediately when the lessee discontinues using the device at the site.

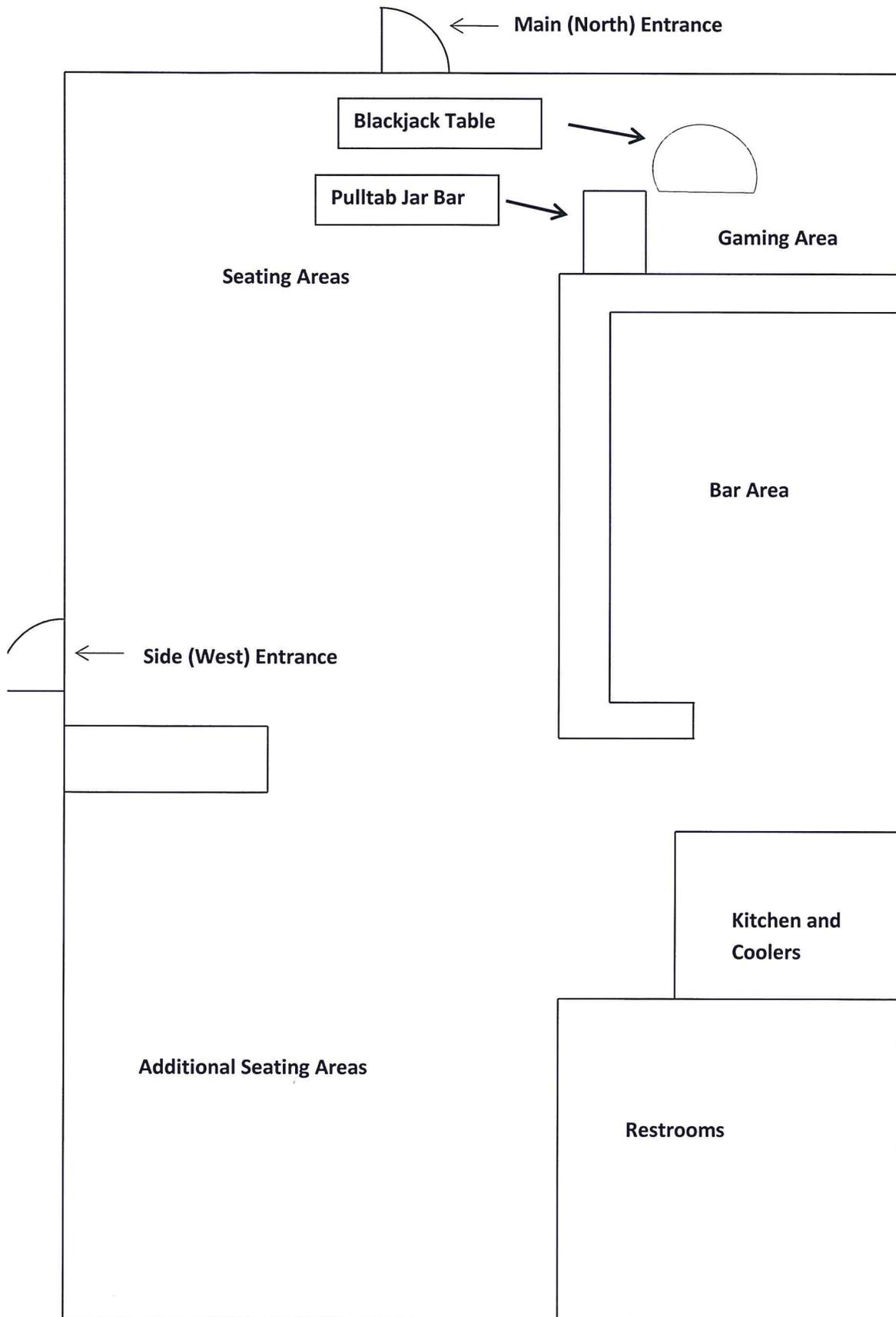
The LESSOR agrees not to interfere with or attempt to influence the lessee's selection of games, determination of prizes, including a bingo jackpot prize, or disbursement of net proceeds.

The LESSOR agrees not to loan money to, provide gaming equipment to, or count drop box cash for the lessee.

At the LESSOR'S option, the lessee agrees that this rental agreement may be automatically terminated if the lessee's gaming license is suspended at this site for more than fourteen days or revoked.

Signature of Lessor <i>Eric Sa</i>		Title President		Date 5-16-18	
Signature of Lessee <i>Robert Nielsen</i>		Title CEO		Date 5/25/18	

Work Zone (Bar) Gaming Area Plan



Consent Agenda Item d



GAMING SITE AUTHORIZATION
 OFFICE OF ATTORNEY GENERAL
 SFN 17996 (02/2018)

G - _____ (_____) _____ Site License Number (Attorney General Use Only)

Full, Legal Name of Gaming Organization Prairie Public Broadcasting, Inc

The above organization is hereby authorized to conduct games of chance under the license granted by the Attorney General of the State of North Dakota at the following location

Name of Location Three Lyon's L L C			
Street 975 13th Ave E	City West Fargo	ZIP Code 58078	County Cass
Beginning Date(s) Authorized 7/1/18	Ending Date(s) Authorized 6/30/19	Number of twenty-one tables if zero, enter "0": 0	
Specific location where games of chance will be conducted <u>and played at the site (required)</u> Games are conducted and played throughout the entire facility, excluding the restroom			
If conducting Raffle or Poker activity provide date(s) or month(s) of event(s) if known			

RESTRICTIONS (City/County Use Only)	
Days of week of gaming operations (if restricted)	Hours of gaming (if restricted)

ACTIVITY TO BE CONDUCTED Please check all applicable games to be conducted at site (required)

<input type="checkbox"/> Bingo <input type="checkbox"/> ELECTRONIC Quick Shot Bingo <input type="checkbox"/> Raffles <input type="checkbox"/> ELECTRONIC 50/50 Raffle <input type="checkbox"/> Pull Tab Jar <input checked="" type="checkbox"/> Pull Tab Dispensing Device <input checked="" type="checkbox"/> ELECTRONIC Pull Tab Device	<input type="checkbox"/> Club Special <input type="checkbox"/> Tip Board <input type="checkbox"/> Seal Board <input type="checkbox"/> Punchboard <input type="checkbox"/> Prize Board <input type="checkbox"/> Prize Board Dispensing Device	<input type="checkbox"/> Sports Pools <input type="checkbox"/> Twenty-One <input type="checkbox"/> Poker <input type="checkbox"/> Calcuttas <input type="checkbox"/> Paddlewheels with Tickets <input type="checkbox"/> Paddlewheel Table
--	---	--

APPROVALS	
Attorney General	Date
Signature of City/County Official	Date
PRINT Name and official position of person signing on behalf of city/county above	

INSTRUCTIONS:

1. City/County-Retain a **copy** of the Site Authorization for your files.
2. City/County-Return the **original** Site Authorization form to the Organization.
3. Organizations - Send the **original, signed**, Site Authorization to the Office of Attorney General with any other applicable licensing forms for final approval.

RETURN ALL DOCUMENTS TO:

Office of Attorney General
 Licensing Section
 600 E Boulevard Ave, Dept. 125
 Bismarck, ND 58505-0040
 Telephone: 701-328-2329 OR 800-326-9240

CK# 112301
 Pd 5-30-18
 \$100 -

3 Lyons



Entrance

E Tab Machine

Office

Bar

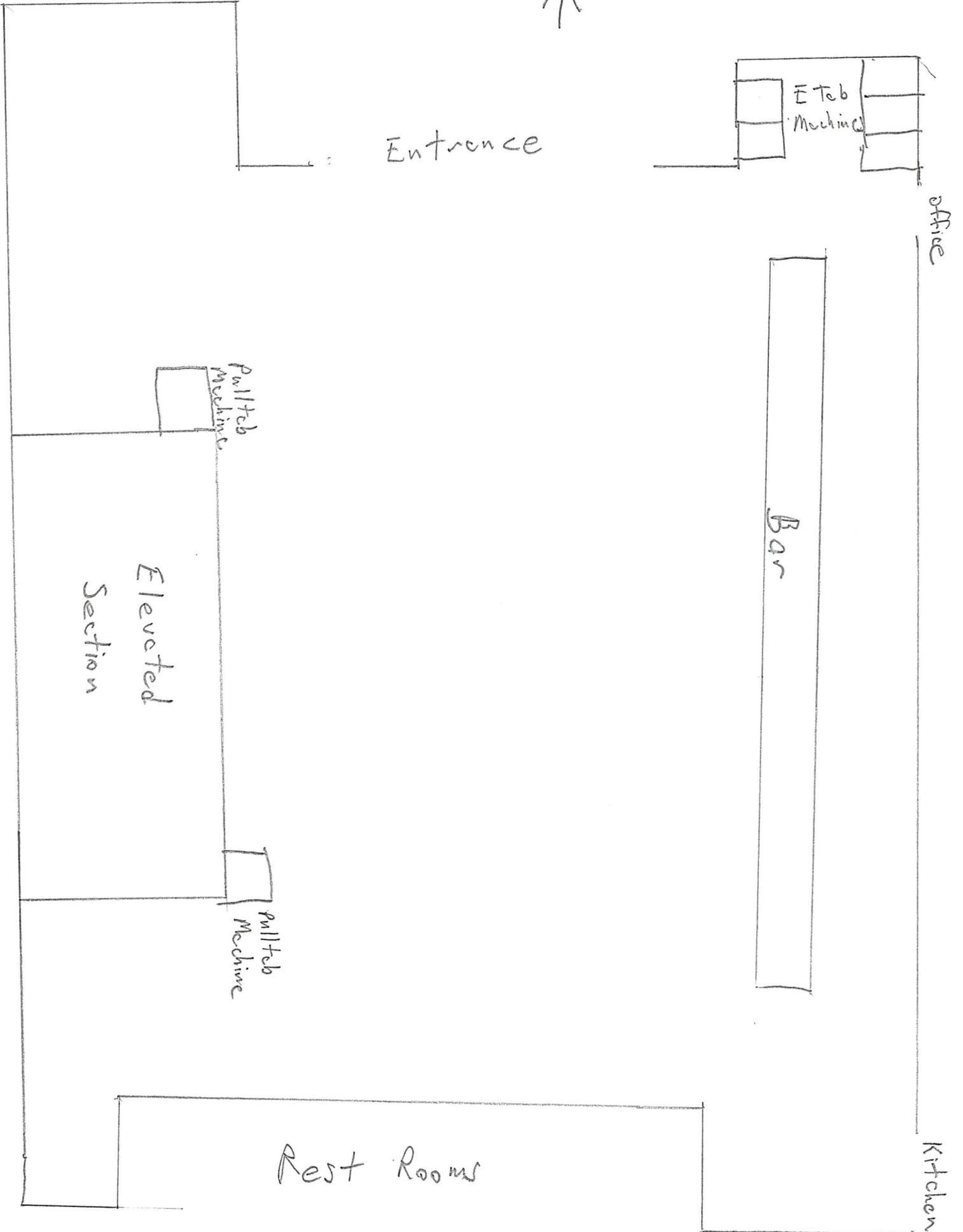
Elevated Section

Pull Tab Machine

Pull Tab Machine

Rest Rooms

Kitchen





RENTAL AGREEMENT
 OFFICE OF ATTORNEY GENERAL
 LICENSING SECTION
 SFN 9413 (Rev. 02-2018)

License Number (Office Use Only)

Site Owner (Lessor) Three Lyon's L L C		Site Name 3 Lyon's		Site Phone Number (701) 277-5966
Site Address 975 13th Ave E	City West Fargo	State ND	Zip Code 58078	County Cass
Organization (Lessee) Prairie Public Broadcasting, Inc		Rental Period 7/1/2018 to 6/30/2020		Monthly Rent Amount
1. Is Bingo going to be conducted at this site? 1a. If "Yes" to number 1 above, is Bingo the primary game conducted? If "Yes," enter the monthly rent amount to be paid. Then answer questions 2 - 7 but do not enter any rent amounts.		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes		\$
2. Is Twenty-One conducted at this site? Number of Tables with wagers up to \$5 _____ X Rent per Table \$ _____ Number of Tables with wagers over \$5 _____ X Rent per Table \$ 300.00		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		\$ \$
3. Is Paddlewheels conducted at this site? Number of Tables _____ X Rent per Table \$ _____		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		\$
4. Is Pull Tabs involving either a jar bar and/or a dispensing device conducted at this site? Please check: <input type="checkbox"/> Jar Bar Only <input checked="" type="checkbox"/> Dispensing Device Only <input type="checkbox"/> Jar Bar and Dispensing Device		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		\$ 400.00
Total Monthly Rent				\$

5. Is Electronic Pull Tabs involving an Electronic Pull Tab Device conducted at this site? No Yes
 No additional rent can be paid for electronic pull tabs. Rent must be based on standard dispensing device requirements per NDCC 53-06.1-11(5)(a)(b)
 If "Yes", number of devices 10 BBT

6. If the only gaming activity to be conducted at this site is a raffle drawing, please check here.

TERMS OF RENTAL AGREEMENT:

This RENTAL AGREEMENT is between the Owner (LESSOR) and Organization (LESSEE) that will be leasing the site to conduct games of chance.

The LESSOR agrees that no game will be directly operated as part of the lessor's business.

The LESSOR agrees that the (lessor), (lessor's) spouse, (lessor's) common household members, (management), (management's) spouse, or an employee of the lessor who is in a position to approve or deny a lease may not conduct games at any of the organization's sites and, except for officers and board of directors members who did not approve the lease, may not play games at that site. However, a bar employee may redeem a winning pull tab or prize boards involving a dispensing device and sell raffle tickets or sports pool chances on a board on behalf of an organization.

The LESSOR agrees that the lessor's on call or temporary or permanent employee will not, directly or indirectly, conduct games at the site as an employee of the lessee on the same day the employee is working in the area of the bar where alcoholic beverages are dispensed or consumed.

If the LESSEE provides the Lessor with a temporary loan of funds for redeeming pull tabs or prize boards, or both, involving a dispensing device, the Lessor agrees to repay the entire loan immediately when the lessee discontinues using the device at the site.

The LESSOR agrees not to interfere with or attempt to influence the lessee's selection of games, determination of prizes, including a bingo jackpot prize, or disbursement of net proceeds.

The LESSOR agrees not to loan money to, provide gaming equipment to, or count drop box cash for the lessee.

At the LESSOR'S option, the lessee agrees that this rental agreement may be automatically terminated if the lessee's gaming license is suspended at this site for more than fourteen days or revoked.

Signature of Lessor 	Title Owner	Date 4/25/18
Signature of Lessee 	Title President & C E O	Date 4/24/18 (over)

Consent Agenda Item e

Commissioner _____ introduced the following resolution and moved its adoption:

**RESOLUTION FINDING THAT PETITION FOR PARTIAL VACATION
IS IN PROPER FORM AND CONTAINS THE REQUIRED SIGNATURES**

WHEREAS, a Petition for Partial Vacation of the buffer easement contained in the map attached to this Resolution was filed with the West Fargo City Commission; and

WHEREAS, the Petition for Partial Vacation is in proper form and contains the required signatures.

NOW, THEREFORE, BE IT RESOLVED that the Petition shall be filed with the City Auditor, who is directed to give notice by publication in the official newspaper of the City of West Fargo at least once each week for a period of four weeks. The Notice shall state that the Petition has been filed, and that it will be heard and considered by the West Fargo City Commission on Monday, July 16, 2018, at 5:30 p.m.

Dated: June 4, 2018.

APPROVED:

President of the Board of City Commissioners

ATTEST:

City Auditor

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner _____, and upon roll call vote, the following voted in favor thereof: _____ . The following were absent and not voting: _____. The following voted against the same: _____. The majority having voted aye, the resolution was declared duly passed and adopted.

Consent Agenda Item f

NOTICE OF HEARING

PETITION FOR PARTIAL VACATION

NOTICE IS HEREBY GIVEN that a petition for the partial vacation of the buffer easement as shown on the plats of Goldenwood First Addition and Goldenwood Fourth Additions and more particularly described as:

The North 30 feet of the 60-foot Buffer Easement in Lot 1, Block 2, Goldenwood First Addition and Lots 2, 3, 4, and 5, Block 1, Goldenwood Fourth Addition to the City of West Fargo, according to the recorded plats thereof, on file and of record in the office of the Recorder, Cass County, North Dakota.

has been filed with the City Auditor of the City of West Fargo, North Dakota.

NOTICE IS FURTHER GIVEN that said petition will come on for hearing before the City Commission of the City of West Fargo, North Dakota, at 5:30 p.m. on the 16th day of July, 2018, in the City Commission Chambers in the City Hall in the City of West Fargo, North Dakota, at which time any interested party may appear and be heard.

Dated this 4th day of June, 2018.

Tina Fisk
City Auditor

Consent Agenda Item g

AGENDA ITEM DESCRIPTION
CITY COMMISSION
WEST FARGO, NORTH DAKOTA

Agenda # _____

***Please Note: The following information must be completed and submitted to the West Fargo City Auditor's Office by the Thursday noon preceding the City Commission meeting. Failure to comply may result in no action being taken on your request.

1. CONTACT PERSON: Tim Solberg

2. PHONE NUMBER: 433-5321 DATE: May 31, 2018

3. PLEASE **BRIEFLY** DESCRIBE YOUR REQUEST:
Oak Ridge 14th Addition, a replat.

4. SITE ADDRESS OR LEGAL DESCRIPTION (if applicable):
Lots 13-20, Block 1 of Oak Ridge 12th Addition, City of West Fargo, North Dakota.

5. ACTION BEING REQUESTED FROM CITY COMMISSION:
Final Plat Approval based on Conditions listed in the Staff Report.

CITY OF WEST FARGO PLANNING & COMMUNITY DEVELOPMENT

STAFF REPORT

A18-18		REPLAT	
Oak Ridge 14 th Addition			
Lots 13-20, Block 1 of Oak Ridge 12 th Addition, City of West Fargo, North Dakota			
Owner/Applicant: Art Goldammer/Verity Homes		Staff Contact: Tim Solberg, AICP	
Planning & Zoning Commission Introduction:		05-08-2018	
Public Hearing:		05-08-2018 - Approval	
City Commission:			

PURPOSE:

Replat of a portion of Oak Ridge 12th Addition to allow lot line adjustments to allow for different townhouse structures.

STATEMENTS OF FACT:

Land Use Classification:	Medium Density Residential
Existing Land Use:	Townhome Development (Under Construction)
Proposed Lot size(s) or range:	2,479 ft ² – 6,248 ft ²
Total area size:	.59 Acres
Adjacent Zoning Districts:	PUD: Planned Unit Development (Residential)
Adjacent street(s):	Private Drive
Adjacent Bike/Pedestrian Facilities:	Proposed path connecting to 4 th St E
Available Parks/Trail Facilities:	Shadow Wood Park facilities within ½ mile; Path along 32 nd Ave E accessed via sidewalks along 6 th St E
Public Dedication Requirements:	Provided with previous subdivision

DISCUSSION AND OBSERVATIONS:

- The applicant has submitted an application, preliminary plat, and area plan.
- The replat is to allow for lot line adjustments.
- With the exception of the change in lot lines and a reduction to two-story in height, the overall site plan, access locations, and street network are unchanged from the previously approved development. The buildings will remain four-unit structures.

NOTICES:

Sent to: Applicable agencies and departments

Comments Received:

- None to date

CONSISTENCY WITH COMPREHENSIVE PLAN AND OTHER APPLICABLE CITY PLANS AND ORDINANCES:

- The proposed plan is consistent with City plans and Ordinances.

STAFF REPORT

RECOMMENDATIONS:

It is recommended that the City approve the proposed application on the basis that it is consistent with City plans and ordinances with recommended conditions of approval as follows:

1. The drainage and utility plan is approved by the City Engineer.
2. Any necessary easements are placed on the Final Plat.
3. A signed amended agreement to assign the responsibilities of Oak Ridge 12th Addition to Oak Ridge 14th Addition is received.
4. An Attorney Title Opinion is received.
5. Certificate of Taxes is received showing taxes are current.

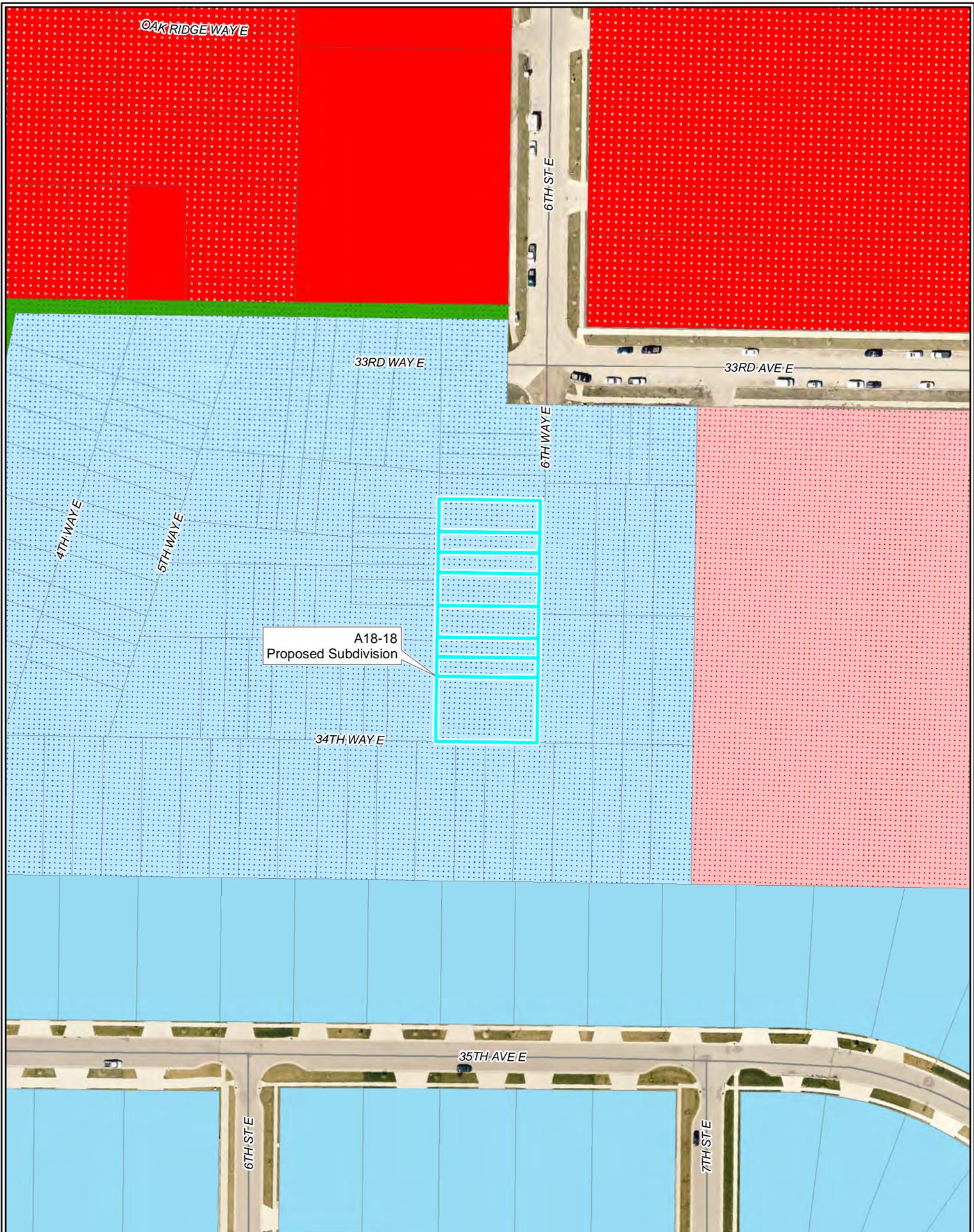
PLANNING AND ZONING RECOMMENDATION:

At their May 8, 2018 meeting, the Planning and Zoning Commission approved the replat, subject to the five conditions listed above.



A18-18
Proposed Subdivision





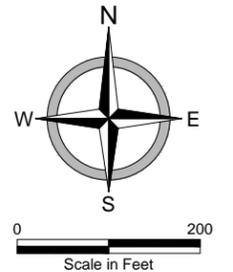
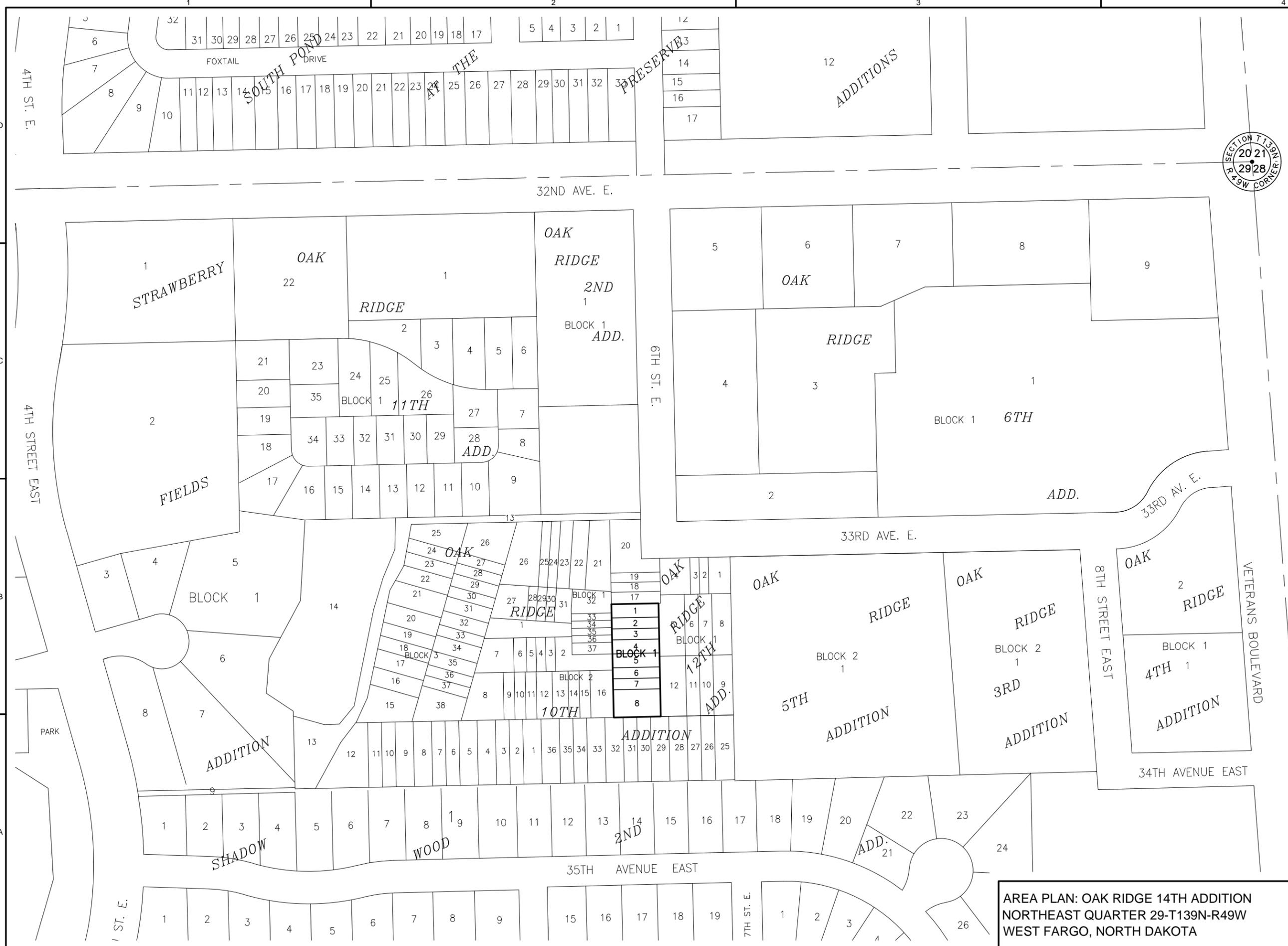
A18-18
Proposed Subdivision



- | | | | | |
|----------------------------------|---------------------------------|---|--|------------------------------------|
| A: Agricultural | HC: Heavy Commercial | P-PUD: PUD in Public | R-1SM: Mixed One and Two Family Dwelling | R-5: Manufactured Home Subdivision |
| C: Light Commercial | LI: Light Industrial | R-L1A: Large Lot Single Family Dwelling | R-2: Limited Multiple Dwelling | R-1E: Rural Estate |
| C-PUD: PUD in General Commercial | CM-PUD: PUD in Light Industrial | R-1A: Single Family Dwelling | R-3: Multiple Dwelling | R-R: Rural Residential |
| C-OP: Commercial Office Park | M: Heavy Industrial | R-1: One and Two Family Dwelling | R-4: Mobile Home | R-PUD: PUD in Residential |
| C-OP-PUD: PUD in Office Park | P: Public | | | |



FILE LOCATION: R:\Civil 3D Projects\20163\SURVEY\DRAWINGS\20163 - OAK RIDGE 14TH AREA PLAN.dwg



AREA PLAN: OAK RIDGE 14TH ADDITION
 NORTHEAST QUARTER 29-T139N-R49W
 WEST FARGO, NORTH DAKOTA

PROJECT No.	20163
DATE:	02.08.18
REVISED:	
DRAFTER:	MPL
REVIEWER:	###



PLAT OF
OAK RIDGE FOURTEENTH ADDITION
 TO THE CITY OF WEST FARGO, A REPLAT OF LOTS 13 - 20, BLOCK 1, OAK RIDGE TWELFTH ADDITION
 TO THE CITY OF WEST FARGO, CASS COUNTY, NORTH DAKOTA

CERTIFICATE

STEVEN W. HOLM, BEING DULY SWORN, DEPOSES AND SAYS THAT HE IS THE REGISTERED LAND SURVEYOR WHO PREPARED AND MADE THE ATTACHED PLAT OF "OAK RIDGE FOURTEENTH ADDITION" TO THE CITY OF WEST FARGO, A REPLAT OF LOTS 13 - 20, BLOCK 1, OAK RIDGE TWELFTH ADDITION TO THE CITY OF WEST FARGO, CASS COUNTY, NORTH DAKOTA; THAT SAID PLAT IS A TRUE AND CORRECT REPRESENTATION OF THE BOUNDARY SURVEY; THAT ALL DISTANCES ARE CORRECTLY SHOWN ON SAID PLAT; THAT MONUMENTS HAVE BEEN PLACED IN THE GROUND AS INDICATED FOR THE GUIDANCE OF FUTURE SURVEYS AND THAT THE EXTERIOR BOUNDARY LINES OF SAID ADDITION ARE DESCRIBED AS FOLLOWS, TO WIT:

LOTS 13 - 20, BLOCK 1, ALL IN OAK RIDGE TWELFTH ADDITION TO THE CITY OF WEST FARGO, ACCORDING TO THE RECORDED PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE RECORDER, CASS COUNTY, NORTH DAKOTA.

SAID TRACT CONTAINS 0.59 ACRES, MORE OR LESS, AND IS SUBJECT TO ALL EASEMENTS, RESTRICTIONS, RESERVATIONS AND RIGHTS OF WAY OF RECORD, IF ANY.

STEVEN W. HOLM
 REGISTERED LAND SURVEYOR
 ND REG. NO. LS-6571

STATE OF NORTH DAKOTA)
 COUNTY OF CASS)

ON THIS _____ DAY OF _____, 2018, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED STEVEN W. HOLM, REGISTERED LAND SURVEYOR, KNOWN TO ME TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME AS HIS FREE ACT AND DEED.

NOTARY PUBLIC, CASS COUNTY, NORTH DAKOTA

DEDICATION

WE, THE UNDERSIGNED, DO HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE LAND DESCRIBED IN THE PLAT OF "OAK RIDGE FOURTEENTH ADDITION" TO THE CITY OF WEST FARGO, A REPLAT OF LOTS 13 - 20, BLOCK 1, OAK RIDGE TWELFTH ADDITION TO THE CITY OF WEST FARGO, CASS COUNTY, NORTH DAKOTA; THAT WE HAVE CAUSED IT TO BE PLATTED INTO LOTS AND BLOCKS AS SHOWN BY SAID PLAT AND CERTIFICATE OF STEVEN W. HOLM, REGISTERED LAND SURVEYOR, AND THAT THE DESCRIPTION AS SHOWN IN THE CERTIFICATE OF THE REGISTERED LAND SURVEYOR IS CORRECT. WE HEREBY DEDICATE ALL STORM SEWER, UTILITY, ACCESS, PARKING AND SIDEWALK EASEMENTS SHOWN ON SAID PLAT TO THE USE OF THE PUBLIC.

OWNER: VERITY HOMES OF FARGO, LLC

ARTHUR GOLDAMMER, CEO

STATE OF NORTH DAKOTA)
 COUNTY OF CASS)

ON THIS _____ DAY OF _____, 2018, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED ARTHUR GOLDAMMER, CEO, KNOWN TO ME TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN THE NAME OF VERITY HOMES OF FARGO, LLC.

NOTARY PUBLIC, CASS COUNTY, NORTH DAKOTA

MORTGAGEE: WESTERN STATE BANK

BY: _____
 TITLE: _____

STATE OF NORTH DAKOTA)
 COUNTY OF CASS)

ON THIS _____ DAY OF _____, 2018, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED _____, KNOWN TO ME TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING DEDICATION AND ACKNOWLEDGED TO ME THAT THEY EXECUTED THE SAME IN THE NAME OF WESTERN STATE BANK.

NOTARY PUBLIC, CASS COUNTY, NORTH DAKOTA

WEST FARGO PLANNING COMMISSION APPROVAL

THIS PLAT IN THE CITY OF WEST FARGO IS HEREBY APPROVED THIS _____ DAY OF _____, 2018.

 TOM MCDUGALL, CHAIRMAN
 STATE OF NORTH DAKOTA)
 COUNTY OF CASS)

ON THIS _____ DAY OF _____, 2018, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED TOM MCDUGALL, CHAIRMAN OF THE WEST FARGO PLANNING COMMISSION, KNOWN TO ME TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN THE NAME OF THE WEST FARGO PLANNING COMMISSION.

NOTARY PUBLIC, CASS COUNTY, NORTH DAKOTA

WEST FARGO CITY COMMISSION APPROVAL

THIS PLAT IN THE CITY OF WEST FARGO IS HEREBY APPROVED THIS _____ DAY OF _____, 2018.

 RICH MATTERN, PRESIDENT OF THE WEST FARGO CITY COMMISSION

 TINA FISK, CITY AUDITOR

STATE OF NORTH DAKOTA)
 COUNTY OF CASS)

ON THIS _____ DAY OF _____, 2018, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED RICH MATTERN, PRESIDENT OF THE WEST FARGO CITY COMMISSION, AND TINA FISK, CITY AUDITOR, KNOWN TO ME TO BE THE PERSONS DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT THEY EXECUTED THE SAME IN THE NAME OF THE CITY OF WEST FARGO.

NOTARY PUBLIC, CASS COUNTY, NORTH DAKOTA

WEST FARGO CITY ATTORNEY APPROVAL

I DO HEREBY CERTIFY THAT PROPER EVIDENCE OF TITLE HAS BEEN EXAMINED BY ME AND I APPROVE THE PLAT AS TO FORM AND EXECUTION THIS _____ DAY OF _____, 2018.

JOHN T. SHOCKLEY, CITY ATTORNEY

STATE OF NORTH DAKOTA)
 COUNTY OF CASS)

ON THIS _____ DAY OF _____, 2018, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED JOHN T. SHOCKLEY, CITY ATTORNEY, KNOWN TO ME TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME AS THE CITY ATTORNEY.

NOTARY PUBLIC, CASS COUNTY, NORTH DAKOTA

CITY ENGINEER'S APPROVAL

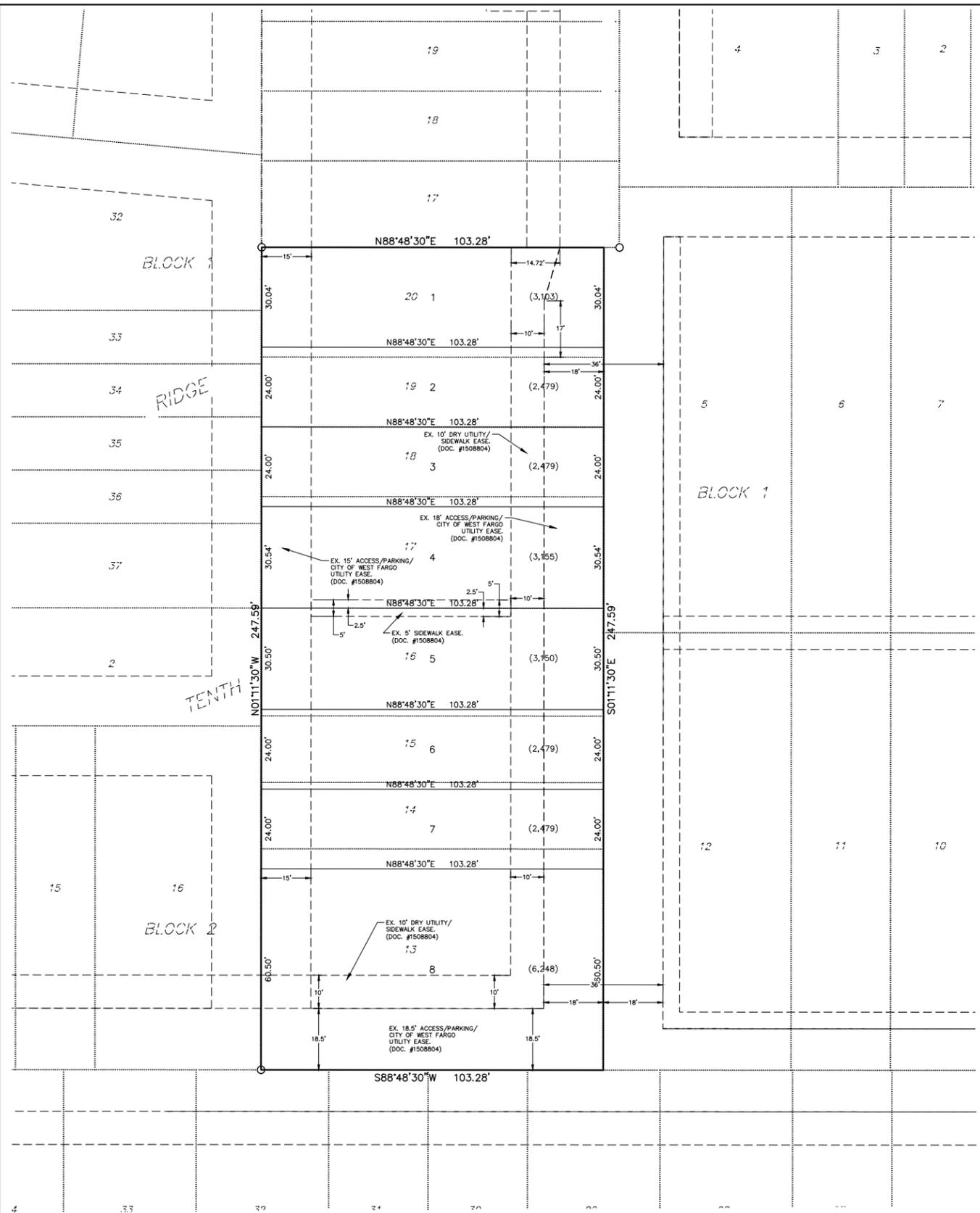
THIS PLAT IN THE CITY OF WEST FARGO IS HEREBY APPROVED THIS _____ DAY OF _____, 2018.

DUSTIN T. SCOTT, CITY ENGINEER

STATE OF NORTH DAKOTA)
 COUNTY OF CASS)

ON THIS _____ DAY OF _____, 2018, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED DUSTIN T. SCOTT, CITY ENGINEER, KNOWN TO ME TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME AS HIS FREE ACT AND DEED.

NOTARY PUBLIC, CASS COUNTY, NORTH DAKOTA



LEGEND

- IRON MONUMENT FOUND
- SET 5/8"x18" REBAR WITH YELLOW PLASTIC CAP #6571
- (31,963) LOT AREAS IN SQ. FT.
- ▬ SIDEWALK EASEMENT
- ▬ DRY UTILITY/SIDEWALK EASEMENT
- ▬ STORM SEWER EASEMENT
- ▬ ACCESS/PARKING/CITY OF WEST FARGO UTILITY EASEMENT

EASEMENTS TO THE CITY OF WEST FARGO SHOWN ON THIS PLAT ARE PRIMARY, ALL OTHER EASEMENTS SHOWN ON THIS PLAT ARE SECONDARY.

10' UTILITY EASEMENTS SHOWN THUS: _____

UTILITY EASEMENTS ARE 10' WIDE ALONG AND ADJACENT TO ALL STREET RIGHT-OF-WAYS AND REAR PROPERTY LINES AS SHOWN UNLESS OTHERWISE NOTED.

Agenda #	<u>h</u>
Agenda Code	<u>Consent</u>
Project #	<u>19885</u>

AGENDA ITEM DESCRIPTION
CITY COMMISSION
WEST FARGO, NORTH DAKOTA

***Please Note: The following information must be completed and submitted to the West Fargo City Auditor's Office by the Thursday noon preceding the City Commission meeting. Failure to comply may result in no action being taken on your request.

1. CONTACT PERSON: Dustin Scott

2. PHONE NO. 282-4692 DATE: June 4, 2018

3. PLEASE BRIEFLY DESCRIBE YOUR REQUEST: _____

Close Street Improvement District No. 2248 project due to combination of work with
another improvement district

4. SITE ADDRESS OR LEGAL DESCRIPTION (if applicable):

1st Avenue East and 10th Street East

5. ACTION BEING REQUESTED FROM CITY COMMISSION: _____

Discontinue Street Improvement District No. 2248

AGENDA ITEM DESCRIPTION
CITY COMMISSION
WEST FARGO, NORTH DAKOTA

***Please Note: The following information must be completed and submitted to the West Fargo City Auditor's Office by the Thursday noon preceding the City Commission meeting. Failure to comply may result in no action being taken on your request.

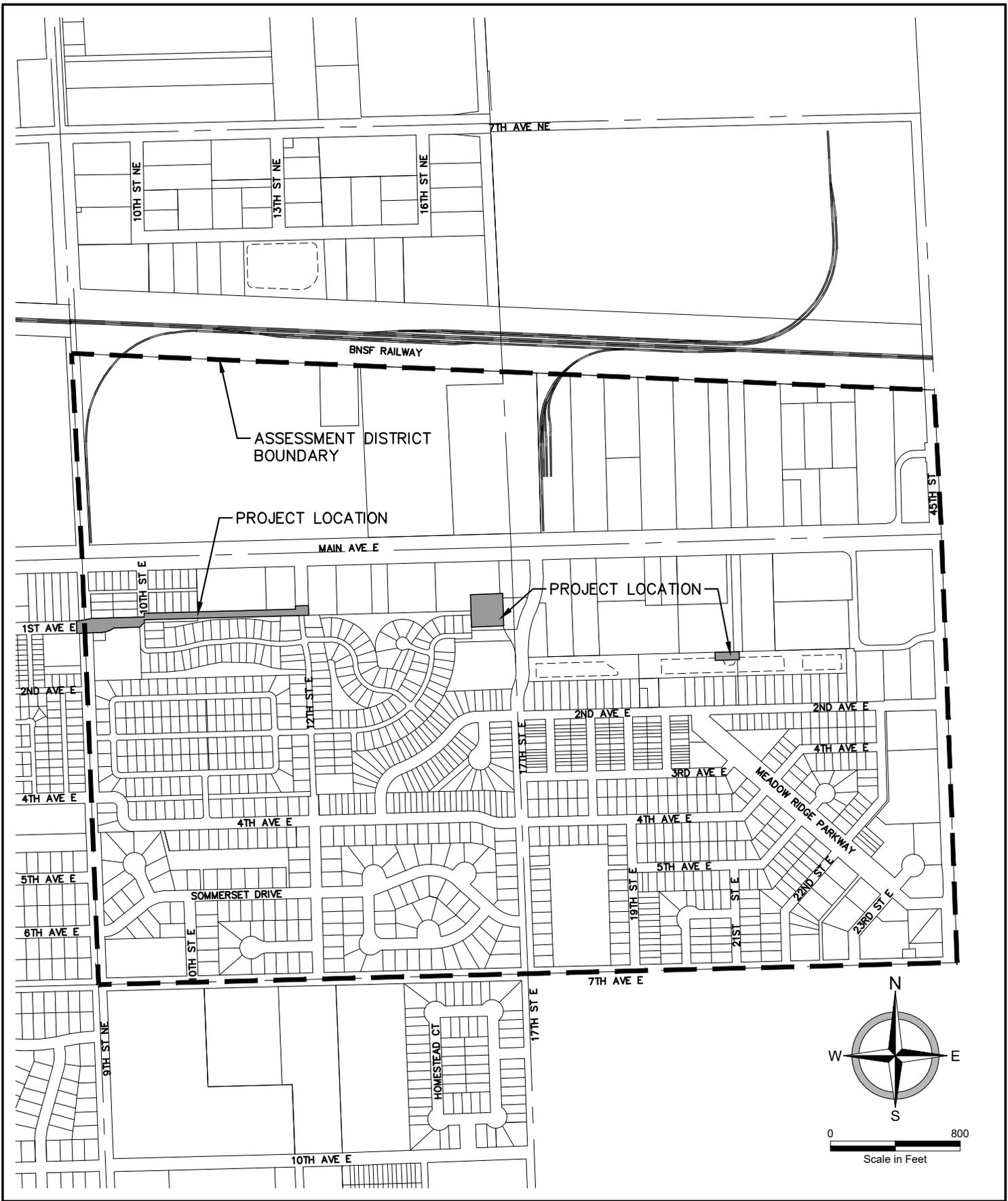
1. CONTACT PERSON: Dustin Scott

2. PHONE NO. 282-4692 DATE: June 4, 2018

3. PLEASE BRIEFLY DESCRIBE YOUR REQUEST: _____
Review Assessment District for Sanitary Sewer Improvement District No. 1319
Review Engineer's Report for Sanitary Sewer Improvement District No. 1319
Review Plans & Specs for Sanitary Sewer Improvement District No. 1319

4. SITE ADDRESS OR LEGAL DESCRIPTION (if applicable):
Geller's and Meadow Ridge Area Sewer Improvements (SA-48), (SA-47), & (SA-11)

5. ACTION BEING REQUESTED FROM CITY COMMISSION: _____
Create Assessment District for Sanitary Sewer Improvement District No. 1319
Authorize Engineer to prepare Engineer's Report
Approve Engineer's Report for Sanitary Sewer Improvement District No. 1319
Authorize preparation of Plans & Specs
Approve Plans & Specs for Sanitary Sewer Improvement District No. 1319
Authorize Ad for Bids for Sanitary Sewer Improvement District No. 1319



SANITARY SEWER IMPROVEMENT DISTRICT NO. 1319
 GELLER'S AND MEADOW RIDGE AREA SEWER IMPROVEMENTS
 (SA-48), (SA-47), & (SA-11)

PROJECT No.	19885A
DATE:	05.30.18
REVISED:	-
DRAFTER:	KHS
REVIEWER:	BJR



ENGINEER'S REPORT

The undersigned is the engineer for the City of West Fargo, Cass County, North Dakota, and submits the following report to the Board of City Commissioners of said city:

The reason for the improvements is to reroute the existing sanitary sewer force main from existing sanitary lift station SA-11 to avoid the Brookwood area, reroute the existing gravity sanitary sewer that services the Geller's area with a new lift station to avoid the Brookwood area, modifying existing sanitary lift stations SA-11 and SA-47 to accommodate the change in flow due to this rerouting, and moving the location of the existing compost site.

Sanitary Sewer Improvement District No. 1319 will involve the construction of improvements consisting of storm sewer, water mains, gravity sanitary sewer, sanitary sewer force main installed via directional drill and/or open cut, concrete streets, curb and gutter, sidewalks, sanitary sewer lift station, sanitary sewer lift station modifications, asphalt pavement, and other miscellaneous installations. Also included in the project is the reconstruction of the 9th Street East and 1st Avenue intersection roadway and utilities which is currently planned to be paid for with City funds.

Based upon the estimate of the probable cost, attached hereto and made a part thereof, and the engineering information and studies, the work proposed in said district is feasible.

Dated this 4th day of June, 2018.

Dustin Scott
Moore Engineering, Inc.
West Fargo ND



Engineer for the City of West Fargo, ND

SANITARY SEWER IMPROVEMENT DIST. NO. 1319
GELLER'S AND MEADOW RIDGE AREA SEWER IMPROVEMENT (SA-48), (SA-47), & (SA-11)
WEST FARGO ND

Engineer's Opinion of Probable Cost

ITEM	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL	
<u>9th St Intersection Utility Items</u>					
1.	Sanitary Sewer - Remove	LF	35	\$10.00	\$350.00
2.	Sanitary Sewer - 8" PVC SDR 35	LF	36	\$45.00	\$1,620.00
3.	Sanitary Sewer Manhole - Remove	Each	1	\$750.00	\$750.00
4.	Sanitary Sewer Manhole	Each	1	\$4,000.00	\$4,000.00
5.	External Manhole Chimney Seal	Each	1	\$250.00	\$250.00
6.	Televising - Sanitary Sewer Main	LF	36	\$1.50	\$54.00
7.	Water Main - Remove	LF	72	\$20.00	\$1,440.00
8.	Water Main - Connect To Existing	Each	1	\$1,000.00	\$1,000.00
9.	Water Main - 8" PVC C900	LF	43	\$30.00	\$1,290.00
10.	Water Main - 12" PVC C900	LF	16	\$75.00	\$1,200.00
11.	Storm Sewer - Remove	LF	107	\$15.00	\$1,605.00
12.	Storm Sewer - 36" RCP	LF	121	\$80.00	\$9,680.00
13.	Storm Sewer Manhole - Remove	Each	1	\$500.00	\$500.00
14.	Storm Sewer Manhole - Connect to Existing	Each	2	\$1,500.00	\$3,000.00
15.	Storm Sewer Manhole - 84"	Each	2	\$7,500.00	\$15,000.00
16.	External Manhole Chimney Seal	Each	2	\$250.00	\$500.00
17.	Rock Bedding - 1.25"	LF	97	\$10.00	\$970.00
<u>9th St Intersection Roadway Items</u>					
1.	Curb & Gutter - Remove	LF	230	\$7.50	\$1,725.00
2.	Concrete Pavement - Remove	SY	900	\$15.00	\$13,500.00
3.	Subgrade Preparation	SY	1,000	\$2.00	\$2,000.00
4.	Reinforcement Fabric	SY	1,000	\$2.00	\$2,000.00
5.	Gravel - 9" NDDOT Class 5	CY	240	\$32.00	\$7,680.00
6.	Curb & Gutter - Highback Inflow	LF	310	\$15.00	\$4,650.00
7.	Concrete Pavement - Connect To Existing	Each	3	\$2,000.00	\$6,000.00
8.	Concrete Pavement - 8" Non-Reinforced	SY	900	\$60.00	\$54,000.00
9.	Sidewalk - 4" Concrete	SY	60	\$40.00	\$2,400.00
10.	Curb Ramp - 6" Concrete	SY	20	\$60.00	\$1,200.00
11.	Detectable Warning Panel	SF	44	\$60.00	\$2,640.00
12.	Driveway - 7" Concrete	SY	20	\$60.00	\$1,200.00
13.	Gravel - 6" NDDOT Class 5	CY	20	\$32.00	\$640.00
<u>9th St Intersection General Items</u>					
1.	Cleaning	LSum	1	\$500.00	\$500.00
2.	Storm Water Management	LSum	1	\$250.00	\$250.00
3.	Traffic Control	LSum	1	\$2,500.00	\$2,500.00
4.	Inlet Protection Device	Each	8	\$125.00	\$1,000.00
5.	Stabilized Construction Entrance	Each	1	\$1,000.00	\$1,000.00
<u>Geller's and Meadow Ridge Lift Station & Sanitary Sewer Items</u>					
1.	Sanitary Sewer - Abandon	LF	150	\$10.00	\$1,500.00
2.	Sanitary Sewer - Remove	LF	110	\$10.00	\$1,100.00
3.	Sanitary Sewer Force Main - Abandon	LSum	1	\$5,000.00	\$5,000.00
4.	Sanitary Sewer Lift Station (SA-48)	LSum	1	\$160,000.00	\$160,000.00
5.	Meadow Ridge Pump Swap (SA-11)	LSum	1	\$40,000.00	\$40,000.00
6.	SA47 Pump Replace	LSum	1	\$100,000.00	\$100,000.00
7.	Sanitary Sewer Manhole - Polymer	Each	1	\$10,000.00	\$10,000.00
8.	Sanitary Sewer - 8" PVC	LF	50	\$45.00	\$2,250.00
9.	Sanitary Sewer Force Main - 8" PVC	LF	100	\$60.00	\$6,000.00
10.	Sanitary Sewer Force Main - 6" PVC	LF	1,350	\$45.00	\$60,750.00
11.	Televising - Sanitary Sewer Main	LF	1,600	\$1.50	\$2,400.00
<u>Geller's and Meadow Ridge Roadway Items</u>					
1.	Asphalt Pavement - Remove	SY	150	\$7.00	\$1,050.00
2.	Curb & Gutter - Remove	LF	150	\$7.50	\$1,125.00
3.	Concrete Pavement - Remove	SY	1,250	\$15.00	\$18,750.00

4.	Aggregate Surface - Remove	SY	425	\$4.00	\$1,700.00
5.	Subgrade Preparation	SY	1,825	\$2.00	\$3,650.00
6.	Reinforcement Fabric	SY	1,825	\$2.00	\$3,650.00
7.	Gravel - 9" NDDOT Class 5	CY	450	\$32.00	\$14,400.00
8.	Concrete Pavement - Connect To Existing	Each	2	\$2,000.00	\$4,000.00
9.	Concrete Pavement - 6" Non-Reinforced	SY	1,000	\$55.00	\$55,000.00
10.	Concrete Pavement - 8" Non-Reinforced	SY	150	\$60.00	\$9,000.00
11.	Curb & Gutter	LF	100	\$15.00	\$1,500.00
12.	Asphalt Base Course - 4"	SY	125	\$15.00	\$1,875.00
13.	Asphalt Wear Course - 2"	SY	125	\$9.00	\$1,125.00

Compost Site Items

1.	Concrete Pavement - 8" Non-Reinforced	SY	530	\$60.00	\$31,800.00
2.	Driveway - 7" Concrete	SY	80	\$60.00	\$4,800.00
3.	Site Grading	LSum	1	\$1,000.00	\$1,000.00

Geller's and Meadow Ridge General Items

1.	Cleaning	LSum	1	\$500.00	\$500.00
2.	Storm Water Management	LSum	1	\$500.00	\$500.00
3.	Traffic Control	LSum	1	\$500.00	\$500.00
4.	Mowing	Acre	4.5	\$200.00	\$900.00
5.	Watering	Each	6	\$125.00	\$750.00
6.	Excavation - 6" Topsoil Stripping	CY	200	\$5.00	\$1,000.00
7.	Topsoil Replacement - 4"	CY	150	\$6.00	\$900.00
8.	Inlet Protection Device	Each	6	\$125.00	\$750.00
9.	Stabilized Construction Entrance	Each	1	\$1,000.00	\$1,000.00
10.	Seeding - Type II	Acre	0.5	\$2,000.00	\$1,000.00
11.	Mulch - Type B - Hydromulch	Acre	0.5	\$2,000.00	\$1,000.00

Construction Subtotal	\$700,319.00
Contingencies	\$70,031.90

Total Construction **\$770,350.90**

Engineering	\$84,738.60
Legal & Administration	\$54,799.97
Bond Discount	\$23,110.53

TOTAL PROJECT **\$933,000.00**

ESTIMATED PROJECT FUNDING SUMMARY

Sales Tax Revenue:
Cost of 9th Street Intersection Items \$195,000.00

Special Assessments:
Compost Site, Geller's and Meadow Ridge Improvements \$738,000.00

Agenda #	<u>j</u>
Agenda Code	<u>Consent</u>
Project #	<u>19974</u>

AGENDA ITEM DESCRIPTION
CITY COMMISSION
WEST FARGO, NORTH DAKOTA

***Please Note: The following information must be completed and submitted to the West Fargo City Auditor's Office by the Thursday noon preceding the City Commission meeting. Failure to comply may result in no action being taken on your request.

1. CONTACT PERSON: Dustin Scott

2. PHONE NO. 282-4692 DATE: June 4, 2018

3. PLEASE BRIEFLY DESCRIBE YOUR REQUEST: _____
Review Engineer's Report for Street Improvement District No. 2249

4. SITE ADDRESS OR LEGAL DESCRIPTION (if applicable):
Sheyenne St & 7th Ave W – Intersection Improvements

5. ACTION BEING REQUESTED FROM CITY COMMISSION: _____
Approve Engineer's Report for Street Improvement District No. 2249
Authorize preparation of Plans & Specs
Authorize Resolution of Necessity

ENGINEER'S REPORT

The undersigned is the engineer for the City of West Fargo, Cass County, North Dakota, and submits the following report to the Board of City Commissioners of said city:

The purpose of the proposed project is to improve the safety and functionality of the intersection at Sheyenne Street and 7th Avenue West as well as creating a "Gateway to Downtown." This Gateway will calm traffic, increasing safety for both pedestrians & vehicles while providing an aesthetic feature entering the downtown area. The need for the proposed project is warranted by continued crash susceptibility along with long and unsafe pedestrian crosswalks. Additionally, mixed-use developments continue to occur along the corridor, and this project would help address the social demands and better accommodate economic development in this area. Additional information related to this corridor can be found in the approved Downtown Sheyenne Street Corridor Study prepared by Moore Engineering Inc. and Kadmas, Lee and Jackson, Inc.

Street Improvement District No. 2249 will involve upgrading water main & storm sewer, concrete pavement, curb and gutter, street lights, sidewalks, multi-use paths, traffic signals, signing & striping, landscaping, decorative gateway sign, bus shelter and other miscellaneous installations.

Based upon the estimate of the probable cost, attached hereto and made a part thereof, and the engineering information and studies, the work proposed in said district is feasible.

Dated this 4th day of June, 2018.

Dustin Scott
Moore Engineering, Inc.
West Fargo ND



Engineer for the City of West Fargo, ND

STREET IMPROVEMENT DIST. NO. 2249
SHEYENNE STREET & 7th AVENUE IMPROVEMENTS- TRAFFIC SIGNAL
WEST FARGO ND

Engineer's Opinion of Probable Cost

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
<u>Water Main Items</u>				
1. Hydrant - Remove	Each	1	\$500.00	\$500.00
2. Hydrant	Each	1	\$5,500.00	\$5,500.00
3. Watermain - 6" C900	LF	15	\$35.00	\$525.00
4. Watermain - 8" C900	LF	800	\$40.00	\$32,000.00
5. Gate Valve & Box - 6"	Each	1	\$1,250.00	\$1,250.00
6. Gate Valve & Box - 8"	LF	3	\$1,500.00	\$4,500.00
<u>Storm Sewer Items</u>				
1. Storm Sewer - Remove	LF	550	\$10.00	\$5,500.00
2. Storm Sewer - 15" RCP	LF	100	\$30.00	\$3,000.00
3. Storm Sewer - 36" RCP	LF	450	\$75.00	\$33,750.00
4. Storm Sewer - 4" Perforated PVC	LF	2,000	\$4.00	\$8,000.00
5. Storm Sewer Structure - Remove	Each	5	\$500.00	\$2,500.00
6. Storm Sewer Manhole	Each	2	\$5,000.00	\$10,000.00
7. Storm Sewer Catch Basin - 2' x 3'	Each	4	\$1,750.00	\$7,000.00
8. External Manhole Chimney Seal	Each	6	\$250.00	\$1,500.00
<u>Roadway Items</u>				
1. Excavation & Embankment - Unclassified	LSum	1	\$5,000.00	\$5,000.00
2. Curb & Gutter - Remove	LF	2,000	\$7.50	\$15,000.00
3. Curb & Gutter	LF	2,000	\$20.00	\$40,000.00
4. Concrete Pavement - 8" Non-Reinforced	SY	3,000	\$55.00	\$165,000.00
5. Concrete Pavement - 8" Non-Reinforced Stamped & Colored	SY	250	\$100.00	\$25,000.00
6. Sidewalk - Remove	SY	1,000	\$7.50	\$7,500.00
7. Sidewalk / Multi-Use Path	SY	1,500	\$50.00	\$75,000.00
8. Detectable Warning Panel	SF	100	\$40.00	\$4,000.00
9. Decorative Colored Concrete - Boulevard	SY	500	\$115.00	\$57,500.00
10. Driveway - 7" Concrete	SY	50	\$50.00	\$2,500.00
11. Signing & Striping	LSum	1	\$7,500.00	\$7,500.00
12. Traffic Signal	LSum	1	\$250,000.00	\$250,000.00
<u>General Items</u>				
1. Cleaning	LSum	1	\$2,500.00	\$2,500.00
2. Storm Water Management	LSum	1	\$5,000.00	\$5,000.00
3. Traffic Control	LSum	1	\$2,500.00	\$2,500.00
4. Lighting	LSum	1	\$50,000.00	\$50,000.00
Construction Subtotal				\$829,525.00
 <u>Downtown Streetscape Amenities</u>				
1. Decorative Sign	LSum	1	\$200,000.00	\$200,000.00
2. Bus Shelter	LSum	1	\$22,000.00	\$22,000.00
3. Fence/Screen	LF	500	\$50.00	\$25,000.00
4. Streetscape	LSum	1	\$40,000.00	\$40,000.00
5. Traffic Signal Upgrades	LSum	1	\$50,000.00	\$50,000.00
Construction Subtotal				\$337,000.00
Construction Subtotal				\$1,166,525.00
Contingencies				\$118,598.96
Total Construction				\$1,285,123.96
Conceptual Design				\$30,000.00
Engineering				\$141,363.64
Legal & Administration				\$89,958.68
Bond Discount				\$38,553.72
Land Acquisition				\$25,000.00
TOTAL PROJECT				\$1,610,000.00

ESTIMATED PROJECT FUNDING SUMMARY

Sales Tax Revenue:	\$441,470.00
Downtown Streetscape Amenities	
Special Assessments:	\$1,168,530.00
Intersection Improvements	



City of West Fargo
West Fargo, North Dakota

Audit Report

For the Year Ended December 31, 2017

JOSHUA C. GALLION
STATE AUDITOR

Office of the State Auditor
Division of Local Government

CITY OF WEST FARGO
West Fargo, North Dakota

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CITY OF WEST FARGO
West Fargo, North Dakota

December 31, 2017

CITY OFFICIALS

President / Mayor	Rich Mattern
Vice-President	Mark Wentz
Commissioner	Mike Thorstad
Commissioner	Mark Simmons
Commissioner	Duane Hanson
City Administrator	Tina Fisk
Finance Director	Aaron Mitchell
Police Chief	Heith Janke
Public Works Director	Chris Brungardt
Planning Director	Larry Weil
Human Resources Administrator	Jenna Wilm
City Attorney	John Shockley

STATE AUDITOR PERSONNEL

Audit Manager / Auditor In-Charge	David Mix
Staff Auditor	Heath Erickson
Staff Auditor	Alex Bakken
Staff Auditor	Jon Worrall



STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. BOULEVARD AVENUE - DEPT. 117
BISMARCK, NORTH DAKOTA 58505

INDEPENDENT AUDITOR'S REPORT

City Commission
City of West Fargo
West Fargo, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Fargo, North Dakota, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Fargo, North Dakota, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 10 to the financial statements, the City of West Fargo adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefit Plans Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the *management's discussion and analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the *budgetary comparison information, pension schedules, and the notes to the required supplementary information* on pages 45-50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Fargo's basic financial statements. The *schedule of fund activity* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The *schedule of fund activity* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *schedule of fund activity is fairly stated*, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2018, on our consideration of the City of West Fargo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Fargo's internal control over financial reporting and compliance.

/s/
Joshua C. Gallion
State Auditor

Fargo, North Dakota
April 26, 2018

CITY OF WEST FARGO
West Fargo, North Dakota

STATEMENT OF NET POSITION
December 31, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and investments	\$ 35,942,904	\$ 12,867,802	\$ 48,810,706
Restricted cash	15,796	-	15,796
Accounts receivable	257,129	-	257,129
Utility billings receivable	-	940,437	940,437
Intergovernmental receivable	1,323,782	-	1,323,782
Other asset	-	4,860	4,860
Storefront loans receivable	82,816	-	82,816
TIF long-term loan receivable	1,444,481	-	1,444,481
Taxes receivable	111,223	-	111,223
Special assessments receivable - current	997,920	-	997,920
Capital projects - special assessments receivable	270,000	-	270,000
Bond Discount	1,237,171	-	1,237,171
Long-Term Receivable:			
Long-term special assessments receivable	221,132,905	-	221,132,905
Capital Assets not being depreciated:			
Land	14,752,650	1,857,610	16,610,260
Construction in progress	87,240,598	-	87,240,598
Capital Assets being depreciated:			
Buildings	11,342,609	3,306,191	14,648,800
Equipment	2,284,735	2,786,625	5,071,360
Improvements to land	10,494	-	10,494
Infrastructure	80,613,699	270,927,884	351,541,583
Total Capital Assets	<u>\$ 196,244,785</u>	<u>\$ 278,878,310</u>	<u>\$ 475,123,095</u>
Total Assets	<u>\$ 459,060,912</u>	<u>\$ 292,691,409</u>	<u>\$ 751,752,321</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pension & OPEB	\$ 4,816,517	\$ 1,504,564	\$ 6,321,081
Total Assets & Deferred Outflows of Resources	<u>\$ 463,877,429</u>	<u>\$ 294,195,973</u>	<u>\$ 758,073,402</u>
LIABILITIES:			
Accounts & accrued expenses payable	\$ 342,754	\$ 398,085	\$ 740,839
Construction payable	1,377,662	-	1,377,662
Salaries & benefits payable	397,225	121,448	518,673
Court deposits payable	59,200	-	59,200
Retainages payable	960,965	-	960,965
Interest payable	1,557,370	104,604	1,661,974
Bond Premium	4,788,489	-	4,788,489
Long-Term Liabilities:			
Portion Due or Payable Within One Year:			
Bonds payable	17,540,000	640,000	18,180,000
Drawdowns payable	312,901	-	312,901
Compensated absences	115,065	42,307	157,372
Portion Due or Payable After One Year:			
Bonds payable	237,225,000	12,600,000	249,825,000
Drawdowns payable	14,298,531	-	14,298,531
Compensated absences	1,035,584	380,766	1,416,350
Net pension & OPEB liability	9,592,797	2,996,558	12,589,355
Total Liabilities	<u>\$ 289,603,543</u>	<u>\$ 17,283,768</u>	<u>\$ 306,887,311</u>
DEFERRED INFLOWS OF RESOURCES:			
Pension & OPEB	\$ 279,677	\$ 87,365	\$ 367,042
Total Liabilities & Deferred Inflows of Resources	<u>\$ 289,883,220</u>	<u>\$ 17,371,133</u>	<u>\$ 307,254,353</u>
NET POSITION:			
Net investment in capital assets	\$ 145,447,860	\$ 265,598,412	\$ 411,046,272
Restricted for:			
Public works/streets	1,017	-	1,017
Culture & recreation	601,811	-	601,811
Economic development	1,791,086	-	1,791,086
Other special purposes	426,954	-	426,954
Building/capital projects	9,316,010	-	9,316,010
Debt service	34,047,354	-	34,047,354
Loans	1,619,501	-	1,619,501
Unrestricted	<u>(19,257,384)</u>	<u>11,226,428</u>	<u>(8,030,956)</u>
Total Net Position	<u>\$ 173,994,209</u>	<u>\$ 276,824,840</u>	<u>\$ 450,819,049</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST FARGO
West Fargo, North Dakota

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 4,045,096	\$ 1,319,328	\$ 48,552	\$ -	\$ (2,677,216)		\$ (2,677,216)
Public safety	8,096,718	401,358	801,524	-	(6,893,836)		(6,893,836)
Public works/streets	12,532,297	1,958,692	4,149,100	61,064,593	54,640,088		54,640,088
Economic development	2,060,964	-	-	-	(2,060,964)		(2,060,964)
Culture and recreation	1,124,130	30,866	-	-	(1,093,264)		(1,093,264)
Miscellaneous/other	117,139	15,800	48,553	-	(52,786)		(52,786)
Interest & costs on long-term debt	7,738,102	-	-	-	(7,738,102)		(7,738,102)
Total Governmental Activities	\$ 35,714,446	\$ 3,726,044	\$ 5,047,729	\$ 61,064,593	\$ 34,123,920		\$ 34,123,920
Business-Type Activities:							
Water and sewer	\$ 16,309,741	\$ 9,583,547	\$ -	\$ -	\$ -	\$ (6,726,194)	\$ (6,726,194)
Health and sanitation	3,494,372	3,368,333	-	-	-	(126,039)	(126,039)
Total Business-Type Activities	\$ 19,804,113	\$ 12,951,880	\$ -	\$ -	\$ -	\$ (6,852,233)	\$ (6,852,233)
Total Primary Government	\$ 55,518,559	\$ 16,677,924	\$ 5,047,729	\$ 61,064,593	\$ 34,123,920	\$ (6,852,233)	\$ 27,271,687
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 7,528,869	\$ -	\$ 7,528,869
Property taxes, levied for debt service					1,723,712	-	1,723,712
Property taxes, levied for special purposes					2,465,198	-	2,465,198
Sales taxes					9,983,662	-	9,983,662
State aid distribution & other unrestricted revenues					1,772,067	-	1,772,067
Unrestricted investment interest earnings					225,826	31,459	257,285
Miscellaneous income					305,691	308,060	613,751
Transfers					(21,042,648)	21,042,648	-
Total General Revenues and Transfers					\$ 2,962,377	\$ 21,382,167	\$ 24,344,544
Change in Net Position					\$ 37,086,297	\$ 14,529,934	\$ 51,616,231
Net Position - January 1					\$ 138,952,281	\$ 262,431,405	\$ 401,383,686
Prior Period Adjustments					(2,044,369)	(136,499)	(2,180,868)
Net Position - January 1, as restated					\$ 136,907,912	\$ 262,294,906	\$ 399,202,818
Net Position - December 31					\$ 173,994,209	\$ 276,824,840	\$ 450,819,049

The notes to the financial statements are an integral part of this statement.

CITY OF WEST FARGO
West Fargo, North Dakota

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	General Fund	Sales Tax Fund	Debt Service Funds	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$22,175,193	\$ 8,473,221	\$ 2,088,995	\$ -	\$ 3,205,495	\$ 35,942,904
Restricted cash	-	-	-	-	15,796	15,796
Accounts receivable	233,738	-	-	2,290	21,101	257,129
Intergovernmental receivable	442,989	712,750	-	-	168,043	1,323,782
TIF loans long-term receivable	-	-	-	-	1,444,481	1,444,481
Storefront loans receivable	-	-	-	-	82,816	82,816
Taxes receivable	73,430	-	26,971	-	10,822	111,223
Special assessments receivable - current	-	-	997,920	-	-	997,920
Special assessments receivable - deferred	-	-	221,132,905	-	-	221,132,905
Special assessments receivable - capital projects	-	-	-	270,000	-	270,000
Due from other city funds - negative cash	-	-	34,495,722	-	-	34,495,722
Total Assets	\$22,925,350	\$ 9,185,971	\$258,742,513	\$ 272,290	\$ 4,948,554	\$ 296,074,678
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
OF RESOURCES						
Liabilities:						
Accounts & accrued expenses payable	\$ 186,096	\$ -	\$ -	\$ -	\$ 156,658	\$ 342,754
Salaries & benefits payable	368,862	-	-	-	28,363	397,225
Construction payable	-	-	-	1,377,662	-	1,377,662
Municipal court bonds payable	59,200	-	-	-	-	59,200
Due to other city funds - negative cash	-	-	-	34,495,722	-	34,495,722
Total Liabilities	\$ 614,158	\$ -	\$ -	\$ 35,873,384	\$ 185,021	\$ 36,672,563
Deferred Inflows of Resources						
Deferred taxes & special assmts. rec.	\$ 73,430	\$ -	\$222,157,796	\$ -	\$ 10,822	\$ 222,242,048
Total Liabilities & Deferred Inflows of Resources	\$ 687,588	\$ -	\$222,157,796	\$ 35,873,384	\$ 195,843	\$ 258,914,611
Fund Balances:						
Non-Spendable:						
Loans receivable	\$ -	\$ -	\$ -	\$ -	\$ 1,527,297	\$ 1,527,297
Restricted:						
Debt service	-	-	36,584,717	-	-	36,584,717
General government	-	-	-	-	48,629	48,629
Public safety	-	-	-	-	210,265	210,265
Public works/streets	-	-	-	-	693,451	693,451
Culture & recreation	-	-	-	-	917,121	917,121
Economic development	-	-	-	-	769,146	769,146
Other	-	-	-	-	427,971	427,971
Committed:						
Sales tax fund	-	9,185,971	-	-	-	9,185,971
Culture & recreation	-	-	-	-	43,262	43,262
Public safety	-	-	-	-	1,017	1,017
Future building fund	-	-	-	-	130,039	130,039
Unassigned:						
Negative fund balances	-	-	-	(35,601,094)	(15,487)	(35,616,581)
General fund	22,237,762	-	-	-	-	22,237,762
Total Fund Balances	\$22,237,762	\$ 9,185,971	\$ 36,584,717	\$(35,601,094)	\$ 4,752,711	\$ 37,160,067
Total Liabilities and Fund Balances	\$22,925,350	\$ 9,185,971	\$258,742,513	\$ 272,290	\$ 4,948,554	\$ 296,074,678

The notes to the financial statements are an integral part of this statement.

CITY OF WEST FARGO
West Fargo, North Dakota

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2017

Total *Fund Balances* for Governmental Funds \$ 37,160,067

Total Net Position reported for governmental activities in the statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land (not depreciated)	\$ 14,752,650	
Construction in Progress (not depreciated)	87,240,598	
Land Improvements, net of (\$3,193) accumulated depreciation	10,494	
Buildings, net of (\$1,696,908) accumulated depreciation	11,342,609	
Equipment, net of (\$2,470,096) accumulated depreciation	2,284,735	
Infrastructure, net of (\$57,972,801) accumulated depreciation	<u>80,613,699</u>	196,244,785

Most of the City's taxes and special assessments will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenue in the funds.

Long-Term Uncertified Special Assessments Receivable	\$ 221,132,905	
Uncollected Taxes Receivable	111,223	
Special Assessments Receivable	<u>997,920</u>	222,242,048

Retainages payable are not a fund liability, but are accrued for government-wide purposes as those liabilities will be liquidated at the completion of capital projects. (960,965)

Deferred outflows and inflows of resources related to pensions & OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.

Pension & OPEB Deferred Inflows of Resources	\$ (279,677)	
Pension & OPEB Deferred Outflows of Resources	<u>4,816,517</u>	4,536,840

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities --both current and long-term--are reported in the Statement of Net Position. Balances at December 31, 2017 are:

Special Assessment Bonds Payable	\$ (246,915,000)	
TIF Bonds Payable	(795,000)	
General Obligation Bonds Payable	(5,715,000)	
Sales Tax Bonds Payable	(1,340,000)	
BND Drawdowns Payable	(14,611,432)	
Unamortized Bond Discount	(4,788,489)	
Unamortized Bond Premium	1,237,171	
Interest Payable	(1,557,370)	
Compensated Absences	(1,150,649)	
Net Pension & OPEB Liability	<u>(9,592,797)</u>	<u>(285,228,566)</u>

Total Net Position of Governmental Activities \$ 173,994,209

The notes to the financial statements are an integral part of this statement.

CITY OF WEST FARGO
West Fargo, North Dakota

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	General Fund	Sales Tax Fund	Debt Service Funds	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 7,509,022	\$ -	\$ 1,727,953	\$ -	\$ 2,470,993	\$ 11,707,968
Special assessments	-	-	29,749,605	-	-	29,749,605
Sales taxes	-	9,983,662	-	-	-	9,983,662
Licenses, permits and fees	3,113,975	-	-	-	-	3,113,975
Charges for services	-	-	-	146,275	240,191	386,466
Intergovernmental	3,307,030	-	-	1,644,372	1,722,120	6,673,522
Fines, forfeitures and penalties	371,878	-	-	-	-	371,878
Interest on investments	65,139	37,478	112,450	2,449	8,310	225,826
Miscellaneous	81,036	-	-	-	224,655	305,691
Total Revenues	\$ 14,448,080	\$ 10,021,140	\$ 31,590,008	\$ 1,793,096	\$ 4,666,269	\$ 62,518,593
Expenditures:						
Current:						
General government	\$ 3,685,581	\$ -	\$ -	\$ -	\$ 135,390	\$ 3,820,971
Public safety	6,877,592	-	-	-	838,370	7,715,962
Public works/streets	3,862,165	-	-	-	420,959	4,283,124
Economic development	212,547	-	652,160	-	1,176,348	2,041,055
Culture and recreation	-	-	-	-	1,076,694	1,076,694
Other	-	-	-	30	117,109	117,139
Capital Outlay	-	260,983	-	49,863,695	-	50,124,678
Debt Service:						
Principal - Bonds	-	-	17,823,568	-	-	17,823,568
Interest	-	-	7,646,731	-	-	7,646,731
Fiscal charges & fees	-	-	33,976	-	-	33,976
Total Expenditures	\$ 14,637,885	\$ 260,983	\$ 26,156,435	\$ 49,863,725	\$ 3,764,870	\$ 94,683,898
Excess (Deficiency) of Revenues Over Expenditures	\$ (189,805)	\$ 9,760,157	\$ 5,433,573	\$ (48,070,629)	\$ 901,399	\$(32,165,305)
Other Financing Sources (Uses):						
Proceeds from bond sale	\$ -	\$ -	\$ -	\$ 36,860,000	\$ -	\$ 36,860,000
Loan proceeds	-	-	-	8,308,195	-	8,308,195
Bond premium	-	-	-	2,715,455	-	2,715,455
Bond discount	-	-	-	(412,617)	-	(412,617)
Transfers in	2,113,272	-	4,950,100	10,031,716	1,742,940	18,838,028
Transfers out	(2,142,000)	(10,993,572)	(514,339)	(3,528,723)	(1,659,394)	(18,838,028)
Total Other Financing Sources and Uses	\$ (28,728)	\$(10,993,572)	\$ 4,435,761	\$ 53,974,026	\$ 83,546	\$ 47,471,033
Net Change in Fund Balances	\$ (218,533)	\$ (1,233,415)	\$ 9,869,334	\$ 5,903,397	\$ 984,945	\$ 15,305,728
Fund Balances - January 1	\$ 22,456,295	\$ 10,419,386	\$ 28,313,003	\$ (41,774,491)	\$ 2,608,666	\$ 22,022,859
Prior Period Adjustments	-	-	(1,597,620)	270,000	1,159,100	(168,520)
Fund Balances - Jan. 1, as restated	\$ 22,456,295	\$ 10,419,386	\$ 26,715,383	\$ (41,504,491)	\$ 3,767,766	\$ 21,854,339
Fund Balances - December 31	\$ 22,237,762	\$ 9,185,971	\$ 36,584,717	\$ (35,601,094)	\$ 4,752,711	\$ 37,160,067

The notes to the financial statements are an integral part of this statement.

CITY OF WEST FARGO
West Fargo, North Dakota

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

Net Change in *Fund Balances* - Total Governmental Funds \$ 15,305,728

The change in Net Position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These are the amount by which capital asset additions & capital contributions exceeded transfers, disposals, and depreciation in the current period:

Capital Asset Additions	\$ 48,310,677	
Capital Contributions	3,133,197	
Transfer of Capital Assets to Enterprise Activities	(21,042,648)	
Depreciation on Capital Assets	<u>(6,493,882)</u>	23,907,344

In the statement of activities, only the gain on the sale of the capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the loss on the capital assets sold.

(56,968)

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position:

Debt Issued:		
Special Assessment Bonds	\$ (36,860,000)	
Loan Drawdown Proceeds	(8,308,195)	
Bond Premium	(2,715,455)	
Bond Discount	412,616	
Debt Repayments:		
Bond Principal	<u>17,823,568</u>	(29,647,466)

Bond premium amortization is a reduction to interest expense as it is amortized over the life of the outstanding bonds using the straight-line method. Bond discounts are amortized over the life of the bond using the straight-line method (as interest expense):

Discount Amortization	\$ 263,525	
Premium Amortization	<u>(60,453)</u>	203,072

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following balances:

Net Change in Compensated Absences	\$ 360,016	
Net Change in Retainages Payable	143,086	
Net Change in Interest Payable	<u>(260,467)</u>	242,635

The Net Pension Liability, and related Deferred Outflows of Resources and Deferred Inflows of Resources are reported in the government wide statements; however, activity related to these pension items do not involve current financial resources, and are not reported in the funds.

Net Change in Pension & OPEB Liability	\$ (3,916,842)	
Net Change in Deferred Inflows of Resources for Pensions & OPEB	29,851	
Net Change in Deferred Outflows of Resources for Pensions & OPEB	<u>2,827,341</u>	(1,059,650)

Long-term Special Assessments are not considered as available resources in the governmental funds; however, they are revenues in the statement of activities of activities. Likewise, collections of long-term special assessments are reported as revenues in the governmental funds; however, they are a reduction of receivables in the statement of activities. The net effect is a net increase to the receivable:

27,853,487

Because some property taxes and special assessments will not be collected for several months after year end, they are not considered as available resources in the governmental funds. However, they are revenues in the statement of activities. The net effect is:

Net Change in Taxes Receivable		9,811
Net Change in Special Assessments Receivable		<u>328,304</u>

Change in Net Position of Governmental Activities \$ 37,086,297

The notes to the financial statements are an integral part of this statement.

CITY OF WEST FARGO
West Fargo, North Dakota

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	Business-Type Activities - Enterprise Funds		
	Water & Sewer Funds	Sanitation & Health Fund	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 11,541,324	\$ 1,326,478	\$ 12,867,802
Other asset	4,860	-	4,860
Utility billings receivable	640,297	300,140	940,437
Total Current Assets	<u>\$ 12,186,481</u>	<u>\$ 1,626,618</u>	<u>\$ 13,813,099</u>
Noncurrent Assets:			
Capital Assets not being depreciated:			
Land	\$ 1,857,610	\$ -	\$ 1,857,610
Capital Assets being depreciated:			
Building	2,389,093	917,098	3,306,191
Equipment	1,449,706	1,336,919	2,786,625
Infrastructure	270,927,884	-	270,927,884
Total Noncurrent Assets	<u>\$ 276,624,293</u>	<u>\$ 2,254,017</u>	<u>\$ 278,878,310</u>
Total Assets	<u>\$ 288,810,774</u>	<u>\$ 3,880,635</u>	<u>\$ 292,691,409</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pension & OPEB	<u>\$ 982,354</u>	<u>\$ 522,210</u>	<u>\$ 1,504,564</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 289,793,128</u>	<u>\$ 4,402,845</u>	<u>\$ 294,195,973</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 290,355	\$ 107,730	\$ 398,085
Salaries & benefits payable	81,550	39,898	121,448
Interest payable	104,604	-	104,604
Bonds payable	640,000	-	640,000
Compensated absences	29,197	13,110	42,307
Total Current Liabilities	<u>\$ 1,145,706</u>	<u>\$ 160,738</u>	<u>\$ 1,306,444</u>
Noncurrent Liabilities:			
Bonds payable	\$ 12,600,000	\$ -	\$ 12,600,000
Compensated absences	262,775	117,991	380,766
Net Pension & OPEB Liability	1,956,501	1,040,057	2,996,558
Total Noncurrent Liabilities	<u>\$ 14,819,276</u>	<u>\$ 1,158,048</u>	<u>\$ 15,977,324</u>
Total Liabilities	<u>\$ 15,964,982</u>	<u>\$ 1,318,786</u>	<u>\$ 17,283,768</u>
DEFERRED INFLOWS OF RESOURCES:			
Pension & OPEB	<u>\$ 57,042</u>	<u>\$ 30,323</u>	<u>\$ 87,365</u>
Total Liabilities & Deferred Inflows of Resources	<u>\$ 16,022,024</u>	<u>\$ 1,349,109</u>	<u>\$ 17,371,133</u>
NET POSITION			
Net investment in capital assets	\$ 263,384,293	\$ 2,214,119	\$ 265,598,412
Unrestricted	<u>10,386,811</u>	<u>839,617</u>	<u>11,226,428</u>
Total Net Position	<u>\$ 273,771,104</u>	<u>\$ 3,053,736</u>	<u>\$ 276,824,840</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST FARGO
West Fargo, North Dakota

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds		
	Water & Sewer Funds	Sanitation & Health Fund	Total
<u>Operating Revenues:</u>			
Charges for sales services	\$ 9,583,547	\$ 3,368,333	\$ 12,951,880
<u>Operating Expenses:</u>			
Salaries and benefits	\$ 2,332,929	\$ 1,144,728	\$ 3,477,657
Utilities	418,132	-	418,132
Operation, maintenance & supplies	881,371	101,126	982,497
Water purchases	3,341,258	-	3,341,258
Water & sewer other operating	430,527	-	430,527
Sanitation & health other operating	-	212,696	212,696
Recycling	-	660,792	660,792
Landfill charges	-	1,056,754	1,056,754
Depreciation	8,242,193	167,329	8,409,522
Total Operating Expenses	\$ 15,646,410	\$ 3,343,425	\$ 18,989,835
Operating Income	\$ (6,062,863)	\$ 24,908	\$ (6,037,955)
<u>Nonoperating Revenues (Expenses):</u>			
Investment earnings	\$ 27,758	\$ 3,701	\$ 31,459
Miscellaneous revenue & rental income	229,560	78,500	308,060
Miscellaneous expense	(20,545)	-	(20,545)
Interest expense & fees on long-term debt	(642,786)	-	(642,786)
Loss on capital assets	-	(150,947)	(150,947)
Total Nonoperating Revenue (Expenses)	\$ (406,013)	\$ (68,746)	\$ (474,759)
Income Before Transfers	\$ (6,468,876)	\$ (43,838)	\$ (6,512,714)
Transfers in (govt. activities capital assets)	\$ 21,042,648	\$ -	\$ 21,042,648
Total Net Transfers	\$ 21,042,648	\$ -	\$ 21,042,648
Changes in Net Position	\$ 14,573,772	\$ (43,838)	\$ 14,529,934
Net Position - January 1	\$ 259,283,970	\$ 3,147,435	\$ 262,431,405
Prior Period Adjustments	(86,638)	(49,861)	(136,499)
Net Position - January 1, as restated	\$ 259,197,332	\$ 3,097,574	\$ 262,294,906
Net Position - December 31	\$ 273,771,104	\$ 3,053,736	\$ 276,824,840

The notes to the financial statements are an integral part of this statement.

CITY OF WEST FARGO
West Fargo, North Dakota

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds		
	Water & Sewer Operating	Sanitation & Health Fund	Total Funds
<u>Cash Flows from Operating Activities:</u>			
Receipts from customers and users	\$ 9,591,941	\$ 3,377,254	\$ 12,969,195
Payments to suppliers	(5,013,362)	(1,983,420)	(6,996,782)
Payments to employees	(2,109,063)	(1,052,464)	(3,161,527)
Net Cash Provided by Operating Activities	<u>\$ 2,469,516</u>	<u>\$ 341,370</u>	<u>\$ 2,810,886</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Miscellaneous receipts	\$ 40,956	\$ -	\$ 40,956
Miscellaneous disbursements	(51,744)	-	(51,744)
Maintenance agreement revenue	56,603	-	56,603
Net Cash Provided (Used) by Noncapital Financing Activities	<u>\$ 45,815</u>	<u>\$ -</u>	<u>\$ 45,815</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Principal paid on capital debt	\$ (630,000)	\$ -	\$ (630,000)
Interest & fees paid on capital debt	(645,401)	-	(645,401)
Sales of capital assets	-	78,500	78,500
Interest subsidy (build America bonds)	132,001	-	132,001
Construction & purchases of capital assets	(464,422)	(147,890)	(612,312)
Net Cash Used by Capital and Related Financing Activities	<u>\$ (1,607,822)</u>	<u>\$ (69,390)</u>	<u>\$ (1,677,212)</u>
<u>Cash Flows from Investing Activities:</u>			
Interest income	\$ 27,758	\$ 3,701	\$ 31,459
Net Increase in Cash and Cash Equivalents	<u>\$ 935,267</u>	<u>\$ 275,681</u>	<u>\$ 1,210,948</u>
Cash and Cash Equivalents - January 1	<u>\$ 10,606,057</u>	<u>\$ 1,050,797</u>	<u>\$ 11,656,854</u>
Cash and Cash Equivalents - December 31	<u>11,541,324</u>	<u>\$ 1,326,478</u>	<u>\$ 12,867,802</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating income (loss)	\$ (6,062,863)	\$ 24,908	\$ (6,037,955)
<u>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</u>			
Depreciation expense	8,242,193	167,329	8,409,522
Decrease (increase) in utility billing receivables	8,395	8,921	17,316
Increase (decrease) in compensated absences	(72,858)	(26,180)	(99,038)
Net change (decrease) in pension & OPEB items	215,174	78,547	293,721
Net change in accrued payables	139,475	87,845	227,320
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,469,516</u>	<u>\$ 341,370</u>	<u>\$ 2,810,886</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST FARGO
West Fargo, North Dakota

STATEMENT OF FIDUCIARY ASSETS & LIABILITIES
AGENCY FUNDS
December 31, 2017

	<u>Agency Funds</u>
<u>ASSETS:</u>	
Cash and investments	<u>\$ 1,148,172</u>
<u>LIABILITIES:</u>	
Due to others	<u>\$ 1,148,172</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST FARGO
West Fargo, North Dakota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of West Fargo operates under a home rule charter and various city ordinances, as well as under certain statutes as outlined in the North Dakota Century Code. The financial statements of the City of West Fargo have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The accompanying financial statements present the activities of the City of West Fargo. The City of West Fargo has considered all potential component units for which the city is financially accountable, and other organizations for which the nature and significance of their relationship with the city are such that exclusion would cause the city's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. The criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City of West Fargo to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City of West Fargo.

Based on these criteria, there are no component units to be included within the City of West Fargo as a reporting entity.

B. Government-wide and fund financial statements

Government-wide statements: The statement of net position displays information on the financial activities of the city, with the exception of the fiduciary activities. Reporting on the internal activities has been eliminated to avoid duplication on the statements. The statements distinguish between governmental activities – which are normally financed through taxes and intergovernmental revenues – and business type activities – which are normally financed in whole or in part by fees and charges for services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially responsible.

The statement of activities compares the direct expenses and program revenues for both the functions of the governmental activities and business-type activities of the city. Direct expenses are clearly identifiable with a specific function. Indirect expense allocations have been eliminated for the statement of financial activities. Program revenues include 1) fines, fees and charges for services to customers that benefit from the services provided, and 2) operating grants and contributions, and 3) capital grants are contributions, including special assessments. General revenues, including taxes, are those revenues that are not properly classified as program revenue.

Fund Financial Statements: The fund financial statements provide information about the city's funds including its fiduciary funds. Separate statements for each fund category-governmental, proprietary and fiduciary-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, results from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The city reports the following major governmental funds:

General Fund. The general fund is the general operating fund of the city. It is used to account for all financial resources except those required to be accounted for in another fund.

Sales Tax Fund: The sales tax fund is used to account for the city sales tax revenue. The sales tax fund is a major special revenue fund with a committed revenue stream to transfer to debt service funds and to close out various capital projects.

Debt Service Funds: Debt service funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs. Revenue sources in this fund are restricted solely for debt retirement.

Capital Projects Funds. Capital projects funds are used to account for financial resources, including special assessments, to be used for the acquisition or construction of major capital facilities, (other than those financed by proprietary funds and trust funds).

The city reports the following major business-type funds:

Water and Sewer Fund: This fund accounts for the provisions of water and sewer services to the residents of the city.

Sanitation & Health Fund: This fund is used to account for the provisions of garbage pickup and landfill services to the residents of the city.

In addition, the city reports the following fund type:

Agency Funds: Agency funds are used to account for assets held by the city as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

Government-wide, proprietary, and Fiduciary Fund Financial Statements: The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund, and agency fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

Governmental Fund Financial Statements: Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The city considers revenues to be available if they are collected within sixty days after year-end. Special assessments, intergovernmental revenues, charges for services and investment income are considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the city funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the city's policy to first apply cost-reimbursement grant resources to such programs, and then by general revenues.

The city follows the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard setting body for establishing generally accepted accounting principles for government entities. For government-wide and proprietary fund financial statements the city applies all GASB (Governmental Accounting Standards Board) pronouncements.

When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits and money market accounts.

Investments consist of certificates of deposit, with a maturity date in excess of 90 days, CDAR investments, with a maturity of 28 days, stated at cost.

E. Receivables and Payables

Activities between funds that are representative of lending/borrowing transaction outstanding at the end of the fiscal year are designated as either "due to other funds" or "due from other funds" in the governmental fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All real estate is assessed as of the current value on February 1st of each year. Property taxes are attached as an enforceable lien on the real estate and become due on January 1st of the year following the assessment date. A 5% reduction of the taxes is allowed if the taxes are paid in full by February 15th.

Penalty and interest are added on March 1st if the first half of the year taxes is not paid. Additional penalty and interest are added October 15th to those taxes that are not paid. Taxes are collected by the County and remitted to the city monthly.

The city is permitted under provisions of the Home Rule Charter to levy taxes as needed for general governmental services and payment of principal and interest on long-term debt.

F. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental and business-type activities columns in the government-wide financial statements. Capital assets are defined as having an individual cost of \$5,000 or more and have a useful life in excess of two years. Capital assets are valued at historical or estimated historical cost if actual cost historical cost is not available. Donated capital assets are valued at estimated fair value on the date donated.

Major outlays for capital assets and improvements, including infrastructure, are capitalized as projects are constructed.

Depreciation has been provided over the estimated useful life, using the straight-line method for the city and the discretely presented component units, as follows:

Assets	Years
Buildings	30-50
Equipment	5-20
Vehicles	5-10
Infrastructure	20-40

G. Long-Term Liabilities

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as costs in the current period under provisions of GASB 65.

In the fund financial statements, governmental fund types recognize bond discounts and premiums, as well as bond issuance costs, during the current period. The face amount of the debt is reported as other financing sources.

H. Compensated Absences

Employees accrue vacation leave at a rate of four hours per month for the first year of service. The accrual rate is increased to seven hours per month from two to four years of continuous service, and nine hours per month from five to nine years of service, twelve hours per month from ten to fourteen years of service, fourteen hours per month from fifteen to nineteen years of service and sixteen hours per month for over twenty years of service. A maximum of 240 vacation hours is payable upon termination. Accumulated unpaid vacation is accrued when earned in the government-wide and proprietary fund statements.

Sick leave is accrued at a rate of 3.75 hours per pay period from one to five years of service, and eight hours per month of continuous service after five years. A maximum of 480 hours of sick leave is payable upon termination with ten or more years of service. Accumulated unpaid sick leave is accrued when earned in the government-wide and proprietary fund statements.

I. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS’ fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Fund Balance / Net Position

Fund Balance

Fund Balance Spending Policy

It is the policy of the City of West Fargo to spend restricted resources first, followed by unrestricted resources. It is also the policy of the Board to spend unrestricted resources of funds in the following order: committed, assigned and then unassigned.

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

CLASSIFICATION	DEFINITION	EXAMPLES
Nonspendable	Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.	Inventories, prepaid amounts (expenses), long-term receivables, endowment funds.
Restricted	Fund balance is reported as restricted when constraints are placed on the use of resources that are either (a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments. (b) Imposed by law through constitutional provisions or enabling legislation.	Funds restricted by State Statute, unspent bond proceeds, grants earned but not spent, debt covenants, taxes raised for a specific purpose.
Committed	A committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, City Commission formal action is required to be taken to establish, modify or rescind a fund balance commitment.	By board action, construction, claims and judgments, retirements of loans and notes payable, capital expenditures and self-insurance.
Assigned	Assigned fund balances are amounts that are constrained by the government’s intent to be used for specific purposes, but are under the direction of the business manager.	By city administrator action, construction, claims and judgments, retirements of loans and notes payable, capital expenditures and self-insurance.
Unassigned	Unassigned fund balance is the lowest classification for the General Fund. This is fund balance that has not been reported in any other classification. (a) The General Fund is the only fund that can report a positive unassigned fund balance (b) A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes	Available for any remaining general fund expenditure, and used to report negative fund balances of the capital projects funds, and other non-major special revenue funds.

The City of West Fargo reports non-spendable fund balance, restricted fund balances, committed fund balances, and unassigned fund balances at December 31, 2017.

Non-spendable fund balances are reported in the general fund and various debt service funds totaling for loans receivable and Economic Development loans.

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

Restricted fund balances are reported for the debt service fund and various functions within the special revenue funds for restricted tax levies, and amounts restricted by state and federal grants/contracts.

Committed fund balances are reported for the sales tax fund, committed by the governing board to close out various capital projects and for debt service, and the Future Building Fund, also committed by the governing board for construction which started in 2015.

Unassigned fund balances are reported for the general fund and for negative fund balances.

Net Position

When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources as they are needed.

Net investment in capital assets is reported for capital assets less accumulated depreciation and any related debt (bonds payable) issued to construct them. The resources needed to repay this related debt must be provided from other sources, since the capital assets are not used to liquidate these liabilities. These assets are not available for future spending.

Restrictions of net position shown in the net position statement are due to restricted tax levies and restricted Federal & State grants/reimbursements. Net position balances in the statement of net position is also shown by primary function as fund balances are shown and are restricted for debt service, general government, public safety, public works/streets, culture & recreation, economic development, capital projects, and other special purposes.

Unrestricted net position is primarily unrestricted amounts related to the general fund and enterprise funds, and amounts reclassified for negative cash balances from capital projects funds and applicable special revenue funds. The unrestricted net position is available to meet the district's ongoing obligations.

L. Inter-fund Transactions

In the fund statements, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reduction of expenditures in the fund that is reimbursed. All other transactions, except reimbursements, are reported as transfers.

NOTE 2: DEPOSITS

In accordance with North Dakota Statutes, the city maintains deposits at the depository banks designated by the governing board. All depositories are members of the Federal Reserve System.

Deposits must either be deposited with the Bank of North Dakota or in other financial institution situated and doing business within the state. Deposits, other than with the Bank of North Dakota, must be fully insured or bonded. In lieu of a bond, a financial institution may provide a pledge of securities equal to 110% of the deposits not covered by insurance or bonds.

Authorized collateral includes bills, notes, or bonds issued by the United States government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, Federal land bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, and all other forms of securities issued by the State of North Dakota, its boards, agencies or instrumentalities or by any county, city, township, city, park district, or other political subdivision of the state of North Dakota. whether payable from special revenues or supported by the full faith and credit of the issuing body and bonds issued by any other state of the United States or such other securities approved by the banking board.

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

At year ended December 31, 2017, the city's carrying amount of deposits was \$49,974,675, and the bank balances were \$53,533,156. Of the bank balances, \$1,500,000 was covered by Federal Depository Insurance, and \$26,960,961 was covered by SIPC and other applicable insurance. The remaining bank balances were collateralized with securities held by the pledging financial institution's agent in the government's name.

Credit Risk:

The city may invest idle funds as authorized in North Dakota Statutes, as follows:

- (a) Bonds, treasury bills and notes, or other securities that are a direct obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of congress.
- (b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above.
- (c) Certificates of Deposit fully insured by the federal deposit insurance corporation.
- (d) Obligations of the state.

As of December 31, 2017, the city held certificates of deposit totaling \$1,125,701.

The city's bond rating was A1 during the year ended December 31, 2017.

NOTE 3: RECEIVABLESAccounts Receivable

Accounts receivable consists of amounts due from other government agencies and private individuals for services earned but not yet collected.

Utility Billings Receivable

Utility billings receivable consists of amounts due from citizens on open account for water, sewer and garbage services furnished by the city. No allowance has been established for estimated uncollectible utility billings receivable.

Intergovernmental Receivables

Intergovernmental receivable consists of amounts due from the state government for sales tax, highway tax, and state revenue sharing collected and not yet distributed but owed to the city at year-end.

Storefront Loans Receivable

Storefront loans receivable is made up of the following individual balances:

Name/Business	Beg. Balance 1/1/17	Loan Forgiveness	Payments	Ending Balance 12/31/17
Sandy's Donuts	\$ 12,318	\$ -	\$ 2,004	\$ 10,314
Off the Wall Advertising	12,652	-	2,004	10,648
Silver Dollar	12,986	-	2,004	10,982
Bordertown	13,320	10,000	3,320	-
Dan's Service Center	13,988	-	2,004	11,984
Westside Salon	14,001	-	1,570	12,431
Westgo Square	14,268	-	1,632	12,636
Payroll Express	15,825	-	2,004	13,821
Total Loans Receivable	\$ 109,358	\$ 10,000	\$ 16,542	\$ 82,816

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

Tax Increment Financing Loans Receivable

Tax increment financing loans receivable is made up of the following individual balances:

Fund	Beg. Balance 1/1/17	Reclass/ Adjust.	Payments	End. Balance 12/31/17
Due from Highpoint TIF	\$ 354,947	\$ (22,649)	\$ 21,779	\$ 310,519
Due from Lexstar TIF	139,999	(11,488)	18,738	109,773
Due from Titan/Fargo Hosp. TIF	852,707	227,315	55,833	1,024,189
Total TIF Loans	\$ 1,347,653	\$ 193,178	\$ 96,350	\$ 1,444,481

Taxes Receivable

The taxes receivable and special assessments receivable amounts represent the past three years of delinquent uncollected taxes. The long-term uncertified special assessments receivable represents amounts not yet certified/assessed, but are to be assessed in future years for various projects/debt service collections. No allowance has been established for uncollectible taxes or special assessments receivable, or long-term uncertified special assessments receivable.

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Any material collections are distributed after the end of the month.

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1. The tax levy may be paid in two installments: the first installment includes one-half of the real estate taxes and all the special assessments; the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5% discount is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent and penalties are assessed.

Most property owners choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the 5% discount on the property taxes.

Special Assessments Receivable

Special assessments receivable consists of uncollected special assessments due the city at December 31 for debt service fund regular tax levies. No allowance has been established for uncollectible special assessments.

Long Term Special Assessments Receivable

Special assessments receivable consists of uncollected special assessments due the city at December 31 and uncertified special assessments, which represents a long-term receivable in the financial statements. No allowance has been established for uncollectible long-term special assessments receivable.

NOTE 4: DEFERRED OUTFLOW OF RESOURCES

Deferred outflows of resources in the government wide financial statements consist of amounts related to pensions and other post-employment benefits liabilities.

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

NOTE 5: INTER-FUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund receivables and payables -- the amount of due to / due from other funds represents the \$34,495,722 total that the capital projects fund owes the debt service fund (\$34,495,722) for over expending their share of the pooled cash account.

Interfund Cash Transfers:

The following is a schedule of cash interfund transfers for the year ended December 31, 2017 (does not include capital asset transfers between governmental and business-type activities):

Transfers In					
Transfers Out	General	Debt Service	Capital Projects	Nonmajor Funds	Total
General	\$ -	\$ -	\$ 2,000,000	\$ 142,000	\$ 2,142,000
Sales Tax	-	2,029,445	7,423,649	1,540,479	10,993,573
Debt Service	514,339	-	-	-	514,339
Capital Projects	-	2,920,655	608,067	-	3,528,722
Nonmajor Funds	1,598,933	-	-	60,461	1,659,394
Total	\$2,113,272	\$4,950,100	\$10,031,716	\$1,742,940	\$18,838,028

Interfund cash transfers in/out totaling \$18,838,028, consist of the following:

- \$1,598,933 from the highway tax fund 2130 to the general fund for street expenses
- \$2,000,000 from the general fund to capital projects fund 4499
- \$140,000 from the general fund to the tourist & event committee fund (\$10,000), vector control fund (\$30,000), and forestry fund (\$100,000) for operating expenses & \$2,000 into fund 2500 for national night out expenses
- \$2,029,445 from sales tax to debt service funds 3368 (\$940,945) and 3379 (\$1,088,500) for scheduled debt payments
- \$6,040,732 from sales tax fund 2000 to capital projects fund 2970
- \$1,540,479 from sales tax fund 2000 to non-major economic development fund 2960
- \$1,382,916 from sales tax fund 2000 to capital projects funds 4302 & 4365
- \$205,201 from capital projects funds 4049, 4051, 4353, 4362, 4366, & 4368 into debt service fund 3388
- \$2,715,455 from capital projects funds 4031, 4048, 4302, 4367, 4371, 4372, 4376, & 4586 into debt service fund 3389 (2017A RIB)
- \$608,067 from capital projects fund 2970 into capital projects funds 4052, 4369, 4396, 4480, 4498, & 4579
- \$60,461 of transfers out of non-major fund 7050 (airport authority) into non-major fund 7040 (airport authority bond construction)
- \$514,339 from debt service fund 3730 to general fund 1001 to close out fund 3730

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

NOTE 6: CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2017:

Governmental Activities

Governmental Activities	Balance 1/1/17	Increases	Decreases	Transfers	Balance 12/31/17
<i>Capital assets not being depreciated:</i>					
Land	\$ 14,654,817	\$ 97,833	\$ -	\$ -	\$ 14,752,650
Construction in Progress	69,604,194	50,868,378	-	(33,231,974)	87,240,598
Total Capital Assets, Not Being Depreciated	\$ 84,259,011	\$ 50,966,211	\$ -	\$ (33,231,974)	\$ 101,993,248
<i>Capital assets being depreciated:</i>					
Buildings	\$ 12,975,611	\$ 63,906	\$ -	\$ -	\$ 13,039,517
Equipment	4,607,999	413,757	266,924	-	4,754,832
Land Improvements	13,687	-	-	-	13,687
Infrastructure	126,367,174	-	-	12,189,326	138,556,500
Total Capital Assets, Being Depreciated	\$ 143,964,471	\$ 477,663	\$ 266,924	\$ 12,189,326	\$ 156,364,536
<i>Less Accumulated Depreciation for:</i>					
Buildings	\$ 1,403,126	\$ 293,782	\$ -	\$ -	\$ 1,696,908
Equipment	2,277,035	403,019	209,957	-	2,470,097
Land Improvements	2,737	456	-	-	3,193
Infrastructure	52,146,175	5,796,626	-	-	57,942,801
Total Accumulated Depreciation	\$ 55,829,073	\$ 6,493,883	\$ 209,957	\$ -	\$ 62,112,999
Total Capital Assets Being Depreciated, Net	\$ 88,135,398	\$ (6,016,220)	\$ 56,967	\$ 12,189,326	\$ 94,251,537
Governmental Activities Capital Assets, Net	\$ 172,394,409	\$ 44,949,991	\$ 56,967	\$ (21,042,648)	\$ 196,244,785

Depreciation expense was charged to the following functions/programs of the city's governmental activities for the current fiscal year:

Governmental Activities	Amounts
General Government	\$ 327,013
Public Safety	199,957
Public Works	5,962,478
Forestry	4,435
Total Depreciation Expense	\$ 6,493,883

Business-Type Activities

Business-Type Activities	Balance 1/1/17	Increases	Decreases	Transfers	Balance 12/31/17
Water & Sewer					
<i>Capital assets not being depreciated:</i>					
Land	\$ 1,620,110	\$ -	\$ -	\$ 237,500	\$ 1,857,610
<i>Capital assets being depreciated:</i>					
Buildings	\$ 2,652,603	\$ 8,000	\$ -	\$ -	\$ 2,660,603
Equipment	6,049,913	487,623	127,094	-	6,410,442
Land Improvements	3,751,796	-	-	-	3,751,796
Infrastructure	320,322,196	-	-	20,805,148	341,127,344
Total Capital Assets, Being Depreciated	\$ 332,776,508	\$ 495,623	\$ 127,094	\$ 20,805,148	\$ 353,950,185
<i>Less Accumulated Depreciation for:</i>					
Buildings	\$ 217,998	\$ 53,512	\$ -	\$ -	\$ 271,510
Equipment	4,862,605	225,225	127,094	-	4,960,736
Land Improvements	3,751,796	-	-	-	3,751,796
Infrastructure	62,236,004	7,963,456	-	-	70,199,460
Total Accumulated Depreciation	\$ 71,068,403	\$ 8,242,193	\$ 127,094	\$ -	\$ 79,183,502
Total Capital Assets Being Depreciated, Net	\$ 261,708,105	\$ (7,746,570)	\$ -	\$ 20,805,148	\$ 274,766,683
Business-Type Activities Capital Assets, Net	\$ 263,328,215	\$ (7,746,570)	\$ -	\$ 21,042,648	\$ 276,624,293

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

Business-Type Activities	Balance				Balance
Sanitation and Health	1/1/17	Increases	Decreases	Transfers	12/31/17
<i>Capital assets being depreciated:</i>					
Buildings	\$ 1,156,531	\$ -	\$ -	\$ -	\$ 1,156,531
Equipment	2,502,344	147,890	518,125	-	2,132,109
Total Capital Assets, Being Depreciated	\$ 3,658,875	\$ 147,890	\$ 518,125	\$ -	\$ 3,288,640
<i>Less Accumulated Depreciation for:</i>					
Buildings	\$ 216,285	\$ 23,148	\$ -	\$ -	\$ 239,433
Equipment	1,018,188	144,180	367,178	-	795,190
Total Accumulated Depreciation	\$ 1,234,473	\$ 167,328	\$ 367,178	\$ -	\$ 1,034,623
Total Capital Assets Being Depreciated, Net	\$ 2,424,402	\$ (19,438)	\$ 150,947	\$ -	\$ 2,254,017
Business-Type Activities Capital Assets, Net	\$ 2,424,402	\$ (19,438)	\$ 150,947	\$ -	\$ 2,254,017

Business-Type Activities	Balance				Balance
Total	1/1/17	Increases	Decreases	Transfers	12/31/17
<i>Capital assets not being depreciated:</i>					
Land	\$ 1,620,110	\$ -	\$ -	\$ 237,500	\$ 1,857,610
<i>Capital assets being depreciated:</i>					
Buildings	\$ 3,809,134	\$ 8,000	\$ -	\$ -	\$ 3,817,134
Equipment	8,552,257	635,513	645,219	-	8,542,551
Land Improvements	3,751,796	-	-	-	3,751,796
Infrastructure	320,322,196	-	-	20,805,148	341,127,344
Total Capital Assets, Being Depreciated	\$ 336,435,383	\$ 643,513	\$ 645,219	\$ 20,805,148	\$ 357,238,825
<i>Less Accumulated Depreciation for:</i>					
Buildings	\$ 434,283	\$ 76,660	\$ -	\$ -	\$ 510,943
Equipment	5,880,793	369,405	494,272	-	5,755,926
Land Improvements	3,751,796	-	-	-	3,751,796
Infrastructure	62,236,004	7,963,456	-	-	70,199,460
Total Accumulated Depreciation	\$ 72,302,876	\$ 8,409,521	\$ 494,272	\$ -	\$ 80,218,125
Total Capital Assets Being Depreciated, Net	\$ 264,132,507	\$ (7,766,008)	\$ 150,947	\$ 20,805,148	\$ 277,020,700
Business-Type Activities Capital Assets, Net	\$ 265,752,617	\$ (7,766,008)	\$ 150,947	\$ 21,042,648	\$ 278,878,310

NOTE 7: LONG-TERM LIABILITIES

During the year ended December 31, 2017, the following changes occurred in long-term liabilities of governmental and business type activities:

Governmental Activities

Governmental Activities	Bal. Jan. 1			Balance	Due Within
	(Restated)	Increases	Decreases	Dec. 31	One Year
Bonds Payable					
G.O. Bonds	\$ 6,420,000	\$ -	\$ 705,000	\$ 5,715,000	\$ 730,000
Spec. Assmt. Bonds	226,565,000	36,860,000	16,510,000	246,915,000	16,590,000
Revenue Bonds	2,355,000	-	220,000	2,135,000	220,000
Total Bonds Payable	\$ 235,340,000	\$ 36,860,000	\$ 17,435,000	\$ 254,765,000	\$ 17,540,000
Bond Premium	\$ 2,336,559	\$ 2,715,455	\$ 263,525	\$ 4,788,489	\$ 263,525
Bond Discount	\$ (885,007)	\$ (412,617)	\$ (60,453)	\$ (1,237,171)	\$ (60,453)
BND Drawdown Payable	\$ 6,691,805	\$ 8,308,195	\$ 388,568	\$ 14,611,432	\$ 312,901
Compensated Absences *	1,510,665	-	360,016	1,150,649	115,065
Net Pension and OPEB Liability *	5,675,955	3,916,842	-	9,592,797	-
Total Governmental Activities	\$ 250,669,977	\$ 51,387,875	\$ 18,386,656	\$ 283,671,196	\$ 18,171,038

* The change in compensated absences, and net pension & OPEB liability is shown as a net change because changes in salary prohibit exact calculations of additions and reductions at a reasonable cost.

CITY OF WEST FARGONotes to the Financial Statements – Continued

General Obligation Bonds

The city issued general obligation bonds in 2009 to provide funds for the construction of major capital assets for governmental type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the city. These bonds generally are issued as 20-year serial bonds with equal amounts maturing each year. General obligation bonds currently outstanding are as follows:

\$10,000,000 Refunding Bond G.O. Bonds of 2009 due in annual installments of \$730,000 to \$915,000 through 2024; interest at 3.20% to 4.35%. \$ 5,715,000

Special Assessment Bonds

The city issued \$36,860,000 of special assessment debt in 2017 to provide funds for the construction of streets, water and sewer lines, storm sewers, and street lights in new residential developments. These bonds will be repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the city must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received.

Special assessment bonds at December 31, 2017 is comprised of the following individual issues:

\$10,340,000 Refunding Improvement Bonds of 2007, Series A, due in annual installments of \$180,000 to \$690,000 through 2023; interest at 4.0%.	\$ 3,585,000
\$6,345,000 Refunding Improvement Bonds of 2007, Series B due in annual installments of \$265,000 to \$420,000 through 2023; interest at 4.0% to 4.25%.	2,320,000
\$215,000 of 2008 Sidewalk Bonds, due in one remaining installment of \$20,000, interest at 4.0%	20,000
\$2,735,000 Refunding Improvement Bonds 2008, Series B due in annual installments of \$175,000 to \$185,000 through 2023; interest 4.0% to 4.5%.	1,070,000
\$7,080,000 Refunding Improvement Bonds 2008, Series C due in annual installments of \$450,000 to \$465,000 through 2024; interest 4.1% to 4.75%.	3,200,000
\$5,430,000 Refunding Improvement Bonds of 2009, Series B (refund of 2003C and 2003D) due in one annual installment of \$290,000 in 2018; interest at 3.2%.	290,000
\$7,725,000 Refunding Improvement Bonds of 2009, Series C, due in annual installments of \$310,000 to \$325,000 through 2034; interest at 3.0% to 4.85%.	5,395,000
\$5,935,000 Refunding Improvement Bonds of 2010, Series A, due in annual installments of \$600,000 to \$605,000 through 2019; interest at 3.0% to 3.25%.	1,205,000

CITY OF WEST FARGONotes to the Financial Statements – Continued

Special assessment bonds at December 31, 2017 is comprised of the following individual issues:

\$7,130,000 Refunding Improvement Bonds of 2010, Series B, due in annual installments of \$265,000 to \$320,000 through 2035; interest at 2.0% to 4.0%.	\$ 5,165,000
\$525,000 Sidewalk Warrants of 2010 (6048) due in annual installments of \$50,000 through 2020; interest at 2.0% to 2.4%.	150,000
\$5,315,000 Refunding Improvement Bonds 2011, Series A due in annual installments of \$550,000 to \$565,000 through 2020; interest 3.45% to 4.0%.	1,670,000
\$2,645,000 Refunding Improvement Bonds 2011, Series B due in annual installments of \$175,000 to \$295,000 through 2020; interest 3.0% to 3.2%.	760,000
\$9,960,000 Refunding Improvement Bonds 2011, Series C due in annual installments of \$380,000 to \$440,000 through 2036; interest 2.0% to 4.0%.	7,615,000
\$15,630,000 Refunding Improvement Bonds of 2012, Series A, due in annual installments of \$535,000 to \$755,000 through 2036; interest rate from 3.0% to 4.25%.	11,390,000
\$170,000 Sidewalk Bonds of 2012, due in annual installments of \$15,000 to \$20,000 through 2022 at 2.25% interest.	95,000
\$6,030,000 Refunding Improvement Bonds of 2012, Series B, refinance of 2006A, due in annual installments of \$595,000 to \$650,000 through 2021; interest rate from 1.15% to 1.85%.	2,490,000
\$9,740,000 Refunding Improvement Bonds of 2012, Series C, refinance of 2005B and 2005D, due in annual installments of \$405,000 to \$1,015,000 through 2021; interest rate at 4.50%.	3,750,000
\$37,600,000 Refunding Improvement Bonds of 2012, Series D, included refinance of 2008A, due in annual installments of \$1,145,000 to \$1,600,000 through 2037; interest rate from 2.0% to 3.375%.	26,730,000
\$15,900,000 Refunding Improvement Bonds of 2014, Series A, due in annual installments of \$570,000 to \$725,000 through 2037; interest rate from 2.0% to 3.25%.	12,825,000
\$13,630,000 Refunding Improvement Bonds of 2014, Series B, due in annual installments of \$470,000 to \$635,000 through 2038; interest rates from 3.0% to 4.2%.	11,415,000
\$17,775,000 Refunding Improvement Bonds 2014, Series A due in annual installments of \$610,000 to \$870,000 through 2038; interest 2.0% to 3.625%.	15,075,000
\$20,460,000 Refunding Improvement Bonds 2014, Series B due in annual installments of \$750,000 to \$960,000 through 2039; interest 2.0% to 5.0%.	18,465,000

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

Special assessment bonds at December 31, 2017 is comprised of the following individual issues:

\$28,180,000 Refunding Improvement Bonds 2015, Series A due in annual installments of \$1,000,000 to \$1,425,000 through 2040; interest 2.0% to 5.0%.	\$ 25,325,000
\$24,400,000 Refunding Improvement Bonds 2015, Series B due in annual installments of \$1,000,000 to \$1,050,000 through 2040; interest 2.0% to 5.0%.	23,645,000
\$27,130,000 Refunding Improvement Bonds of 2017, Series A, due in annual installments of \$880,000 to \$1,375,000 through 2035; interest at 1.5% to 4.5%.	26,405,000
\$36,860,000 of Refunding Improvement Bonds of 2017, Series A, due in annual installments of \$745,000 to \$2,110,000 through 2042; interest at 3.0% to 5.0%.	<u>36,860,000</u>
Total Special Assessment Bonds	<u>\$ 246,915,000</u>

Revenue Bonds

Tax Increment Finance Revenue Bonds are issued for certain tax increment financing districts for redevelopment, infrastructure, and other community-improvement projects pursuant to state law as found in North Dakota Century Code sections 40-58-20, 40--58-20.1, 40-58-20.2 and 40-58-20.3.

Sales tax revenue bonds are paid from proceeds of sales tax pursuant to Article 3 (16) of the West Fargo Home Rule Charter authorizing the pledge of sales tax proceeds to pay bonds issued to construct, and maintain infrastructure improvements, job creation, and business recruitment.

Revenue and TIF bonds at December 31, 2017 is comprised of the following individual issues:

\$2,060,000 Sales Tax Revenue Bond, Series 2012, due in annual payments of \$175,000 to \$410,000 through 2023; interest rate of 3.0%.	\$ 1,340,000
\$570,000 Tax Increment Revenue Bonds of 2009, due in annual installments of \$35,000 to \$50,000; interest at 4.0% to 4.5%.	345,000
\$530,000 Municipal Bonds of 2009 (TIF), due in annual installments of \$10,000 to \$35,000 through 2039; interest at 4.0% to 5.0%.	<u>450,000</u>
Total Revenue & TIF Bonds	<u>\$ 2,135,000</u>
Total Bonds	<u>\$ 254,765,000</u>

Bank of North Dakota – Drawdown Payable

Two loan lines of credit exist with the Bank of North Dakota to draw down up to \$15,000,000 for construction costs related to fund 4586 for the 32nd and 40th Avenue West to Diversion project. As of December 31, 2017, the city drew down \$ of the loan lines of credit.

\$10,00,000 Drawdown, due in annual installments of \$508,533 through 2041; interest at 2.0%.	\$ 9,611,432
\$5,00,000 Drawdown, due in annual installments of \$259,729 through 2043; interest at 2.0%.	<u>5,000,000</u>
Total Drawdown Payable	<u>\$ 14,611,432</u>

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

Governmental activities debt service requirements to maturity (excluding compensated absences and net pension/OPEB liabilities) at December 31, 2017 are as follows:

GOVERNMENTAL ACTIVITIES						
Year Ending Dec. 31	G.O. Bonds Payable		Special Assessment Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 730,000	\$ 222,138	\$ 16,590,000	\$ 8,545,493	\$ 220,000	\$ 71,958
2019	755,000	198,777	16,435,000	7,756,299	230,000	65,603
2020	780,000	173,108	15,485,000	7,201,860	240,000	58,008
2021	810,000	144,248	13,695,000	6,673,506	245,000	50,079
2022	845,000	111,847	12,535,000	6,173,430	260,000	41,849
2023 - 2027	1,795,000	117,005	53,940,000	24,524,662	635,000	101,404
2028 - 2032	-	-	49,720,000	15,548,266	100,000	63,650
2033 - 2037	-	-	46,465,000	7,164,643	140,000	34,500
2038 - 2042	-	-	22,050,000	1,346,095	65,000	3,375
Totals	\$ 5,715,000	\$ 967,123	\$ 246,915,000	\$ 84,934,254	\$ 2,135,000	\$ 490,424

GOVERNMENTAL ACTIVITIES				
Year Ending Dec. 31	Drawdown Payable		Bond Premium/Discounts	
	Principal	Interest	Premium	Discount
2018	\$ 312,901	\$ 195,432	\$ 263,525	\$ 60,453
2019	409,869	358,193	263,525	60,453
2020	490,289	277,773	263,525	60,453
2021	500,094	267,967	263,525	52,493
2022	510,096	257,966	194,513	52,493
2023 - 2027	2,707,653	1,132,656	972,567	262,464
2028 - 2032	2,989,468	850,842	972,567	262,464
2033 - 2037	3,300,614	539,696	972,567	262,464
2038 - 2042	3,135,812	196,165	622,174	163,434
2043 - 2047	254,636	5,093	-	-
Totals	\$ 14,611,432	\$ 4,081,783	\$ 4,788,488	\$ 1,237,171

Operating Lease - Copier

The City of West Fargo entered an operating lease with Laser Systems for a copier in 2016. The lease calls for 63 monthly payments of \$704.51 each. Total operating lease payments made in 2017 totaled \$8,454.

Remaining operating lease payment commitments to Laser Systems for the copier are as follows at December 31, 2017:

Year Ended	Amounts
2018	\$ 8,454
2019	8,454
2020	8,454
2021	6,341
Total	\$ 31,703

Business-Type Activities

Business-Type Activities (Water and Sewer)	Bal. Jan. 1 (Restated)	Increases	Decreases	Balance Dec. 31	Due Within One Year
Sewer Bonds	\$ 13,870,000	\$ -	\$ 630,000	\$ 13,240,000	\$ 640,000
Compensated Absences *	364,830	-	72,858	291,972	29,197
Net Pension and OPEB Liability *	1,158,986	797,515	-	1,956,501	-
Total Business-Type Activities	\$ 15,393,816	\$ 797,515	\$ 702,858	\$ 15,488,473	\$ 669,197

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

Business-Type Activities (Sanitation and Health)	Bal. Jan. 1 (Restated)	Increases	Decreases	Balance Dec. 31	Due Within One Year
Compensated Absences *	\$ 157,281	\$ -	\$ 26,180	\$ 131,101	\$ 13,110
Net Pension and OPEB Liability *	667,006	373,051		1,040,057	-
Total Business-Type Activities	\$ 824,287	\$ 373,051	\$ 26,180	\$ 1,171,158	\$ 13,110

Business-Type Activities (Total)	Bal. Jan. 1 (Restated)	Increases	Decreases	Balance Dec. 31	Due Within One Year
Sewer Bonds	\$13,870,000	\$ -	\$ 630,000	\$13,240,000	\$ 640,000
Compensated Absences *	522,111	-	99,038	423,073	42,307
Net Pension and OPEB Liability *	1,825,992	1,170,566	-	2,996,558	-
Total Business-Type Activities	\$16,218,103	\$1,170,566	\$ 729,038	\$16,659,631	\$ 682,307

* The change in compensated absences, and net pension & OPEB liability is shown as a net change because changes in salary prohibit exact calculations of additions and reductions at a reasonable cost.

Sewer Bonds

\$9,145,000 Water & Sewer Refunding Bonds 2012, (2005), due in annual installments of \$430,000 to \$630,000 through 2030; interest at 2.75% to 4.25% - enterprise funds (Business-Type Activities). \$ 6,805,000

\$7,870,000 Water and Sewer Revenue Bonds Series 2009 due in annual installments of \$210,000 to \$1,140,000 through 2034; interest at 5.0% to 6.375% - enterprise funds (Business-Type Activities) 6,435,000

Total Business-Type Activities Revenue Bonds \$ 13,240,000

Business-Type activities debt service requirements to maturity (excluding compensated absences and net pension/OPEB liabilities) at December 31, 2017 are as follows:

BUSINESS TYPE ACTIVITIES		
Year Ending Dec. 31	Revenue Bonds Payable	
	Principal	Interest
2018	\$ 640,000	\$ 627,625
2019	665,000	605,300
2020	690,000	580,400
2021	715,000	554,060
2022	745,000	523,840
2023 - 2027	4,235,000	2,095,058
2028 - 2032	3,910,000	1,086,211
2033 - 2037	1,640,000	177,225
Totals	\$ 13,240,000	\$ 6,249,719

NOTE 8: DEFERRED INFLOW OF RESOURCES

Deferred inflows of resources at the government-wide level consist of amounts related to pensions and other post-employment benefits liabilities.

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At year end, deferred inflows of resource on the balance sheet consisted of the following:

Deferred Inflows - Balance Sheet	Amounts
Governmental Activities	
<u>Taxes Receivable</u>	
General Fund	\$ 73,430
Debt Service Funds	26,971
Nonmajor Funds	10,822
<u>Special Assessment Receivable - Current</u>	
Debt Service Funds	997,920
<u>Long Term Uncertified Special Assessments</u>	
Debt Service Funds	221,132,905
Total Deferred Inflows - Balance Sheet	\$ 222,242,048

NOTE 9: PENSION PLAN**General Information about the Pension Plan*****North Dakota Public Employees Retirement System (Main System)***

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan. Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of seven members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system; and one member elected by the retired public employees. Effective July 1, 2015, the board was expanded to include two members of the legislative assembly appointed by the chairman of the legislative management

Pension Benefits

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Member of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 will be replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition of disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Account Balance

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.12% of covered compensation.

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25 and the maximum may not exceed the following:

1 to 12 months of service	Greater of one percent of monthly salary or \$25
13 to 24 months of service	Greater of two percent of monthly salary or \$25
25 to 36 months of service	Greater of three percent of monthly salary or \$25
Longer than 36 months of service	Greater of four percent of monthly salary or \$25

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the Employer reported a liability of \$12,030,675 (\$9,167,095 governmental / \$2,863,580 business-type) for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net pension liability was based on the Employer's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2017 the Employer's proportion was .748489 percent, which was an increase of .036282 percent from its proportion measured as of June 30, 2016.

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

For the year ended 12/31/2017 the Employer recognized pension expense of \$1,948,001 (\$1,484,332 governmental / \$463,669 business-type). At 12/31/2017 the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Governmental	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 54,489	\$ 44,664
Change in proportion and differences between employer contributions & proportionate share of contributions	383,066	(1)
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments	123,290	-
Changes of Assumptions	3,759,127	206,760
District Contributions Subsequent to the Measurement Date	455,314	-
Total	\$ 4,775,286	\$ 251,423

Business Type - Water & Sewer	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 11,113	\$ 9,109
Change in proportion and differences between employer contributions & proportionate share of contributions	78,128	-
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments	25,146	-
Changes of Assumptions	766,694	42,170
District Contributions Subsequent to the Measurement Date	92,864	-
Total	\$ 973,945	\$ 51,279

Business Type - Sanitation & Health	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 5,908	\$ 4,843
Change in proportion and differences between employer contributions & proportionate share of contributions	41,532	-
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments	13,367	-
Changes of Assumptions	407,567	22,417
District Contributions Subsequent to the Measurement Date	49,366	-
Total	\$ 517,740	\$ 27,260

Total Business Type	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 65,602	\$ 13,952
Change in proportion and differences between employer contributions & proportionate share of contributions	119,660	-
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments	38,513	-
Changes of Assumptions	1,174,261	64,587
District Contributions Subsequent to the Measurement Date	142,230	-
Total	\$ 1,540,266	\$ 78,539

\$597,543 (\$455,314 governmental / \$142,229 business-type) reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

Discount rate. For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the total pension liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet all benefit payments, which is the case with the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) A tax-exempt municipal bond rate based on the index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

The pension plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments through the year of 2061. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments through the year of 2061, and the municipal bond rate was applied to all benefit payments after that date. For the purpose of this valuation, the expected rate of return on pension plan investments is 7.75%; the municipal bond rate is 3.56%; and the resulting Single Discount Rate is 6.44%.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate. The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.44 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.44 percent) or 1-percentage-point higher (7.44 percent) than the current rate:

Proportionate Share of the Net Pension Liability	1% Decrease (5.44%)	Current Discount Rate (6.44%)	1% Increase (7.44%)
<u>Governmental</u>	\$ 12,444,612	\$ 9,167,095	\$ 6,440,338
<u>Business-Type</u>			
Water & Sewer	2,538,144	1,869,677	1,313,541
Health & Sanitation	1,349,253	993,902	698,266

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

North Dakota Public Employees Retirement System

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits from the PERS, the HPRS, and Judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis.

Responsibility for administration of the NDPERS defined benefit OPEB plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

OPEB Benefits

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. The employer contribution for employees of the state board of career and technical education is 2.99% of covered compensation for a period of eight years ending October 1, 2015. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "*prefunded credit applied*" on the Statement of Changes in Plan Net Position for the OPEB trust funds.

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision, and long-term care plan and any other health insurance plan. The benefits are equal to \$5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2017, the Employer reported a liability of \$558,681 (Governmental - \$425,702, Business-Type - \$132,979) for its proportionate share of the net liability. The net OPEB liability was measured as of July 1, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2017 the Employer's proportion was .706287 percent.

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

For the year ended December 31, 2017, the Employer recognized OPEB expense of \$66,978, (\$51,036 governmental / \$15,942 business-type). At December 31, 2017 the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Governmental	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 10,383
Changes of Assumptions	41,231	-
Net Difference Between Projected and Actual Investment		
Earnings on OPEB Plan Investments	-	16,095
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate Share of Contributions	-	1,776
City Contributions Subsequent to the Measurement Date	-	-
Total Governmental	\$ 41,231	\$ 28,254

Business Type - Sewer & Water	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 2,118
Changes of Assumptions	8,409	-
Net Difference Between Projected and Actual Investment		
Earnings on OPEB Plan Investments	-	3,283
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate Share of Contributions	-	362
City Contributions Subsequent to the Measurement Date	-	-
Total Water Fund	\$ 8,409	\$ 5,763

Business-Type - Health & Sanitation	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 1,126
Changes of Assumptions	4,470	-
Net Difference Between Projected and Actual Investment		
Earnings on OPEB Plan Investments	-	1,745
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate Share of Contributions	-	192
City Contributions Subsequent to the Measurement Date	-	-
Total Sewer Fund	\$ 4,470	\$ 3,063

Total Business-Type	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 3,244
Changes of Assumptions	12,879	-
Net Difference Between Projected and Actual Investment		
Earnings on OPEB Plan Investments	-	5,028
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate Share of Contributions	-	554
City Contributions Subsequent to the Measurement Date	-	-
Total Business-Type	\$ 12,879	\$ 8,826

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

	Governmental	Business-Type	
		Water & Sewer Fund	Health & San. Fund
2018	\$ 527	\$ 108	\$ 57
2019	527	108	57
2020	527	108	57
2021	528	107	57
2022	4,551	928	494
2023	4,551	928	493
Thereafter	1,766	360	192

Actuarial assumptions. The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Not applicable
Investment rate of return	7.50%, net of investment expenses, including inflation
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 Combined Healthy Mortality Table, set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table set back one year for males (no setback for females) multiplied by 125%.

The long-term expected rate of return for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	37%	5.80%
Small Cap Domestic Equities	9%	7.05%
International Equities	14%	6.20%
Core-Plus Fixed Income	40%	1.56%

Discount rate. The discount rate used to measure the total OPEB liability was 7.5%. The projection of cash flows used to determine the discount rate assumed plan member and statutory/Board approved employer contributions will be made at rates equal to those based on the July 1, 2017 and July 1, 2016 HPRS actuarial valuation reports. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on RHIC plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the Plans as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

Proportionate Share of the Net OPEB Liability	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Governmental	\$ 532,927	\$ 425,702	\$ 333,791
<u>Business-Type</u>			
Water & Sewer Fund	108,693	86,824	68,078
Health & Sanitation Fund	57,780	46,155	36,190

NOTE 11: RISK MANAGEMENT

The City of West Fargo is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In 1986, state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDRIF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The City of West Fargo pays an annual premium to NDRIF for its general liability, auto, and inland marine insurance coverage. The coverage by NDRIF is limited to losses of two million dollars per occurrence for general liability and automobile and \$7,814,776 for mobile equipment and portable property (public assets).

The City of West Fargo also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The city pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third party insurance carrier for losses in excess of one million dollars per occurrence during a 12-month period. The State Bonding Fund currently provides the city with blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The City of West Fargo has worker's compensation insurance with North Dakota Workforce, Safety and Insurance and provides health, dental and vision insurance benefits for full-time employees through Blue Cross Blue Shield of North Dakota. The city pays 87.5% for single coverage or 75% of family, employee with spouse or single with dependents coverage.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

NOTE 12: INDIVIDUAL FUND DEFICITS

The following funds were in a deficit fund balance and cash balance position at December 31, 2017:

Fund Name	Fund Balance	Cash
<u>Debt Service Funds (3000's):</u>		
Sidewalk 2006	\$ (36,084)	\$ (36,084)
Sidewalk District 2012	(116,661)	(116,661)
2014B-RIB	(320,322)	(320,322)
<u>Capital Projects Funds (4000's):</u>		
3001 1st Ave. E. Improvements	(2,473,801)	(2,473,801)
2241 5th St. West. Ext. (27th to 28th Ave. W.)	(333,072)	(333,072)
2240 8th Ave. NW. & 26th St. NW - Paving	(1,993,255)	(1,993,255)
2242 Street Improvement District	(206,770)	(206,770)
4058 Storm Lift Station (SM 71)	(131,107)	(131,107)
2243 Street Improvement District	(1,930,541)	(1,930,541)
4060 Storm Sewer Lift SA 72 Improvements	(1,642,772)	(1,642,772)
Storm Lift SM 33 Rehabilitation	(238,595)	(238,595)
4061 Storm Lift Rehab (SM 25, 28, 44)	(1,318,413)	(1,318,413)
4062 Storm Lift SM 75 & CR 19 Abandonment	(264,224)	(264,224)
2219 7th Ave - 17th to 45th Street Impr.	(5,345)	(5,345)
1279 12th Ave N-45th Str to Cty 19 Impr	(8,679,989)	(8,679,989)
1295 Highland Meadows 2nd Addition	(3,606,432)	(3,606,432)
1296 Lagoon System Improvements	(62,604)	(62,604)
1297 Sewer Improvement District	(2,654,348)	(2,654,348)
1301 Water Storm Sewer Street District	(3,780,367)	(3,780,367)
1292 North Pond at the Preserve 9th	(903,988)	(903,988)
1299 Lift Station SA13 Rehabilitation	(128,946)	(128,946)
1300 Reiver Bend at Preserve 4th Addition	(2,066,325)	(2,066,325)
1303 Oak Ridge 11th Addition	(1,142,636)	(1,142,636)
1302 Water Tank Rehabilitation	(1,176,719)	(1,176,719)
1304 26th Ave. W. & 5th CT W	(275,350)	(275,350)
1305 Wilds 9th & SA 46	(3,832,754)	(3,832,754)
1308 Fargo Wastewater Connection Project	(124)	(124)
Lagoon Decommissioning Project	(124)	(124)
1310 South Reginal Sanitary Sewer Forcemain	(2,995)	(2,995)
2248 1st Ave. & 10 St. E. Improvement District	(270)	(270)
2250 Sheyenne St. Improvement District	(856)	(856)
1311 Brooks Harbor Water Tower	(135,162)	(135,162)
1312 Water Improvement District	(150)	(150)
2251 13th Ave. (12th to 45th) Reconstruct.	(39,041)	(39,041)
6053 Sidewalk Improvement District	(128,858)	(128,858)
2249 Street Improvement District	(124)	(124)
1313 Sewer Improvement District	(120)	(120)
Sheyenne St S of I94	(632,860)	(632,860)
2246 Traffic Calming Elmwood Ct	(165,054)	(165,054)

The city will take appropriate action concerning these deficits by utilizing one or a combination of the following methods:

- Transfer general fund, sales tax fund, and capital project fund moneys sufficient to relieve deficits
- Issue bonds to finance capital projects
- Collect special assessments to relieve deficits

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

NOTE 13: CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

Additionally, the city is defendant in certain lawsuits incident to its operations. In the opinion of City Counsel and management, such claims against the city not covered by insurance would not materially affect the financial condition of the city.

NOTE 14: OPEN CONSTRUCTION PROJECTS

The city had 22 construction projects open at year-end. The total amount of construction costs in progress was \$35,088,097 with contract amounts of \$56,815,358 leaving total construction commitments of \$21,727,261 at December 31, 2017. Additionally, retainages payable related to construction at December 31, 2017 totaled \$960,965.

Project	Contract Amount	Total Completed	Remaining Balance	Retainage
Storm Improvement District No. 4058	\$ 135,353	\$ 105,237	\$ 30,116	\$ -
Sewer, Water, Storm and Street District No. 1301	3,364,812	3,362,187	2,625	5,000
Sewer, Water, Storm and Street District No. 1273-Phase III	1,295,400	1,400,696	(105,296)	1,000
Sewer, Water, Storm and Street District No. 1289-Phase II	7,128,215	7,350,555	(222,340)	10,351
Sewer, Water, Storm and Street District No. 1295	3,412,533	3,213,775	198,758	70,000
Sewer, Water, Storm and Street District No. 1300	1,880,599	1,892,851	(12,252)	-
Sewer, Water, Storm and Street District No. 1305	5,218,551	3,583,475	1,635,076	260,928
Storm Improvement District No. 4059 - Electrical Constr.	98,407	98,407	-	-
HEU-8-992(038)039	4,933,856	1,456,186	3,477,670	29,124
SU8-992(036)037	19,388,757	3,822,496	15,566,261	76,449
Infrastructure Replacement District No. 3001	2,627,333	2,476,221	151,112	247,622
Storm Improvement District No. 4057 - General Constr.	1,896,900	1,842,400	54,500	9,484
Storm Improvement District No. 4059 - General Constr.	152,626	151,866	760	7,550
Storm Improvement District No. 4060 - General Constr.	1,481,607	1,353,239	128,368	74,080
Storm Improvement District No. 4060 - Electrical Constr.	348,400	130,474	217,926	13,047
Storm Improvement District No. 4061 - General Constr.	1,307,802	1,191,227	116,575	65,390
Storm Improvement District No. 4061 - Electrical Constr.	115,293	33,527	81,766	3,353
Storm Improvement District No. 4062 - General Constr.	371,813	226,425	145,388	18,591
Storm Improvement District No. 4062 - Electrical Constr.	50,327	4,500	45,827	450
Water Improvement Project No. 1302	935,535	877,460	58,075	46,777
Street Improvement District No. 2241	435,389	279,043	156,346	21,769
Sanitary System Improvements - Electrical Constr.	235,850	235,850	-	-
Total	\$56,815,358	\$ 35,088,097	\$ 21,727,261	\$ 960,965

NOTE 15: TAX ABATEMENTS

The City of West Fargo negotiates property tax abatement agreements on an individual basis with certain individuals and various commercial entities/businesses. The city has the following types of tax abatement agreements with various individuals and commercial entities at December 31, 2017.

The City of West Fargo will state individually the parties whom received a benefit of the reduction in taxes of 20% or greater when compared to the total reduction of taxes for all tax abatement programs.

New and Expanding Business:

Businesses that are primarily industrial, commercial, retail or service are eligible for property tax incentives for new and expanding businesses if they meet state requirements (NDCC 40.57.1-03) and the guidelines stated below. The following criteria are only guidelines.

General criteria — In evaluation applications for property tax exemption, the City Council will consider the following factors:

- Economic impact through increased construction activity, equipment purchases, additional product purchases, additional work activity, immediate and projected increases in property values, and impact on future tax collections
- Number of jobs created and employee benefits (types of jobs — professional, managerial, technical, skilled, unskilled with emphasis on full-time positions)
- Diversification of economic base
- Growth potential of company and industry and potential spin-off benefits
- Impact on city services: Can the company be accommodated within existing service levels, or will additional capacity be needed? Is the company locating where better use of existing services will take place or further the development plans of the city?
- Utilization of local resources: Will the company be an exporter from our region? Will it provide support services to existing companies? Use of raw materials and services developed in the area

Exemption Criteria:

Amount of exemption is per the following schedule: Year 1 — 100%, Year 2 — 100%, Year 3 — 75%, Year 4 — 50%, Year 5 — 25%.

2017 Reduction in Taxes – Other Entities:

Total program reduction in taxes – \$47,093

Public Charity Exemption:

Public Charities are eligible for property tax incentives if they meet state requirements (NDCC 57-02-08(8)) and the guidelines stated below. The following criteria are only guidelines.

All buildings belonging to institutions of public charity, including public hospitals and nursing homes licensed pursuant to section 23-16-01 under the control of religious or charitable institutions, used wholly or in part for public charity, together with the land actually occupied by such institutions not leased or otherwise used with a view to profit. The exemption provided by this subsection includes any dormitory, dwelling, or residential-type structure, together with necessary land on which such structure is located, owned by a religious or charitable organization recognized as tax exempt under section 501(c)(3) of the United States Internal Revenue Code which is occupied by members of said organization who are subject to a religious vow of poverty and devote and donate substantially all of their time to the religious or charitable activities of the owner.

Exemption criteria:

Property exempt if the qualified facility is used wholly or in part for public charity, together with the land occupied by such institutions not leased or otherwise used with a view to profit.

2017 Reduction in Taxes – Other Entities:

Total program reduction in taxes – \$1,095

Single Family Residence:

Single Family property owners are eligible for property tax incentives for the specified property that meet state requirements (NDCC 57-02-08(35)).

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

General Criteria -- Up to one hundred fifty thousand dollars of the true and full value of all new single-family and condominium and townhouse residential property, exclusive of the land on which it is situated, is exempt from taxation for the first two taxable years after the taxable year in which construction is completed and the residence is owned and occupied for the first time if all the following conditions are met:

a. The governing body of the city, for property within city limits, or the governing body of the county, for property outside city limits, has approved the exemption of the property by resolution. A resolution adopted under this subsection may be rescinded or amended at any time. The governing body of the city or county may limit or impose conditions upon exemptions under this subsection, including limitations on the time during which an exemption is allowed.

b. Special assessments and taxes on the property upon which the residence is situated are not delinquent.

2017 Reduction in Taxes – Other Entities:

Total Program Reduction in taxes – \$280,969

Childhood Services Exemption

Childhood Services (also adult daycare) are eligible for property tax incentives if they meet state requirements (NDCC 57-02-08(36) and the guidelines stated below. The following criteria are only guidelines.

The governing body of the city, for property within city limits, or of the county, for property outside city limits, may grant a property tax exemption for the portion of fixtures, buildings, and improvements, used primarily to provide early childhood services by a corporation, limited liability company, or organization licensed under chapter 50-11.1 or used primarily as an adult day care center. However, this exemption is not available for property used as a residence.

2017 Reduction in Taxes – Other Entities:

Total program reduction in taxes – \$4,292

Commercial and Residential:

Commercial and Residential property are eligible for property tax incentives if they meet state requirements (NDCC 57-02.2-03) and the guidelines stated below. The following criteria are only guidelines.

Under NDCC 57-02.2-03 improvements to commercial and residential buildings and structures as defined in this chapter may be exempt from assessment and taxation for up to five years from the date of commencement of making the improvements, if the exemption is approved by the governing body of the city, for property within city limits, or the governing body of the county, for property outside city limits. The governing body of the city or county may limit or impose conditions upon exemptions under this section, including limitations on the time during which an exemption is allowed. A resolution adopted by the governing body of the city or county under this section may be rescinded or amended at any time. The exemption provided by this chapter shall apply only to that part of the valuation resulting from the improvements which is over and above the assessed valuation, exclusive of the land, placed upon the building or structure for the last assessment period immediately preceding the date of commencement of the improvements. Any person, corporation, limited liability company, association, or organization owning real property and seeking an exemption under this chapter shall file with the assessor a certificate setting out the facts upon which the claim for exemption is based. The assessor shall determine whether the improvements qualify for the exemption based on the resolution of the governing body of the city or county, and if the assessor determines that the exemption should apply, upon approval of the governing body, the exemption is valid for the prescribed period and shall not terminate upon the sale or exchange of the property but shall be transferable to subsequent owners. If the certificate is not filed as herein provided, the assessor shall regard the improvements as nonexempt and shall assess them as such.

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

2017 Reduction in Taxes – Other Entities:

Total program reduction in taxes – \$3,486

NOTE 16: SUBSEQUENT EVENTS

On February 1, 2018, the City of West Fargo called refunding bonds Series' 2007A, 2007B, 2008B, and 2012C and issued refunding bonds Series 2018A at a par value of \$9,275,000.

On March 5, 2018, the City of West Fargo approved a bid (5-year term at 2.75% interest) for equipment lease financing by Choice Financial Bank in the amount of \$700,000.

NOTE 17: PRIOR PERIOD ADJUSTMENTS

Due to Change in Accounting Principle:

Due to the provisions of GASB Statement No. 75 'Accounting and Financing Reporting for Postemployment Benefit Plans Other than Pensions', the beginning balance of the liability related to the retiree health insurance credit fund.

Due to Prior Errors

The beginning balances of the debt service, capital projects, and total non-major funds were restated to properly account for certain reclassifications of items in debt service funds and to remove prior receivables reported in debt service funds and reclassify them to the non-major funds. Additionally, the beginning amount of bond premium and bond discount were reported in governmental activities to properly reflect those in the beginning net position balance.

Governmental Activities

Governmental Activities	Amounts
Beginning Net Position, as previously reported	\$ 138,952,281
Adjustments to restate the January 1, 2017 Net Position:	
Modified Accrual Adjustments - Debt Service Funds	(1,597,620)
Modified Accrual Adjustments - Capital Projects Funds	270,000
Modified Accrual Adjustments - Non-Major Funds	1,159,100
Beginning Bond Premium	(2,336,559)
Beginning Bond Discount	885,007
Report Beginning Balance of OPEB Liability - retiree health	(424,297)
Net Position January 1, as restated	\$ 136,907,912

Debt Service Funds	Amounts
Beginning Fund Balance, as previously reported	\$ 28,313,003
Adjustments to restate the January 1, 2017 Fund Balance:	
Reclassifications of items in funds 3730, 3982 & 3983	(64,620)
Remove prior interfund receivables	(1,533,000)
Fund Balance January 1, as restated	\$ 26,715,383

Capital Project Funds	Amounts
Beginning Fund Balance, as previously reported	\$ (41,774,491)
Adjustments to restate the January 1, 2017 Fund Balance:	
Capital Projects Special Assessment Receivable	270,000
Fund Balance January 1, as restated	\$ (41,504,491)

CITY OF WEST FARGO

Notes to the Financial Statements – Continued

Non-Major Funds	Amounts
Beginning Fund Balance, as previously reported	\$ 2,608,666
Adjustments to restate the January 1, 2017 Fund Balance:	
Reclassify items in funds 3982 & 3983 to fund 2960	1,159,100
Fund Balance January 1, as restated	\$ 3,767,766

Total Fund Balances	Amounts
Beginning Fund Balance, as previously reported	\$ 22,022,859
Adjustments to restate the January 1, 2017 Net Position:	
Modified Accrual Adjustments - Debt Service Funds	(1,597,620)
Modified Accrual Adjustments - Capital Projects Funds	270,000
Modified Accrual Adjustments - Non-Major Funds	1,159,100
Net Position January 1, as restated	\$ 21,854,339

Business-Type Activities

Business-Type Activities	Amounts
Water and Sewer	
Beginning Net Position, as previously reported	\$ 259,283,970
Adjustments to restate the January 1, 2017 Net Position:	
Report Beginning Balance of OPEB Liability - retiree health	(86,638)
Net Position January 1, as restated	\$ 259,197,332

Business-Type Activities	Amounts
Sanitation and Health	
Beginning Net Position, as previously reported	\$ 3,147,435
Adjustments to restate the January 1, 2017 Net Position:	
Report Beginning Balance of OPEB Liability - retiree health	(49,861)
Net Position January 1, as restated	\$ 3,097,574

Business-Type Activities	Amounts
Total	
Beginning Net Position, as previously reported	\$ 262,431,405
Adjustments to restate the January 1, 2017 Net Position:	
Report Beginning Balance of OPEB Liability - retiree health	(136,499)
Net Position January 1, as restated	\$ 262,294,906

CITY OF WEST FARGO
West Fargo, North Dakota

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 7,554,494	\$ 7,554,494	\$ 7,509,022	\$ (45,472)
Licenses, Permits & Fees	2,252,700	2,252,700	3,113,975	861,275
Intergovernmental	2,630,000	2,630,000	3,307,030	677,030
Fines, Forfeitures, & Penalties	30,000	30,000	371,878	341,878
Interest Income	20,000	20,000	65,139	45,139
Miscellaneous	1,000	1,000	81,036	80,036
Total Revenues	\$ 12,488,194	\$ 12,488,194	\$ 14,448,080	\$ 1,959,886
<u>Expenditures:</u>				
Current:				
General Government	\$ 3,386,446	\$ 3,386,446	\$ 3,685,581	\$ (299,135)
Public Safety	6,501,830	6,753,755	6,877,592	(123,837)
Public Works/Streets	4,042,833	4,042,833	3,862,165	180,668
Economic Development	194,966	194,966	212,547	(17,581)
Total Expenditures	\$ 14,126,075	\$ 14,378,000	\$ 14,637,885	\$ (259,885)
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,637,881)	\$ (1,889,806)	\$ (189,805)	\$ 1,700,001
<u>Other Financing Sources (Uses):</u>				
Transfers In	\$ 1,430,000	\$ 1,430,000	\$ 2,113,272	\$ 683,272
Transfers Out	(132,000)	(2,142,000)	(2,142,000)	-
Total Other Financing Sources and Uses	\$ 1,298,000	\$ (712,000)	\$ (28,728)	\$ 683,272
Net Changes in Fund Balances	\$ (339,881)	\$ (2,601,806)	\$ (218,533)	\$ 2,383,273
Fund Balance - January 1	\$ 22,456,295	\$ 22,456,295	\$ 22,456,295	\$ -
Fund Balance - December 31	\$ 22,116,414	\$ 19,854,489	\$ 22,237,762	\$ 2,383,273

The accompanying required supplementary information notes are an integral part of this schedule.

CITY OF WEST FARGO
West Fargo, North Dakota

BUDGETARY COMPARISON SCHEDULE
SALES TAX FUND
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 8,000,000	\$ 8,000,000	\$ 9,983,662	\$ 1,983,662
Interest Income	2,000	2,000	37,478	35,478
Total Revenues	<u>\$ 8,002,000</u>	<u>\$ 8,002,000</u>	<u>\$ 10,021,140</u>	<u>\$ 2,019,140</u>
<u>Expenditures:</u>				
Current:				
Other	\$ 500,000	\$ 500,000	-	\$ 500,000
Capital Outlay	4,350,000	4,350,000	260,983	4,089,017
Total Expenditures	<u>\$ 4,850,000</u>	<u>\$ 4,850,000</u>	<u>\$ 260,983</u>	<u>\$ 4,589,017</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,152,000</u>	<u>\$ 3,152,000</u>	<u>\$ 9,760,157</u>	<u>\$ 6,608,157</u>
<u>Other Financing Sources (Uses):</u>				
Transfers Out	\$ (1,581,000)	\$ (6,405,000)	\$ (10,993,572)	\$ (4,588,572)
Net Changes in Fund Balances	<u>\$ 1,571,000</u>	<u>\$ (3,253,000)</u>	<u>\$ (1,233,415)</u>	<u>\$ 2,019,585</u>
Fund Balance - January 1	<u>\$ 10,419,386</u>	<u>\$ 10,419,386</u>	<u>\$ 10,419,386</u>	<u>\$ -</u>
Fund Balance - December 31	<u><u>\$ 11,990,386</u></u>	<u><u>\$ 7,166,386</u></u>	<u><u>\$ 9,185,971</u></u>	<u><u>\$ 2,019,585</u></u>

The accompanying required supplementary information notes are an integral part of this schedule.

CITY OF WEST FARGO
West Fargo, North Dakota

PENSION & OPEB SCHEDULES
For the Year Ended December 31, 2017

**Schedule of Employer's Share of Net Pension Liability
ND Public Employees Retirement System
Last 10 Fiscal Years***

	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	0.748489%	0.712207%	0.665753%	0.655469%
City's proportionate share of the net pension liability (asset)	\$12,030,675	\$ 6,941,151	\$ 4,527,007	\$ 4,160,402
City's covered-employee payroll	\$ 7,640,904	\$ 7,177,366	\$ 5,931,052	\$ 5,521,525
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	157.45%	96.71%	76.33%	75.35%
Plan fiduciary net position as a percentage of the total pension liability	61.80%	70.46%	77.15%	77.70%

*Complete data for this schedule is not available prior to 2014.

**Schedule of Employer Contributions
ND Public Employees Retirement System
Last 10 Fiscal Years***

	2017	2016	2015	2014
Statutorily required contribution	\$ 554,058	\$ 519,630	\$ 450,511	\$ 393,133
Contributions in relation to the statutorily required contribution	\$ 537,895	\$ 546,659	\$ 451,207	\$ 393,133
Contribution deficiency (excess)	\$ (16,163)	\$ 27,029	\$ 696	\$ -
City's covered-employee payroll	\$7,640,904	\$7,177,367	\$5,931,052	\$5,521,525
Contributions as a percentage of covered-employee payroll	7.04%	7.62%	7.61%	7.12%

*Complete data for this schedule is not available prior to 2014.

**Schedule of Employer's Share of Net OPEB Liability
ND Public Employees Retirement System
Last 10 Fiscal Years***

City - ND PERS - OPEB	2017
City's proportion of the net OPEB liability (asset)	0.706287%
City's proportionate share of the net OPEB liability (asset)	\$ 558,681
City's covered-employee payroll	\$ 7,640,904
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	7.31%
Plan fiduciary net position as a percentage of the total OPEB liability	59.78%

*Complete data for this schedule is not available prior to 2017.

**Schedule of Employer Contributions
ND Public Employees Retirement System
Last 10 Fiscal Years***

City - ND PERS - OPEB	2017
Statutory required contribution	\$ 88,820
Contributions in relation to the statutory required contribution	\$ 86,124
Contribution deficiency (excess)	\$ 2,696
District's covered-employee payroll	\$ 7,640,904
Contributions as a percentage of covered-employee payroll	1.13%

*Complete data for this schedule is not available prior to 2017.

CITY OF WEST FARGO
West Fargo, North Dakota

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2017

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information:

The governing board adopts an annual budget on a basis consistent with GAAP, and state law as outlined in various sections of North Dakota Century Code (NDCC) Chapter 40-40 for the general fund, each special revenue fund and each debt service fund of the municipality. The city is required to present the adopted and final amended revenues and expenditures for each of these funds.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- The governing body of each municipality, annually or before September tenth, shall make an itemized statement known as the preliminary budget statement showing the amounts of money which, in the opinion of the governing body, will be required for the proper maintenance, expansion, or improvement of the municipality during the year (NDCC 40-40-04).
- The preliminary budget must include a detailed breakdown of the estimated revenues and appropriations requested for the ensuing year for the general fund, each special revenue fund, and each debt service fund of the municipality. The revenue and expenditure items for the preceding year and estimates of the revenue and expenditures for the current year must be included for each fund to assist in determining the estimated revenues and appropriation requested for the ensuing year. The budget must also include any transfers in or out and the beginning and ending fund balance for each of the funds. The budget must be prepared on the same basis of accounting used by the municipality for its annual financial reports (NDCC 40-40-05).
- After the governing body has prepared the preliminary budget statement, the auditor of the municipality shall give notice that: the preliminary budget is on file in the office of the auditor and may be examined by anyone upon request; the governing body shall meet no later than October 7th at the time and place specified in the notice for the purpose of adopting the final budget and making the annual tax levy; and, the governing shall hold a public session at the time and place designated in the notice of the hearing at which any taxpayer may appear and discuss with the body any item of proposed expenditure or may object to any item or amount (NDCC 40-40-06).
- After the budget hearing, the final budget must be prepared on or before October 7th in accordance with provisions outlined in detail in NDCC 40-40-08.
- After completing the final budget on or before October 7th, the governing body shall proceed to make the annual tax levy in an amount sufficient to meet the expenses for the ensuing year as determined at the budget meeting (NDCC 40-40-09).
- Immediately after completion of the final budget and adoption of the annual tax levy by the governing body of a municipality in accordance with provisions, and in no case later than October 10th, the auditor of the municipality shall send to the county auditor a certified copy of the final budget (NDCC 40-40-10).

CITY OF WEST FARGO

Notes to the Required Supplementary Information - Continued

- No municipal expenditure may be made nor liability incurred, and no bill may be paid for any purposes in excess of the appropriation made therefor in the final budget. Expenditures made liabilities incurred, or warrants issued in excess of the appropriations are a joint and several liability the members of the governing body (NDCC 40-40-15).
- At the end of the fiscal year, the balance to credit of each annual appropriation becomes a part of the general unappropriated balance in the municipal treasury, but no special appropriation lapses until the work for which it was made has been completed, the bills paid, and the accounts closed. He governing body of a city may elect, at the end of the fiscal year, to carry over the unencumbered cash balance in the general fund or other budgeted funds and designate the balances for subsequent years (NDCC 40-40-21).

NOTE 2: LEGAL COMPLIANCE - BUDGETS

BUDGET AMENDMENTS

The governing board approved the following budget amendments to the 2017 city budget (expenditures and transfers out):

Budget Amendments Governmental Funds	Expenditures/Transfers Out		
	Original Budget	Budget Amendments	Amended Budget
General Fund - expenditures	\$ 6,501,830	\$ 251,925	\$ 6,753,755
General Fund - transfers out	132,000	2,010,000	2,142,000
Sales Tax Fund - transfers out	6,405,000	4,824,000	11,229,000
Share of Specials	120,000	15,000	135,000
Fire Fund	797,680	20,320	818,000
Tourist & Event Committee	20,000	3,500	23,500
Otto Brehmer Grant	-	3,400	3,400
Nite to Unite	5,500	500	6,000
West Fest	25,000	7,500	32,500
Economic Development	200,000	680,000	880,000
Refund Bond 2008B	231,685	4,315	236,000
2012 CostCo Sales Tax Bonds	416,438	453,562	870,000
2015B Refunding Improvement Bonds	1,584,300	100	1,584,400
2016A Refunding Improvement Bonds	-	1,632,000	1,632,000
2017A Refunding Improvement Bonds	-	389,500	389,500
Butler TIF (3360 & 3366)	-	6,000	6,000
TIF Bonds 2009 Titan Machinery	51,550	48,450	100,000

NOTE 3: CHANGES OF ASSUMPTIONS – NET PENSION AND OPEB LIABILITY

Amounts reported in 2017 reflect actuarial assumption changes effective July 1, 2017 based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

CITY OF WEST FARGO
West Fargo, North Dakota

SCHEDULE OF FUND ACTIVITY - CLIENT GENERAL LEDGER BASIS
For the Year Ended December 31, 2017

	Balance 1-1-17	Revenues & Bond Premium	Transfers In	Other Financing Sources (gross)	Transfers Out	Expenditures & Bond Discount	Balance 12-31-17
General Fund (Major)	\$ 13,965,241.77	\$ 13,083,287.49	\$ 1,598,932.51	\$ -	\$ 2,142,000.04	\$ 14,126,394.62	\$ 12,379,067.11
General Fund Reserve	8,030,739.18	1,407,558.86	514,339.25	-	-	99,144.65	9,853,492.64
Total General Fund	\$ 21,995,980.95	\$ 14,490,846.35	\$ 2,113,271.76	\$ -	\$ 2,142,000.04	\$ 14,225,539.27	\$ 22,232,559.75
Sales Tax (Major)	\$ 9,640,353.06	\$ 10,087,422.84	\$ -	\$ -	\$ 10,993,572.43	\$ 260,982.38	\$ 8,473,221.09
Special Revenue Funds (Nonmajor):							
City's Share of Specials	\$ 41,608.73	\$ 117,278.17	\$ -	\$ -	\$ -	\$ 134,481.17	\$ 24,405.73
Fire Fund	155,475.96	775,777.99	-	-	-	817,410.28	113,843.67
Building & Technology Fund	908.30	-	-	-	-	908.30	-
Gaming Funds	38,693.29	9,935.86	-	-	-	-	48,629.15
Municipal Highway Fund	369,361.06	1,600,616.04	-	-	1,598,932.51	20,540.00	350,504.59
Tourist & Event Committee	68,710.87	3,444.88	10,000.00	-	-	23,416.63	58,739.12
FM Visitor's Bureau-Lodging	-	139,918.19	-	-	-	139,918.19	-
Otto Bremer Grant Crisis Training	3,367.06	-	-	-	-	3,367.06	-
Vector Control	9,566.76	92,256.02	30,000.00	-	-	74,097.52	57,725.26
Forestry	71,969.83	106,035.58	100,000.00	-	-	158,986.36	119,019.05
National Night Out (Night to Unite)	999.94	4,000.00	2,000.00	-	-	5,983.20	1,016.74
Future Building	294,856.65	676.47	-	-	-	165,494.43	130,038.69
West Fest	32,036.77	30,400.00	-	-	-	32,322.95	30,113.82
Cruise Night	11,095.61	13,540.00	-	-	-	11,487.37	13,148.24
Asset Forfeitures	80,956.40	28,091.35	-	-	-	9,739.75	99,308.00
Economic Development	1,559,633.79	150,543.19	1,540,478.96	-	-	876,105.46	2,374,550.48
Library General	608,124.10	1,326,456.50	-	-	-	992,807.00	941,773.60
Airport Authority Bond Construction	136,868.83	383.73	60,461.27	-	-	-	197,713.83
Airport Authority	133,901.68	248,503.12	-	-	60,461.27	116,934.73	205,008.80
Total Special Revenue Funds (Nonmajor)	\$ 3,618,135.63	\$ 4,647,857.09	\$ 1,742,940.23	\$ -	\$ 1,659,393.78	\$ 3,584,000.40	\$ 4,765,538.77
Total Special Revenue Funds	\$ 13,258,488.69	\$ 14,735,279.93	\$ 1,742,940.23	\$ -	\$ 12,652,966.21	\$ 3,844,982.78	\$ 13,238,759.86
Debt Service Funds (Major):							
2011-C RIB	\$ 1,489,738.31	\$ 1,121,916.54	\$ -	\$ -	\$ -	\$ 697,148.00	\$ 1,914,506.85
RIB 2011 B (recall 2004B)	182,778.89	235,515.61	-	-	-	321,594.00	96,700.50
2005 A Refunding Improvement Bonds	1,988,885.71	319,612.84	-	-	-	648,456.50	1,660,042.05
Sidewalk 6043 - 2006	(24,653.67)	9,737.06	-	-	-	21,167.00	(36,083.61)
Sidewalk 6042 - 2005	24,376.66	68.35	-	-	-	-	24,445.01
Sidewalk 6044 - 2007	24,366.72	11,986.82	-	-	-	22,351.00	14,002.54
2008-B RIB	157,183.03	214,683.73	-	-	-	235,678.50	136,188.26
2008-C RIB	1,767,113.54	731,029.06	-	-	-	617,490.00	1,880,652.60
2009-A RIB (from 2001/2001c/2002)	820,429.39	423,723.68	-	-	-	675,732.00	568,421.07
2009-B RIB (from 2003C & 2003D)	376,980.07	198,323.20	-	-	-	309,781.00	265,522.27
2005-C Refunding Bonds	25,156.35	7,674.18	-	-	-	-	32,830.53
2006 A RIB	390,321.57	425,873.04	-	-	-	711,540.50	104,654.11
2007A RIB	1,169,254.99	710,831.73	-	-	-	848,296.00	1,031,790.72
2007B RIB	1,163,708.29	564,151.16	-	-	-	525,186.00	1,202,673.45
G.O. Bonds 2009	8,349.45	4.93	940,945.12	-	-	949,299.50	-
Municipal Bonds 2009 NDPFA	182,269.08	32,271.67	-	-	-	32,125.84	182,414.91
2009-C RIB	580,233.83	685,732.35	-	-	-	554,592.50	711,373.68
2010 A - RIB (refund of 2003E & 2004A)	1,238,322.70	696,320.32	-	-	-	671,042.50	1,263,600.52
2010 B - RIB	379,569.00	616,477.54	-	-	-	499,956.50	496,090.04
Sidewalk Refunding Bonds 2010	28,812.02	136,507.84	-	-	-	55,059.00	110,260.86
2012 A-RIB	1,412,546.54	2,312,883.72	-	-	-	1,169,510.54	2,555,919.72
2012 Sidewalk Refunding Bonds	39,170.50	12,956.22	-	-	-	18,473.25	33,653.47
2012 C (Ref of 2005B & 2005D)	1,148,318.80	935,546.94	-	-	-	1,316,788.00	767,077.74
2012 D Special Assessment Bond	2,265,549.80	4,721,576.53	-	-	-	2,949,122.02	4,038,004.31
2012 Sales Tax Bonds	316,029.03	653.61	1,088,499.67	-	-	868,360.42	536,821.89
Reserve for 2012 Sales Tax Bonds	206,771.02	579.72	-	-	-	-	207,350.74
2013 A RIB	1,577,369.94	1,125,602.30	-	-	-	1,067,952.00	1,635,020.24
2013B RIB	1,555,563.19	1,303,062.61	-	-	-	1,076,964.76	1,781,661.04
2012 Sidewalk District (6050)	(146,891.32)	30,230.37	-	-	-	-	(116,660.95)
2014A RIB	17,060.70	1,976,901.85	-	-	-	1,345,780.98	648,181.57
2014B RIB	(481,519.48)	1,851,967.56	-	-	-	1,690,770.00	(320,321.92)
2015A RIB	1,802,585.72	3,150,680.10	-	-	-	2,545,289.00	2,407,976.82
2015B RIB	2,126,299.77	1,873,342.04	-	-	-	1,584,397.60	2,415,244.21
2016A RIB	60,740.77	2,928,710.92	205,200.89	-	-	1,631,382.85	1,563,269.73
2017A RIB	-	439,676.09	2,715,454.69	-	-	389,467.98	2,765,662.80
2067	459,096.22	55,243.03	-	-	514,339.25	-	-
TIF West Fargo 2nd & 3rd	-	44,506.90	-	-	-	-	44,506.90
TIF Bonds Sterling Industrial Park (to 3377)	911,159.33	263,223.99	-	-	-	-	1,174,383.32
TIF Butler (to 3360 and 3366)	1,278,982.33	1,056,706.11	-	-	-	5,919.99	2,329,768.45
TIF Titan Machinery (to 3370)	193,355.50	363,515.82	-	-	-	99,760.16	457,111.16
Total Debt Service Funds	\$ 26,715,384.29	\$ 31,590,008.08	\$ 4,950,100.37	\$ -	\$ 514,339.25	\$ 26,156,435.89	\$ 36,584,717.60
Capital Projects Funds (Major):							
Capital Improvements	\$ 1,094,898.73	\$ 148,724.32	\$ 6,040,732.35	\$ -	\$ 608,066.93	\$ 118,426.87	\$ 6,557,861.60
Construction Testing	2,432.03	-	-	-	-	30.00	2,402.03
3001 1st Ave. E. Improvements	-	-	-	-	-	2,473,800.86	(2,473,800.86)

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CITY OF WEST FARGO
West Fargo, North Dakota

SCHEDULE OF FUND ACTIVITY - CLIENT GENERAL LEDGER BASIS
For the Year Ended December 31, 2017

	Balance 1-1-17	Revenues & Bond Premium	Transfers In	Other Financing Sources (gross)	Transfers Out	Expenditures & Bond Discout	Balance 12-31-17
CONTINUED...							
Capital Projects Funds (Major):							
Storm Lift Station	\$ (744,884.92)	\$ 195,223.95	\$ -	\$ 2,650,000.00	\$ 195,223.95	\$ 1,799,534.11	\$ 105,580.97
2241 5th St. West. Ext. (27th to 28th Ave. W.)	(32,945.25)	-	-	-	-	300,127.10	(333,072.35)
2240 8th Ave. NW. & 26th St. NW - Paving	(1,487,265.17)	-	-	-	-	505,989.45	(1,993,254.62)
2242 Street Improvement District	(19,726.00)	-	-	-	-	187,043.99	(206,769.99)
4054 Regional Stm Lft	(4,779,590.27)	405,918.48	-	5,510,000.00	405,918.48	659,239.80	71,169.93
4055 Christianson's 3rd Lift	4,863.35	-	-	-	4,814.35	49.00	-
Main Avenue Project	-	-	-	-	-	-	-
4056 - Meadow Ridge Stm Lift	1,911.34	-	-	-	1,844.14	67.20	-
4045 Southside General Storm Sewer	(8,330.50)	-	8,330.50	-	-	-	-
4058 Storm Lift Station (SM 71)	(135,810.89)	-	-	-	-	(4,704.12)	(131,106.77)
2243 Street Improvement District	(581.54)	-	-	-	-	1,929,959.32	(1,930,540.86)
4060 Storm Sewer Lift SA 72 Improvements	-	-	-	-	-	1,642,771.79	(1,642,771.79)
Storm Lift SM 33 Rehabilitation	-	-	-	-	-	238,595.08	(238,595.08)
4061 Storm Lift Rehab (SM 25, 28, 44)	-	-	-	-	-	1,318,413.45	(1,318,413.45)
4062 Storm Lift SM 75 & CR 19 Abandonment	-	-	-	-	-	264,223.61	(264,223.61)
2219 7th Ave - 17th to 45th Street Impr.	(5,344.70)	-	-	-	-	-	(5,344.70)
1279 12th Ave N-45th Str to Cty 19 Impr	(4,597,352.95)	900,000.00	-	5,000,000.00	-	9,982,636.28	(8,679,989.23)
1273 Main Ave. Phase III NHU-8-010(032)932	(8,993,123.03)	748,481.27	1,000,000.00	10,160,000.00	748,481.27	1,972,196.48	194,680.49
1260 1.5mm gallon water tower	(1,405,878.91)	511,224.89	-	-	-	1,054,637.13	(1,949,291.15)
1276-Christianson's 2nd	-	3,548.58	-	-	3,499.38	49.20	-
1284 Christianson Dr	15,552.14	-	-	-	15,502.94	49.20	-
1287 - Sheyenne & 52nd Ave Water Main	(386,829.77)	3,913.44	382,916.33	-	-	-	-
1288 Wilds 7th Addition	96,757.98	-	-	-	96,704.58	53.40	-
1289 26th St NE & Diversion Road	(9,179,974.26)	779,790.78	-	10,585,000.00	779,790.78	1,159,278.01	245,747.73
1291 Brooks Harbor 5th & 6th	82,900.10	-	-	-	82,835.50	64.60	-
1290 7th AVE NW & Center St	(1,972.00)	-	1,972.00	-	-	-	-
1293 Wild's 8th Addition	(1,063,240.08)	356,681.54	-	1,730,000.00	127,448.09	820,507.75	75,485.62
1294 Eaglewood 5th Addition	(1,961,691.70)	159,862.63	-	2,170,000.00	159,862.63	174,126.20	34,182.10
1295 Highland Meadows 2nd Addition	(85.00)	-	-	-	-	3,606,346.80	(3,606,431.80)
1296 Lagoon System Improvements	(114.00)	-	-	-	-	62,490.00	(62,604.00)
1297 Sewer Improvement District	(1,052,415.95)	-	-	-	-	1,601,931.59	(2,654,347.54)
1298 Eagle Run Plaza 5th Addition	(463,841.64)	75,879.50	-	1,030,000.00	75,879.50	547,456.92	18,701.44
1301 Water Storm Sewer Street District	(176.00)	-	-	-	-	3,780,191.01	(3,780,367.01)
1292 North Pond at the Preserve 9th	-	-	-	-	-	903,988.06	(903,988.06)
1299 Lift Station SA13 Rehabilitation	(447.41)	-	-	-	-	128,499.08	(128,946.49)
1300 Reiver Bend at Preserve 4th Addition	-	-	-	-	-	2,066,325.10	(2,066,325.10)
1303 Oak Ridge 11th Addition	-	-	-	-	-	1,142,635.95	(1,142,635.95)
1302 Water Tank Rehabilitation	-	-	-	-	-	1,176,718.65	(1,176,718.65)
1304 26th Ave. W. & 5th CT W	-	-	-	-	-	275,350.20	(275,350.20)
1305 Wilds 9th & SA 46	-	-	-	-	-	3,832,754.24	(3,832,754.24)
1308 Fargo Wastewater Connection Project	-	-	-	-	-	124.00	(124.00)
Lagoon Decommissioning Project	-	-	-	-	-	124.00	(124.00)
1310 South Reginal Sanitary Sewer Forcemain	-	-	-	-	-	2,995.20	(2,995.20)
2248 1st Ave. & 10 St. E. Improvement District	-	-	-	-	-	270.00	(270.00)
2250 Sheyenne St. Improvement District	-	-	-	-	-	855.62	(855.62)
1311 Brooks Harbor Water Tower	-	-	-	-	-	135,162.49	(135,162.49)
1312 Water Improvement District	-	-	-	-	-	150.00	(150.00)
2251 13th Ave. (12th to 45th) Reconstruct.	-	-	-	-	-	39,041.13	(39,041.13)
6052 Sidewalk Improvement District 2016	(320,502.01)	-	329,655.82	-	-	9,153.81	-
6053 Sidewalk Improvement District	-	-	-	-	-	128,857.62	(128,857.62)
2249 Street Improvement District	-	-	-	-	-	124.00	(124.00)
1313 Sewer Improvement District	-	-	-	-	-	120.00	(120.00)
2157 13th Ave. West	(300.00)	-	300.00	-	-	-	-
2245 City Striping Improvement Project	-	-	252,617.81	-	-	252,617.81	-
Sheyenne St S of I94	(690,054.43)	-	2,000,000.04	-	-	1,942,805.38	(632,859.77)
2246 Traffic Calming Elmwood Ct	-	-	-	-	-	165,054.08	(165,054.08)
2233-40th Ave E (Shey to Dr 21-Shard w/Fargo)	2,012.03	-	-	-	-	2,012.03	-
2234-33rd Ave E to Prairie Hgts Drive	(15,190.80)	-	15,190.80	-	-	-	-
2239 32 & 40th Ave W to Diversion	(4,534,834.45)	222,849.99	-	6,333,194.92	222,849.99	1,424,223.33	374,137.14
Total Capital Projects Funds	\$(40,577,627.35)	\$ 4,508,550.79	\$10,031,715.65	\$ 45,168,194.92	\$ 3,528,722.51	\$ 49,825,543.86	\$(34,223,432.36)
Total Governmental Funds	\$ 21,392,226.58	\$ 65,324,685.15	\$18,838,028.01	\$ 45,168,194.92	\$18,838,028.01	\$ 94,052,501.80	\$ 37,832,604.85
Enterprise Funds:							
Water and Sewer							
Sewer and Water Operating	\$ 6,505,680.06	\$ 9,581,296.22	\$ -	\$ -	\$ -	\$ 8,647,691.11	\$ 7,439,285.17
City Utility	384,653.07	130,394.63	-	-	-	214,893.91	300,153.79
Repl & Deprec. SWOP	30,000.00	-	-	-	-	-	30,000.00
Sewage Surcharge	295,799.86	6,590.46	-	-	-	-	302,390.32
2012 Ref Water/Sewer Reserve (2005)	665,660.22	-	-	-	-	-	665,660.22
Water/Sewer 2009 Reserve	601,646.26	-	-	-	-	-	601,646.26
South Facilities Hookup	2,776,325.36	122,583.60	-	-	-	51,744.00	2,847,164.96
Total Sewer and Water	\$ 11,259,764.83	\$ 9,840,864.91	\$ -	\$ -	\$ -	\$ 8,914,329.02	\$ 12,186,300.72
Health and Sanitation Operating	\$ 1,359,249.85	\$ 3,450,533.28	\$ -	\$ -	\$ -	\$ 3,183,164.56	\$ 1,626,618.57
Total Enterprise Funds	\$ 12,619,014.68	\$ 13,291,398.19	\$ -	\$ -	\$ -	\$ 12,097,493.58	\$ 13,812,919.29
Total Govt. & Enterprise Funds	\$ 34,011,241.26	\$ 78,616,083.34	\$18,838,028.01	\$ 45,168,194.92	\$18,838,028.01	\$ 106,149,995.38	\$ 51,645,524.14

CITY OF WEST FARGO
West Fargo, North Dakota

SCHEDULE OF FUND ACTIVITY - CLIENT GENERAL LEDGER BASIS
For the Year Ended December 31, 2017

	Balance 1-1-17	Revenues & Bond Premium	Transfers In	Other Financing Sources (gross)	Transfers Out	Expenditures & Bond Discount	Balance 12-31-17
Agency Funds:							
Park	\$ 452,442.91	\$ 644,379.67	\$ -	\$ -	\$ -	\$ 1,096,822.58	\$ -
Cash in Lieu of Land Dedication	-	631,908.61	-	-	-	347,198.97	284,709.64
Tree Planting	432,183.36	80,496.52	-	-	-	35,425.00	477,254.88
Marvin Windows Escrow Sp Assmts	170,658.00	-	-	-	-	-	170,658.00
Titan Job Training Grant 5%	10,452.45	55,756.00	-	-	-	52,968.20	13,240.25
Energy Grant	15,800.00	-	-	-	-	-	15,800.00
Downtown Business Association	10,161.11	100.00	-	-	-	119.10	10,142.01
Windsor Green Subdivision	15,910.81	-	-	-	-	-	15,910.81
Eagle Run 8th-Land Development	118,516.89	-	-	-	-	-	118,516.89
Borud's Subdivision	21,739.37	-	-	-	-	-	21,739.37
Park Sp Assmt 2003-1	-	4,196.17	-	-	-	4,058.41	137.76
2003-1 Sp. Assmt. Park - 40th Ave.	-	549.30	-	-	-	-	549.30
2014-2 Goldendood Area Park	-	2,520.25	-	-	-	-	2,520.25
Shadowwood Pk Sp.2010	-	20,976.13	-	-	-	20,544.11	432.02
2011 Park Specials - Maple Ridge	-	29,400.84	-	-	-	29,159.54	241.30
Park Improvement District 2011-1	-	425,623.12	-	-	-	415,215.00	10,408.12
2014 Park Special Assessments - Rivers Bend	-	193,639.73	-	-	-	193,012.17	627.56
Park Sp Assmt 2007-1	-	14,217.92	-	-	-	10,856.17	3,361.75
Community Development Block Grant (CDBG)	1,921.91	-	-	-	-	-	1,921.91
Total Agency Funds	\$ 1,249,786.81	\$ 2,103,764.26	\$ -	\$ -	\$ -	\$ 2,205,379.25	\$ 1,148,171.82
Total Primary Government	\$ 35,261,028.07	\$ 80,719,847.60	\$ 18,838,028.01	\$ 45,168,194.92	\$ 18,838,028.01	\$ 108,355,374.63	\$ 52,793,695.96
Total Reporting Entity	\$ 35,261,028.07	\$ 80,719,847.60	\$ 18,838,028.01	\$ 45,168,194.92	\$ 18,838,028.01	\$ 108,355,374.63	\$ 52,793,695.96

STATE AUDITOR

JOSHUA C. GALLION
Phone (701) 328-2241



Local Government Division:

FARGO OFFICE
MANAGER – DAVID MIX
Phone: (701) 239-7252

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. BOULEVARD AVENUE - DEPT. 117
BISMARCK, NORTH DAKOTA 58505

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

City Commission
City of West Fargo
West Fargo, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Fargo as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of West Fargo's basic financial statements, and have issued our report thereon dated April 26, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of West Fargo's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of West Fargo's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of West Fargo's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

CITY OF WEST FARGO

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* - Continued

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of West Fargo's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of West Fargo's Response to Findings

City of West Fargo's response to the finding identified in our audit is described in the accompanying *schedule of findings and questioned costs*. City of West Fargo's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

/s/

Joshua C. Gallion
State Auditor

Fargo, North Dakota
April 26, 2018

CITY OF WEST FARGO
West Fargo, North Dakota

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of Report Issued?	
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Internal Control over financial reporting:

Material weaknesses identified?	_____ Yes	_____ X	None noted
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ X	None noted
Noncompliance material to financial statements noted?	_____ Yes	_____ X	None noted

Section II - Financial Statement Findings

No matters were reported.

You may obtain audit reports on the internet at:

www.nd.gov/auditor/

or by contacting the
Division of Local Government Audit

Office of the State Auditor
600 East Boulevard Avenue – Department 117
Bismarck, ND 58505-0060

(701) 328-2220



City of West Fargo
West Fargo, North Dakota

Management's Letter

For the Year Ended December 31, 2017

JOSHUA C. GALLION
STATE AUDITOR

Office of the State Auditor
Division of Local Government

STATE AUDITOR

JOSHUA C. GALLION
Phone (701) 328-2241



Local Government Division:

FARGO OFFICE
MANAGER – DAVID MIX
Phone: (701) 239-7252

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR

STATE CAPITOL
600 E. BOULEVARD AVENUE - DEPT. 117
BISMARCK, NORTH DAKOTA 58505

City Commissioners
City of West Fargo
West Fargo, North Dakota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Fargo, North Dakota for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 26, 2018. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in The United States Of America, Government Auditing Standards

As stated in our engagement letter dated January 23, 2018, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the basic financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, or fraud may exist and not be detected by us.

In planning and performing our audit, we considered the City of West Fargo's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the City of West Fargo's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Significant Accounting Policies/Qualitative Aspects Of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City of West Fargo are described in Note 1 to the basic financial statements. Application of existing policies was not changed during the year ended December 31, 2017. GASB Statement 75(Accounting and Financial Reporting for Post-Employment Benefit Plans Other Than Pensions) was adopted during the year ended December 31, 2017. We noted no transactions entered into by the City of West Fargo during the year ended December 31, 2017 that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements presented by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements is useful lives of capital assets.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and report them to the appropriate level of management.

AUDIT ADJUSTMENTS - PRIMARY GOVERNMENT		
<u>Governmental Funds/Activities</u>		
Intergovernmental Receivable	1,323,782	
Accounts Receivable	89,232	
Revenue - govt. funds/activities		1,413,014
Expenditures/Expenses	2,085,552	
Accounts Payable		310,665
Salaries Payable		397,225
Construction Payable		1,377,662
Expenses - Govt. Wide	960,965	
Retainages Payable		960,965
<u>Beginning Fund Balances</u>		
Total Fund Balances	(168,520)	
Debt Service Fund Balance		(1,597,620)
Capital Projects Fund Balance		270,000
Non-Major Funds Balances		1,159,100
<u>Business-Type Funds/Activities</u>		
Expenses	519,354	
Accounts Payable		397,906
Salaries Payable		121,448

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, or reporting matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 26, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the city's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the City Commission and management of the City of West Fargo and should not be used for any other purpose. We would be happy to meet with you and any member of your staff to discuss any of the items in this letter in more detail if you so desire.

Thank you and the employees of the City of West Fargo for the courteous and friendly assistance we received during the course of our audit. It is a pleasure for us to be able to serve the City of West Fargo.

/s/
Joshua C. Gallion
State Auditor

Fargo, North Dakota
April 26, 2018

AGENDA ITEM DESCRIPTION
CITY COMMISSION
WEST FARGO, NORTH DAKOTA

Agenda # 3

***Please Note: The following information must be completed and submitted to the West Fargo City Auditor's Office by the Thursday noon preceding the City Commission meeting. Failure to comply may result in no action being taken on your request.

1. CONTACT PERSON: Larry Weil/Sage Thornbrugh/Matt Peterson

2. PHONE NUMBER: 433-5322/476-6737/476-6660 DATE: May 30, 2018

3. PLEASE **BRIEFLY** DESCRIBE YOUR REQUEST:

Consideration of new Bus Route #20, which replaces West Fargo Route 22 to allow for more predictable timetable. Fargo Transit has some concerns with Route 22 and On-Time Performance. The OTP is more than just the construction along 13th Ave. They propose a Route 20 that would combine Route 21 & 22 so the timetable can be adjusted to accommodate Route 22 timing issues. Neither the mileage or route path would change, it would only be the timetable. Currently 21 and 22 are both 30 minutes routes; however, they need about 5 more minutes on 22 and can do with 5 minutes less on 21, so by combining the routes they could accomplish this without any additional resources or cost.

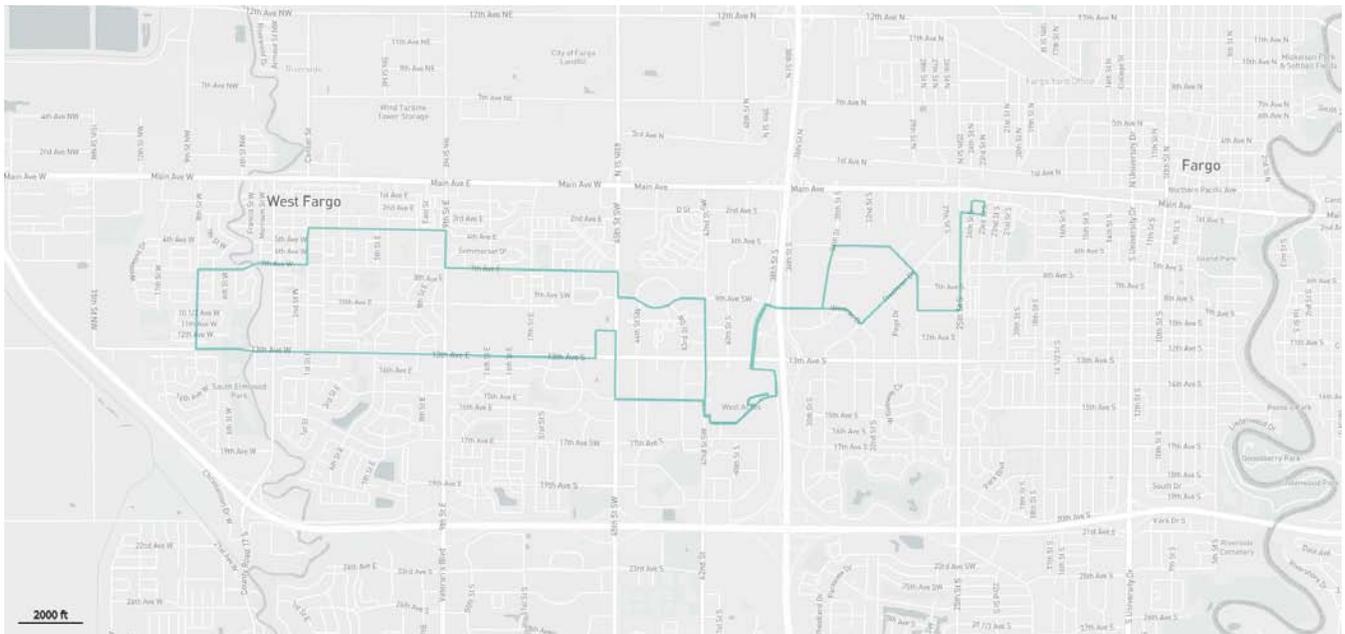
<https://platform.remix.com/map/fe57861?latlng=46.86492,-96.85487,z14>

4. SITE ADDRESS OR LEGAL DESCRIPTION (if applicable):

N/A

5. ACTION BEING REQUESTED FROM CITY COMMISSION:

Consider changes to West Fargo Transit Route.



Route 20

- 21 West Acres, Noridian, Cass County Jail, Teleforce, Somali Business Center
-
- Route 20

Within 0.25 mi of stops:

13,836 population

17,351 jobs



City Commission Agenda Item Request

Please Note: The following information must be completed and submitted before noon on the Thursday preceding the City Commission Meeting. Failure to comply may delay action being taken on your request.

Office Use:

Regular Agenda Item #:

Consent Agenda Item #:

Agenda Item Information:

Contact Name: *

Chris Brungardt

Phone Number: *

701.306.8484

Email Address:

chris.brungardt@westfargond.gov

Date *

5/31/2018

Topic for Consent or Regular Agenda?

Please select one option:

Consent Agenda

Regular Agenda

Please Briefly Describe Your Request *

ENGINEERING CONTRACT AMENDMENT FOR DESIGN OF SEGMENT 3 OF THE SHYENNE STREET (32nd to 40th Ave)

Site Address or Legal Description (if applicable)

Action Being Requested from City Commission *

Recommend we approve the amendment for design and associated items for Segment 3 Design and Right of Way in the amount of \$1,163,961. And allow staff to further review and negotiate the amendments for segments 1 & 2.

Upload Additional Documentation (Optional):

Amendment 4 - Final Design Scope_CoWF.PDF

2.43MB



Department of Public Works

Chris Brungardt ~ Public Works Director ~ Cell: 701.306.8484 ~ Email: Chris.Brungardt@westfargond.gov
Ryan James ~ Operations Manager ~ Cell: 701.200.9099 ~ Email: Ryan.James@westfargond.gov
Eric Hanson ~ Fleet & Facilities Manager ~ Cell: 701.306.7057 ~ Email: Eric.Hanson@westfargond.gov
Terry Rust ~ Environmental Manager ~ Cell: 701.306.8741 ~ Email: Terry.Rust@westfargond.gov
Thomas Clark ~ Sanitation Manager ~ Cell: 701.306.8922 ~ Email: Thomas.Clark@westfargond.gov
Chad Zander ~ Program Coordinator ~ Cell: 701.306.2646 ~ Email: Chad.Zander@westfargond.gov

To: City Commission
From: Chris Brungardt 
Date: 5/31/18

RE: ENGINEERING CONTRACT AMENDMENT FOR DESIGN OF SEGMENT 3 OF THE SHYENNE STREET RECONSTRUCTION PROJECT

Attached is the proposed Amendment Number 4 to the original engineering contract with KJ for the reconstruction of Sheyenne Street from 13th Avenue to 40th Avenue. You may recall the original contract allowed for a scoping phase with the knowledge that each Segment of the project would have an amendment to provide for design and right of way.

This amendment allows for the design of segment 3 of Sheyenne Street from 32nd to 40th Avenue. It also has additional out of scope costs that were incurred for the environmental document, design, right of way, and utility coordination for segments 1 & 2. Staff has reviewed both parts of the Amendment they appear to be in order. Albeit, we would like to further review the out of scope costs.

I would recommend we approve the amendment for design and associated items for Segment 3 Design and Right of Way in the amount of \$1,163,961. And allow staff to further review and negotiate the amendments for segments 1 & 2.

This is **EXHIBIT K**, consisting of [3] pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated [4/11/16].

AMENDMENT TO OWNER-ENGINEER AGREEMENT
Amendment No. 4 – Phase I & II Supplement & Segment 3 Design and Right-of-Way

The Effective Date of this Amendment is: 4/1/2018.

Background Data

Effective Date of Owner-Engineer Agreement: 4/11/16

Owner: City of West Fargo

Engineer: Kadrmaz, Lee & Jackson, Inc.

Project: Environmental Documentation & Design for the Reconstruction of Sheyenne Street:

- Segment #1 – 13th Avenue E. to 19th Avenue W.
- Segment #2 – I-94 and Sheyenne Street Interchange & 19th Avenue W. to 32nd Avenue E.
- Segment #3 – 32nd Avenue E. to 40th Avenue E.

Nature of Amendment: [Check those that are applicable and delete those that are inapplicable.]

- Additional Services to be performed by Engineer
- Modifications to services of Engineer
- Modifications to responsibilities of Owner
- Modifications of payment to Engineer
- Modifications to time(s) for rendering services
- Modifications to other terms and conditions of the Agreement

Description of Modifications:

Amendment #4:

- *Supplement for additional work for Phase I and Phase II design of Segments 1 and 2.*
- *Final Design and Right-of-Way for Segment 3*
 - *Project Management*
 - *Survey*
 - *Design Engineering*
 - *Roadway*
 - *Storm Sewer*
 - *Sewer and Water*
 - *Right-of-Way*
 - *Plats*
 - *Appraisals*
 - *Negotiations*

A full breakdown and description of services is provided in the attached Appendix A

Agreement Summary:

Original agreement amount:	\$ 37,002.00
Net change for prior amendments:	\$ 3,052,833.00
This amendment amount:	\$ 1,609,284.00
Adjusted Agreement amount:	\$ 4,699,083.00

A fee summary is provided in the attached Appendix B

Change in time for services (days or date, as applicable): Completion date for the work described in this amendment is 12/1/2019

The foregoing Agreement Summary is for reference only and does not alter the terms of the Agreement, including those set forth in Exhibit C.

Owner and Engineer hereby agree to modify the above-referenced Agreement as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect.

OWNER:
City of West Fargo

ENGINEER:
Kadmas, Lee & Jackson, Inc.

By: _____

By: Barry Schuchard

Print
name: _____

Print
name: Barry Schuchard

Title: _____

Title: Vice President

Date Signed: _____

Date Signed: 5-18-18



APPENDIX A
May 2018

KADRMAS, LEE & JACKSON, INC.
SCOPE OF SERVICES
FINAL DESIGN & PLAN PREPARATION

City of West Fargo Street Improvement District No. 2244
SU-8-992(040)041, PCN 21569 - Sheyenne Street from 40th Ave E to 32nd Ave E

Sheyenne Street Reconstruction

PURPOSE

The purpose of this appendix is to describe the scope of services and responsibilities required to complete the design of Sheyenne Street from 32nd Avenue East through the 40th Avenue East intersection. This project is also known as Segment 3.

Anticipated improvements for Segment 3 include reconstructing Sheyenne Street to a 4-lane section with a raised median. The design will easily allow a third outside lane to be constructed in the future for both northbound and southbound.

SUB CONSULTANTS

It is anticipated that there will be several sub consultants associated with the project. These sub consultants are listed below along with a brief description of their role in the project. Please refer to their full scope of service for additional details.

- Moore Engineering - Design, plan production, hydraulic analysis
- Braun Intertec -Geotechnical stability analysis
- RM Hoefs & Associates - Appraisals
- Dakota Appraisal & Consulting, Ltd. - Appraisal Reviews

FORMATS AND STANDARDS

All project data will become property of the City of West Fargo upon completion and approval of the tasks and deliverables identified in the contract. The project data will be generated and submitted in the following formats and standards, without exception, as applicable:

- Code of Federal Regulations - 23 Highways
- Federal Highway Administration Technical Advisory T 6640.8A
- MS Word and MS Excel
- MicroStation SS4
- Geopak SS4
- Microsoft "Project"
- NDDOT CADD Manual
- NDDOT Data Collection Codes and Procedures
- Adobe Acrobat (standard or compatible)



3.1. PROJECT MANAGEMENT & COORDINATION

Assumptions

A 30-week schedule (5/2017 to 11/2017) is assumed for the bulk of the final design and plan preparation effort. However, project management and coordination as well as several other tasks will extend through the bid period and past the bid opening.

Management & Coordination

KLJ will manage the project and provide overall coordination of the work completed by the project team. This work will consist of managing work assignments, internal team meetings, coordination with City of West Fargo staff, project budget and schedule.

Progress Reports (Bi-weekly updates) (Est. 15 Updates)

KLJ will submit a biweekly status report via email to the City of West Fargo and NDDOT which will summarize the work performed in the current period, summary of project decisions and potential out of scope work activities. The reports will include percent complete for key project activities. The status report will also identify any milestone activity that is not completed or anticipated not to be completed on time. The report will include the reasons why any milestone date was missed and what actions will be taken to get the project back on schedule.

Project Meetings

KLJ will attend project meetings required to complete the design and right of way acquisition for the project.

Internal Design Meetings (8)

KLJ will attend eight meetings with Moore Engineering staff to coordinate design of the project.

External Design Meetings (4)

KLJ will attend four meetings with the City of West Fargo and Moore Engineering to coordinate design of the project.

Individual Landowner Meetings (20)

KLJ will attend twenty landowner meetings to discuss the design and impacts of the project as well as the right of way acquisition process.

Eagle Run Development Meetings (2)

KLJ will attend two meetings with Moore Engineering to discuss the project with the Eagle Run development residents directly adjacent. All design materials presented at the meeting will be prepared by Moore Engineering.

Windsor Green Development Meeting (1)

KLJ will attend one meeting with Moore Engineering and the Windsor Green Development to discuss the proposed project improvements. All design materials presented at the meeting will be prepared by Moore Engineering.



3.2. DESIGN & PLAN PREPARATION

Design Elements

KLJ will develop the design elements listed below. All elements will be designed based on NDDOT standards. See Moore Engineering's scope of services for all other design elements in Segment 3.

Notes - Section 6

KLJ will develop plan notes for any design sections produced by KLJ. KLJ will also establish the environmental commitment notes.

General Details - Section 20

KLJ will provide necessary plan details for any design items produced by KLJ.

Landscaping Plans - Section 85

KLJ will produce tree planting plans for the medians and boulevards based on the roadway design provided by Moore Engineering. KLJ will develop aesthetic concrete walls on the south side of the 32nd Avenue intersection to match the walls constructed for the pedestrian underpass north of 32nd Avenue.

Lighting - Section 140

KLJ will provide electrical engineering services coordinated with Moore Engineering's roadway design. KLJ will provide roadway lighting design that is computer modeled in accordance with NDDOT requirements and using equipment meeting city of West Fargo preferences. Decorative lighting will be provided if recommended by the city. KLJ will provide related power design for the lighting and any festoons meeting NFPA 70, state, and local codes. KLJ will coordinate with the electrical utility to ensure plans are designed to provide power for the lighting and signal combination feed points. KLJ will provide feed point letters as required. Lighting plans will be prepared using NDDOT format and MicroStation. Lighting will be coordinated with the traffic signal locations.

Signals - Section 150

KLJ will develop plan sheets for two (2) permanent traffic signal systems at the following intersections:

- Sheyenne Street & 38th Avenue
- Sheyenne Street & 40th Avenue

KLJ will develop plan sheets for two (2) temporary signal systems to be utilized during construction of the project at the following intersections:

- Sheyenne Street & 32nd Avenue (modify existing signal)
- Sheyenne Street & 40th Avenue (proposed signal to be modified)

KLJ will determine applicable materials, equipment and standard drawings and prepare detailed project plans for the intersection listed above. A detailed opinion of cost will be



provided for the intersection. KLJ will coordinate with the local utilities for feed point information.

Fiber Interconnect - Section 160

KLJ will develop plan sheets for a new fiber interconnect along Sheyenne St between 19th Ave W and 32nd Ave W. The intent of the fiber interconnect is to connect the traffic signal controllers along Sheyenne St, which includes the traffic signal at the new single-point urban interchange at the Sheyenne St interchange.

KLJ will develop plan sheets for up to three (3) surveillance cameras near the Sheyenne St interchange to provide live streaming images to the project website during construction.

KLJ will determine applicable materials, equipment and standard drawings and prepare detailed project plans for the fiber interconnect and surveillance cameras listed above. A detailed opinion of cost will be provided for the fiber interconnect and surveillance cameras.

QC/QA Activities

QC/QA reviews will be conducted in accordance with the Quality Control/Quality Assurance in place for this project. The QC/QA process will be documented using checklists.

Special Provisions

KLJ will prepare Special Provisions for items produced by KLJ. It is assumed that approximately twelve Special Provisions will be required from KLJ.

3.3. SURVEY

Pickup Survey

KLJ will perform a property corner search within the project corridor of Segment 3. All pick up surveys needed for design will be completed by Moore Engineering.

3.4. UTILITY ENGINEERING

Utility Coordination

All utility coordination will be handled by Moore Engineering. KLJ may attend utility coordination meetings if requested by Moore Engineering, the City of West Fargo or the utility companies.

KLJ will work with the City of West Fargo and utility companies to establish a utility corridor for the purposes of utility relocations and future utilities to install their facilities. This utility corridor will be incorporated into the right of way easement exhibits.

3.5. PLAN SUBMITTAL & REVIEW

60% Plan Review Meeting

KLJ will provide Moore Engineering plan sections at 60% design along with bid items, quantities and unit costs. Moore Engineering will create a 60% submittal plan set and cost estimate for submittal to City of West Fargo. Moore will coordinate with KLJ and City of West Fargo and set up a meeting time and location. NDDOT Fargo District will be invited to attend the meeting as well.

NATIONAL PERSPECTIVE
REGIONAL EXPERTISE
TRUSTED ADVISOR



90% Plan Review Meeting

KLJ will provide Moore Engineering plan sections at 90% design along with special provisions, bid items, quantities and unit costs. Moore Engineering will create a 90% submittal plan set and cost estimate for submittal to City of West Fargo and NDDOT. Moore will coordinate with KLJ and City of West Fargo and set up a meeting time and location. NDDOT Fargo District will be invited to attend the meeting as well.

KLJ will submit 90% plans to NDDOT for review and comment. A formal PS&E meeting with NDDOT Central Office will not be held.

Final Plan Submittal

KLJ will provide Moore Engineering final plan sections, special provisions, bid items, quantities and unit costs. Moore will compile the final plan submittal into a submittal packet. KLJ will submit the final plan packet to City of West Fargo and NDDOT.

Moore Engineering will complete the Final Plan Checklist, Electronic Plan Checklist, and the five certification letters. KLJ will submit those items to NDDOT along with the final plans.

3.6. ENVIRONMENTAL/PERMITTING

Cultural

KLJ will complete a Class III Cultural Resources Inventory and prepare an addendum to the previously completed cultural report for additional areas occurring outside of the previous study area.

Wetland Delineation

KLJ will complete a field wetland delineation and wetland delineation report addendum for additional areas occurring outside of the previous study area.

Permitting

It is anticipated that the following permits will be required for the project:

- USACE - Section 404 Permit
- Sovereign Lands Permit
- Floodplain Development Permit

KLJ will complete the permit applications for the above permits based on design information developed by Moore Engineering. It is anticipated that wetland impacts would be permitted under a nationwide permit. It is anticipated that no wetland mitigation will be required.

3.7. RIGHT OF WAY

General

It is assumed that there will be 56 parcels acquired (permanent and temporary acquisition) from 46 landowners within the corridor limits of Segment 3.

Title Work



KLJ will contract with Red River Abstract Company, to have abstracts updated or built. KLJ will contact landowners that require their abstract be delivered to the Red River Title Services Inc. for updating. KLJ will assume 5 landowners will need to be contacted. KLJ is assuming that 42 abstracts will be able to be updated and 4 abstracts will need to be built from scratch

Basic Sales Data Book

KLJ will subcontract with R.M. Hoefs and Associates, Fargo ND, to produce a Sales Data Book for this project. The completed Sales Data Book will be submitted to KLJ for review and comment and ultimately delivered to the City of West Fargo, by KLJ.

Appraisals

KLJ is assuming that there will be 7 Appraisals required to be prepared by the appraisal team. KLJ will subcontract with R.M. Hoefs & Associates to perform the appraisals. Appraisals will be submitted to KLJ and delivered to Dakota Appraisal & Consulting, LTD., Bismarck ND, for review. Final Appraisals and Review Appraisals will be delivered to the City of West Fargo.

KLJ is assuming Coordination time, for addressing landowner concerns with the property valuation. KLJ will address all appraisal concerns with the Appraiser and Review Appraiser to develop a response to all questions being presented by the landowner(s).

Waiver Valuations

KLJ will complete waiver valuations for those landowners anticipated to be offered less than \$25,000 for their acquisition. KLJ will establish and prepare an offer for each landowner qualifying for a waiver and deliver to The City of West Fargo for review and approval.

Prepare Right of Way Documents

KLJ will assemble right-of-way packages for an estimated 46 Landowners and 56 parcels. KLJ will complete the following for each parcel:

- Easement Exhibit
- Purchase Agreement (based on City of West Fargo template)
- Offer Letter (based on City of West Fargo template)
- Closing (based on City of West Fargo template)
- Notification & Waiver Form
- Temporary Construction Easement Documents (based on City of West Fargo template)
- Warranty Deed or Permanent Right of Way Easement Documents (based on City of West Fargo template)
- W-9 Form
- Negotiator Worksheets and Reports

Negotiations

KLJ will meet and conduct negotiations for each landowner and parcel to be acquired. This scope includes up to 4 In-person meetings and multiple phone contacts per landowner. KLJ will provide justification for any increases or deviations from the approved values and submit to The City of West



Fargo for final acceptance. Any deviations from the approved offers will require advance approval from the City of West Fargo.

Assemble & Submit Right of Way Package -

KLJ will assemble complete packages of right-of-way forms and reports for each parcel and submit to the City of West Fargo.

Right-of-Way Plats

KLJ will complete easement exhibits for each individual landowner that outlines the acquisition and existing easements and boundaries. Legal descriptions will be provided for all acquisition parcels.

KLJ right of way staff will review the easements that have been prepared for accuracy of landowner information.

Meetings and Management

Coordination includes internal and external meetings with the Project/design team.

DELIVERABLES PROVIDED BY KLJ

- Purchase Agreement
- Offer Letter
- Closing Documents
- Notification & Waiver Form
- Warranty Deeds and/or Easement Documents
- W-9 Form
- Negotiator Worksheets and Reports
- Appraisal(s)

3.8. PRE-BID/BID/CONSTRUCTION ACTIVITIES

Opinion of Cost

KLJ will compile all pay quantities based on designs completed by KLJ and submit to Moore Engineering. Pay items shall conform to NDDOT spec and code numbers.

Bid Opening

KLJ will be available to answer pre-bid questions from the contractors. Questions related to the design performed by Moore Engineering will be responded to by Moore Engineering.

Deliverables provided by KLJ

- Progress reports at two (2) week intervals
- Minutes and reports for City of West Fargo meetings
- Preliminary and Final Plans, Cost Estimates, Special Provisions (Moore Engineering to compile final plans)

Deliverables provided by Sub-consultants

- Storm sewer cost share analysis - Moore

- Geotechnical analysis - Braun
- Utility Conflict Plans - Moore
- Supplemental Design Data - Moore

Work not included in this scope of work

- Pavement Design
- Utility Relocation Agreements
- Environmental Clearance for Borrow Sites
- Updates to the Documented CATEX
- Construction Administration/Observation



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ATTACHMENT X

May 2, 2018

Kadrmass, Lee & Jackson, Inc.
Travis Wieber, Office Manager
3203 32nd Ave S Suite 201
Fargo, ND 58103-6242

Subject: Contract Amendment

Phase II Final Design

Segment 3 – Sheyenne Street from 40th Avenue to 32nd Avenue

City of West Fargo - Street Improvement District No. 2250

NDDOT No. SU-8-992(040)041, PCN 21569

Moore Project No. 18978D

Dear Mr. Wieber,

In accordance with our scoping meetings held on January 12, 2018, February 2, 2018, March 29, 2018, April 9, 2018, and April 30, 2018, Moore Engineering, Inc. (Moore) is submitting our contract amendment to Kadrmass, Lee & Jackson, Inc. (KLJ) to provide engineering subconsultant services to complete Phase II – Final Design services for Segment 3 of the Sheyenne Street Reconstruction project (“Project”). Segment 3 of the Sheyenne Street Reconstruction Project is defined as Sheyenne Street from 40th Avenue to 32nd Avenue. Services contained in this amendment generally include performing final survey, final roadway design, preparing final storm sewer design, final sanitary sewer and water design, assisting with permits, coordinating utility location and conflict plans, final bidding documents, and bidding assistance for the above referenced project.

Project Understanding

BACKGROUND: The City of West Fargo (“City”) contracted with KLJ to complete the Sheyenne Street Corridor Study, which was completed in February 2016. KLJ was awarded a contract, with Moore acting as a subconsultant, to complete the Environmental Document and Preliminary Engineering for Phase I from 40th Avenue to 13th Avenue for the Project. Moore completed preliminary engineering for Segments 1 and 3 and Segment 2 from 32nd Avenue to 26th Avenue from July 2016 to July 2017. The Environmental Document for the Project was approved in November 2017. The City of West Fargo now wants to amend the agreement with KLJ to provide Phase II services for Segment 3 to be designed in 2018 and constructed in 2019. KLJ requested Moore to remain as their subconsultant to provide Phase II services as described below for the Project.

GENERAL DESCRIPTION OF PROJECT: Segment 3 includes the reconstruction and widening of Sheyenne Street to a four-lane section with median. Other general improvements include the replacement of water main and services for three properties along the Windsor Green frontage road, installation of storm sewer, and installation of the shared use paths on both sides of the Segment 3 portion of the Sheyenne Street project.

PROJECT OBJECTIVES: Moore will provide engineering and surveying services to KLJ to complete the Final Design for Segment 3 to receive approval from the NDDOT and City of West Fargo to bid the project, then provide bidding assistance to ultimately recommend an award of contract to the City. Moore intends to execute an agreement for construction engineering services for Segment 3 when the construction contract is awarded.

- All Work in the Scope of Work below will be provided by Moore, with exception of the items specifically identified to be provided by KLJ.

Formats and Standards

All project data will become the property of the NDDOT and the City upon completion and approval of the tasks and deliverables identified in the contract. The project data will be generated and submitted in the following formats and prepared in accordance with the current, at the time of this agreement, version of the following standards, without exception, as applicable:

1. Survey Data Collection
 - a. NDDOT Surveys & Photogrammetry Manual Chapter 19
 - b. NDDOT Data Collection Codes and Procedures
2. Survey CAD Editing
 - a. NDDOT CADD Manual
 - b. NDDOT Survey & Photogrammetry Manual Chapter 20
 - c. NDDOT CADD Editing Manual Chapter 21
3. Corridor Design
 - a. Microsoft Word and Microsoft Excel
 - b. MicroStation SS4 v8.11.09.832
 - c. Geopak SS4 v8.11.09.878
 - d. Microsoft Project
 - e. NDDOT CADD Manual
 - f. NDDOT Drafting Standards
 - g. NDDOT Design Manual and Plan Preparation Guide Website
4. Right of Way Acquisition Process – NDDOT

Scope of Work

To meet the Project Objectives above, Moore proposes to provide the following services:

1. Project Management & Coordination
 - a. Assumptions
 - i. A 30-week schedule (April 9, 2018 to November 2, 2018) is assumed for final design and plan preparation effort. However project management and coordination as well as several other tasks, will extend an additional five (5) weeks (November 5, 2018 to December 7, 2018) through the bid period and past the bid opening date to be held on November 9, 2019.
 - b. Management and Coordination

- d. Miscellaneous Pick-up Survey
 - i. Moore will collect additional ground survey data to supplement the existing corridor survey completed by Moore in July 2016. Some of these pick-up survey items could include, but are not limited to, city utilities, signage changes, light poles or boxes, additional cross sections, and other items deemed necessary by the project team for final design. This item is limited to 30 hours of a two-man survey crew. Additional survey can be provided as an additional hourly rate service.
 - e. CADD Editing
 - i. Moore will update the following CAD drawings in accordance with Chapter 20 Procedure for Creating Right of Way Plats, NDDOT Surveys & Photogrammetry Manual and Chapter 21 CADD Editing Manual based on the additional survey completed.
 - 1. Topog.dgn (3-D)
 - 2. DTM.dgn
 - ii. Moore will provide KLJ with the updated drawings to be included in the master drawing.
3. Utility Conflict Engineering
- a. Utility Facility Locating
 - i. Moore will schedule and conduct meetings with the Utility Companies to review the existing locations of utilities shown on the drawings to confirm their accuracy. It is estimated that we will meet with each Utility Company individually to review the initial utility locations on the drawings as identified in the preliminary design phase. After identifying utilities not located in the preliminary design survey, Moore will contact the ND One-Call system and conduct one (1) additional supplemental field survey to locate additional identified utilities. Moore will schedule and conduct one (1) additional meeting with each Facility Owner individually to review the final utility locations on the plans. It is estimated Moore will meet with six (6) Utility Companies two (2) times each to confirm the accuracy of the facilities shown on the drawings. The accuracy of utilities shown on the drawings will be based on flags surveyed in the field provided by the ND One-Call system, and additional comments provided by Utility Companies during their review of the drawings.
 - b. Utility Conflict Plans (Summary, Plan and Profiles & Cross Sections)
 - i. After the accuracy of the existing underground utilities are confirmed by the Utility Owners, Moore will prepare final Utility Conflict Plans, including a utility conflict summary, utility conflict plan and profiles, and utility conflict cross sections to identify known potential utility conflicts. Moore will provide the Utility Conflict Plans to each Utility Owner to review and approve. Written approval will be requested from each Utility Company.
 - c. Utility Conflict Coordination
 - i. Moore will schedule and conduct one (1) initial meeting with each impacted utility facility to review impacts and utility relocations for the proposed improvements.
 - ii. Moore will correspond with Utility Companies to request that they develop any required utility relocation or replacement plans and schedule. The timeliness of Utility Companies developing the necessary relocation and replacement plans and schedule cannot be controlled by Moore, so

schedule for bidding may be impacted if not completed by the Utility Companies in a timely manner. We are scheduling to provide Utility Companies the Utility Conflict Plans eight (8) weeks prior to the submittal of final plans to allow them ample time to develop their utility relocation plans and schedule so that the Utility Certification can be provided to the NDDOT.

- d. Utility Relocation Agreements
 - i. It is assumed that all utilities to be relocated are not reimbursable due to being in City right-of-way and will not require a Utility Relocation Agreement.
4. Right-of-Way – All Work for Right-of-Way is assumed to be provided by KLJ unless specifically noted below to be provided by Moore.
- a. KLJ will mail info packets to all landowners that did not attend the neighborhood meeting.
 - b. Moore will prepare Exhibits that identify the approximate boundary of property that will need to be acquired for right-of-way and provide to KLJ. The Exhibits will not be prepared or checked by a Registered Land Surveyor. KLJ will provide all Land Surveyor work for legal descriptions or boundaries.
 - c. KLJ will stake the right-of-way acquisition limits for landowner review.
 - d. KLJ will compile land value factors and meet with the City to approve the established land values.
 - e. KLJ will prepare all legal descriptions and purchase agreements.
 - f. KLJ will determine terms and mail Offer Letters and Purchase Agreements.
 - g. KLJ will negotiate each offer.
 - h. KLJ will acquire all abstract mortgage lender information, and send it to the City Attorney for the Title Opinion.
 - i. KLJ will hold all closings.
 - j. KLJ will coordinate all recordation, and deliver all recorded documents to the City and Seller.
5. Landowner Meetings
- a. Eagle Run Neighborhood Meeting (Estimated 1 Meeting)
 - i. It is anticipated that the project will impact the land of 23 Eagle Run landowners. Moore will coordinate setting up one (1) neighborhood meeting for Eagle Run landowners. Moore will prepare and mail invitation letters to each Eagle Run landowner. Moore will provide a PowerPoint presentation and exhibits during the meeting. Moore will prepare and distribute meeting minutes to KLJ. KLJ will provide appropriate right-of-way staff to attend the meeting to discuss the right-of-way process and provide informational packets.
 - b. Windsor Green Neighborhood Meeting (Estimated 1 Meeting)
 - i. The project will impact the access for 20 Windsor Green landowners. Moore will coordinate setting up one (1) neighborhood meeting for Windsor Green landowners to confirm the final design determined during the preliminary design phase. Moore will prepare and mail invitation letters to each Windsor Green landowner. Moore will provide a presentation and exhibits during the meeting. Moore will prepare and distribute meeting minutes to KLJ. KLJ will provide appropriate right-of-way staff to attend the

meeting to discuss the right-of-way process and provide informational packets.

- c. Individual Landowner Meetings (Estimated 20 Meetings)
 - i. It is anticipated that 20 one-hour landowner meetings will be required during the design process after holding the neighborhood meetings. This will include preparing for the meeting and documenting meeting minutes. It is expected that a majority of the questions asked will be answered during the neighborhood meetings and right-of-way negotiations, thus only requiring 20 one-on-one meetings. Any additional landowner meetings will be provided as an additional hourly rate service.

6. Design & Plan Preparation

- a. Cass Rural Water Coordination
 - i. Moore will:
 - 1. Prepare exhibits that identify locations of Cass Rural Water mains and City water mains.
 - 2. Hold two (2) meetings with Cass Rural Water staff and City staff to determine final changeover of water mains to the City. Moore will prepare and distribute meeting minutes to the City.
- b. Spring Melt Preparedness Manual Updates
 - i. Moore will:
 - 1. Prepare drawings that show locations of inadequate secondary freeboard as identified in the preliminary Flood Protection Profile Memo dated January 16, 2017.
 - 2. Hold one (1) meeting with City staff to review the final Memo and drawings. Moore will prepare and distribute meeting minutes to the City.
 - 3. Update the “Spring Melt Preparedness” manual, last updated in March 2013 as originally prepared by West Fargo Public Works, to include additional dike installation locations and drawings identifying inadequate secondary freeboard.
- c. Preliminary Traffic Control and Detour Concepts
 - i. Moore will:
 - 1. Prepare exhibit to identify one option for traffic control and detours, including proposed phasing of work.
 - 2. Hold two (2) meetings with City staff to review the concepts developed. Moore will prepare and distribute meeting minutes to the City. The City will approve the concepts prior to Moore proceeding into final design of Traffic Control drawings.
- d. Final Sewer and Water Design
 - i. Moore will:
 - 1. Adjust water model to assess final pipe sizes.
 - 2. Prepare preliminary drawings identifying the limits of the sewer and water relocations along the Sheyenne Street corridor, the sewer and water connection between Kensington Drive and Hidden Circle, and the cleanout manhole/vault locations on the sewer force main.
 - 3. Submit one (1) set of preliminary sewer and water drawings to City staff for review and comments during two (2) city staff meetings.

4. Address comments from City staff prior to preparing final drawings.
- e. Final Storm Sewer and Drainage Design
 - i. Moore will:
 1. Adjust subcatchment areas in storm model to match final inlet locations along Sheyenne Street corridor.
 2. Determine and input final C-factors for rational method comparison to include in final report.
 3. Develop table to compare TR-55 peak runoff values to rational method to verify TR-55 is conservative.
 4. Adjust model to assess final pipe and detention pond sizes.
 5. Storm sewer pipe sizes based on the following:
 - a. Five-year, 24-hour event at 80% full pipe for storm sewer
 6. Perform final model adjustments based minor design changes on no more than three (3) iterations.
 7. Prepare pavement spread calculations for inlets.
 8. Prepare city participation calculations per Appendix V-03D of the NDDOT Hydraulic Studies and Drainage Design Manual.
 9. Prepare a draft final written report with exhibits of final layouts of the storm sewer, drainage, storage areas and lift stations.
 10. Submit PDF draft final report for NDDOT and City review and comments, NDDOT to provide written comments for Moore to address.
 11. Address final comments from NDDOT and submit PDF final written report for NDDOT approval.
 - f. Final Horizontal Alignment
 - i. Moore will prepare one (1) final horizontal alignment and associated approach roadways to be incorporated into Section 60 plan sheets.
 - g. Preliminary Vertical Alignment
 - i. Moore will prepare one (1) final vertical alignment and associated approach roadways to be incorporated into Section 60 plan sheets.
 - h. Construction Limits
 - i. Moore will develop final construction limits from the cross sections that are developed using GeoPak to be incorporated into applicable plan sheets.
 - i. Earthwork Calculations
 - i. Moore will calculate earthwork quantities generated from the preparation of a proposed and existing surface and subgrade models.
 - ii. Moore will prepare Automated Machine Grading (AMG) files for use during the construction phase.
 - j. Plan Preparation
 - i. Prepare Plan Sheets for Sections 1 thru 11
 1. Moore will prepare the title sheet for the plans and the applicable upfront sheets as per standard NDDOT plan sets.
 2. These sheets include all the drafting and assembly required for the Table of Contents, List of Standard Drawings, Scope of Work, Plan Notes, Estimate of Quantities, Basis of Estimate, Earthwork Summary and other data tables as required.
 - ii. General Details and Typical Sections – Sections 20 & 30
 1. Moore will provide necessary plan details and/or typical sections for existing pavement sections, proposed pavement sections,

drainage details, sanitary and water details, ADA curb ramp details, paving details and other details required.

- iii. Removals – Section 40
 - 1. Moore will provide final plans showing removals detailing what should be removed and what should remain.
- iv. Hydraulic Data – Section 50
 - 1. Moore will prepare final plan sheets showing hydraulic data.
 - 2. Moore will prepare a pipe list to include pipe locations, lengths, sizes, end sections and backfill detail number.
 - 3. Based on the hydrologic and hydraulic analysis prepared by Moore, the required pipe sizes will be incorporated into the pipe list.
 - 4. Per City of West Fargo standards, RCP will be used on all storm sewer pipe.
- v. Underground Utility Plan & Profiles – Section 55
 - 1. Moore will develop one (1) set of Section 55 plan sheets showing the storm sewer, water and sanitary sewer locations and elevations.
 - 2. It is planned that all storm sewer along the corridor will be replaced.
 - 3. It is planned that all water main and sewer force main will be remain in place per the findings and recommendations from the Sewer and Water Utilities Evaluation report dated March 2017, with exception to the water and sewer force main conflicts on the realignment around the Sheyenne River. Per the Report, the City should identify if any valves are not operational or should be added at additional locations.
 - 4. Moore will submit the appropriate documentation to the NDDoH for review and approval of the sewer and water components of the project.
- vi. Roadway Plan & Profiles – Section 60
 - 1. Moore will develop one (1) set of Section 60 plan sheets.
 - 2. The plan and profile sheets will show the proposed horizontal and vertical geometric layouts, ROW limits and other details as required.
- vii. Wetland Impacts – Section 75
 - 1. Moore will develop and provide one (1) set of Section 75 plan sheets. The Wetland Impact Table will be generated based on information provided in the Documented CatEx.
- viii. Temporary and Permanent Sediment and Erosion Control Plans – Sections 76 & 77
 - 1. Moore will develop one (1) set of Section 76 and 77 plan sheets for the project showing the materials, quantities, and approximate locations to be used for permanent erosion control, topsoil removal and seeding areas.
 - 2. This will also include the development of sheets showing materials, quantities and approximate locations to be used for temporary erosion and sediment control during construction activities.
- ix. Survey Coordinate & Curb Data / Data Layouts – Sections 81 & 82

1. Moore will produce the Section 81 and 82 sheets showing the existing and proposed roadway stationing, control points, curve data, coordinate data sheets and alignment descriptions.
- x. Fencing – Section 80
 1. KLJ will develop and provide Section 80 plan sheets, related plan notes and special provisions.
- xi. Landscaping – Section 85
 1. KLJ will develop and provide Section 85 plan sheets, related plan notes and special provisions.
- xii. Paving Layouts – Section 90
 1. Moore will produce the paving layouts showing the horizontal geometric layouts for concrete paving.
- xiii. Work Zone Traffic Control Layouts – Section 100
 1. Moore will develop plan sheets showing construction phasing and work zone traffic control layouts and signing to accommodate the construction activities. It is anticipated that the work will be completed in 2 phases as discussed during the scoping meeting with the city staff on May XX, 2018.
 2. The construction sequence and the traffic control device list will also be developed.
 3. All layouts will be in accordance with MUTCD guidelines.
- xiv. Signing – Section 110
 1. Moore will develop plan sheets showing sign removals and new signing. Signing for all special panel signs will be created using GUIDESIGN design software.
 2. Designers will use NDDOT's sign calculator for sign support design and all signing will be in accordance with the MUTCD.
- xv. Pavement Markings – Section 120
 1. Moore will develop plan sheets showing permanent pavement markings.
 2. All pavement markings will be laid out in accordance with the MUTCD.
- xvi. Lighting – Section 140
 1. KLJ will develop and provide Section 140 plan sheets, related plan notes and special provisions.
 2. Moore will coordinate with KLJ on lighting locations and conflicts.
- xvii. Signals – Section 150
 1. KLJ will develop and provide Section 150 plan sheets, related plan notes and special provisions.
 2. Moore will coordinate with KLJ on signal locations and conflicts.
- xviii. Fiber Layout – Section 160
 1. KLJ will develop and provide Section 160 plan sheets, related plan notes and special provisions.
 2. Moore will coordinate with KLJ on new fiber locations.
- xix. Cross Sections – Section 200
 1. Moore will develop cross sections based on the survey and Geopak TIN file.
 2. Cross sections will be cut every 100 feet on tangents, every 50 feet on curves, and at centerline pipes and other critical points.

3. They will be used to determine the limits of construction and to generate earthwork quantities.
 - k. Prepare Technical Specifications for Special Provisions
 - i. Moore will prepare the technical specifications for the sanitary sewer and water.
 - ii. Moore will prepare a Sole Source letter for the City. The letter will be as used during Segments 1 and 2 final design. Moore will provide the City the letter to review and make any final adjustments. KLJ will submit to the NDDOT for review and approval.
 - l. Miscellaneous Coordination Items
 - i. Moore will correspond with Waste Management and City staff to inform them of proposed traffic control and review options for adjustments to routes.
 - ii. Moore will correspond with the Post Office to inform them of proposed traffic control and review options for adjustments to routes.
7. Plan Submittal and Review
- a. 60% Plan Review Meeting
 - i. Moore will prepare the 60% plan set and electronically submit PDF plans to the City for review. KLJ will provide their plan sheets for inclusion into the 60% plan set.
 - ii. Moore will schedule and hold a 60% plan review meeting with City staff, prepare the agenda and distribute meeting minutes to KLJ and attendees. KLJ will have appropriate design staff attend the meeting. Moore will make the necessary revisions from comments received at the 60% review meeting.
 - b. Plans-In-Hand Inspection Meeting
 - i. Moore will schedule an inspection on the project site with City staff to review the 75% plans.
 - ii. Moore will prepare an agenda and distribute meeting minutes to KLJ and attendees.
 - c. 90% Plan Review Meeting
 - i. Moore will prepare the 90% plan set and electronically submit PDF plans to the City for review. KLJ will provide their plan sheets for inclusion into the 90% plan set.
 - ii. Moore will schedule and hold a 90% plan review meeting with City staff, prepare the agenda and distribute meeting minutes to KLJ and attendees. KLJ will have appropriate design staff attend the meeting. Moore will make the necessary revisions from comments received at the 90% review meeting.
 - d. Final Plans – Revision & Submittal
 - i. Moore will assemble and submit the final plan set with special provisions, engineer’s estimate, utility certification, electronic information and right-of-way certification to KLJ for submittal to the NDDOT and City.
 1. Moore will submit one (1) original signed plan set, two (2) hardcopies and one (1) electronic PDF copy.
 - e. QC/QA
 - i. Moore will implement QC/QA reviews for work completed by Moore. Moore’s internal QC/QA process will be documented and submitted with appropriate submittals. KLJ will also complete a cursory review of all work

products prepared by Moore. Moore will review certain prime consultant and subconsultant work products as outlined in the scope of work.

8. Bidding

- a. Moore will be available to answer pre-bid questions from contractors
- b. Moore will issue no more than two (2) addenda as appropriate to clarify, correct or change the bidding documents.
- c. Evaluating and determining the acceptability of “or equals” and substitute materials proposed by bidders is not included in this scope of work.
- d. Moore will hold one (1) meeting with city staff at City Hall to discuss results from the bid opening.
- e. Moore will prepare a Recommendation of Award letter, Notice of Award form and Engineer’s Statement of Estimated Cost to be presented by City Staff to the City Commission for an award of contract.
- f. Moore will assemble the contracts between the City and Contractor.
 - i. Provide Contractor contract documents for requesting required securities, insurance and other miscellaneous documents.
 - ii. Provide a general review of documents received by Contractor to ensure required documents are received. This review will not be of the content within the documents. Moore will submit the documents to the City Attorney to review the content in the documents.
 - iii. Provide City assembled contracts for execution. Return one (1) fully executed contract to the Contractor and one to the NDDOT.
 - iv. The fully executed contract will be assembled into a PDF format by the NDDOT and provided to the City via email.
- g. The Bidding phase will be considered complete upon the contracts being fully executed or upon cessation of negotiations with prospective contractors.
- h. Rebidding, including revisions to the Bidding Documents, is not included in this Scope of Work.

9. Permitting

- a. KLJ will complete a USACE Section 404 and Sovereign Lands permit application for impacts to the Sheyenne River south of 32nd Avenue for river bank slope improvements.
- b. Moore will provide KLJ the earthwork calculation necessary based on design drawings to be used for submission of the permits.

Deliverables provided by Moore

- Progress reports at two (2)-week intervals
- Final Storm Sewer and Drainage Design Report
- Survey
- Existing Utility Location Drawings
- 60% Plans
- 90% Plans, Opinion of Cost and Special Provisions
- Meeting minutes
- City Decision Documents
- Utility Conflict Plans
- Final Plans, Opinion of Cost, Special Provisions and Certifications
- Recommendation of Award letter
- Fully executed construction contracts

Work not included in the Scope of Work

- Permitting
- Environmental investigation
- Geotechnical investigation
- Public informational meetings
- CADD plats and legal descriptions of right-of-way to be acquired
- Right-of-way acquisition
- Assistance on special assessments
- Environmental clearance for borrow sites
- Electrical, Geotechnical, Structural and Architectural design
- Pavement Design (per City of West Fargo standard)
- Updates to the Documented CatEx
- Construction Engineering or Engineer of Record services
- Construction Observation services

Major Milestones

Moore will provide major milestones on or before the dates below after receiving Notice to Proceed is given, assumed to be by April 16, 2018:

- 60% Plan Review Meeting – May 31, 2018
- 75% Plans-In-Hand Inspection – June 26, 2018
- 90% Plan Review Meeting – July 17, 2018
- PS&E Submittal – July 20, 2018
- Final Plan submittal to NDDOT – August 10, 2018
- Bid Opening – November 9, 2018

Summary of Engineering Fees 5/2/2018
Sheyenne Street Reconstruction
Phase II Final Design for Segment 3

Project Management & Coordination	\$70,552
Storm Sewer Design and Hydraulic Report	\$61,921
Design & 60% Plans	\$315,203
Final Plans and Specifications	\$272,416
Utility Coordination	\$55,955
Right-of-Way Coordination	\$8,398
Bidding	\$21,527
TOTAL	\$805,972

DAKOTA APPRAISAL & CONSULTING, LTD.

304 E. Rosser Avenue • P. O. Box 1235
Bismarck, North Dakota 58502-1235
TEL 701-255-3181 FAX 701-258-0577
e-mail: joe@dakotaappraisal.net

April 22, 2018

Austin Hill
KLJ Right-of-Way Specialist
austin.hill@kljeng.com

Re: Project Scope & Fee Schedule
Appraisal Review Process
Sheyenne Street Project-Segment 3
West Fargo, ND

Austin:

1. The project scope is detailed as:
 - A "Technical Review", as defined in the 2016 *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA), will be completed. Additionally, it will comply with *the Uniform Standards of Professional Appraisal Practice* (USPAP) and the NDDOT Right-of-Way Manual.
 - The reviews' intended use is to render an opinion if the appraisals were developed and reported in accordance with the Standards.
 - A "Desk" Review will be completed. The properties and comparable market data will not be inspected.
 - No attempt will be made to confirm the information used in the appraisal reports.
 - No independent opinion of market value will be provided.
 - The intended users are KLJ and those entities involved in the project.
 - The reviews' effective date will correspond to the appraisals under review.
2. Completion is estimated at two-three weeks from receipt of all appraisal reports.
3. Based on the information provided, the assignment involves seven review appraisals". The fee is \$1,000/review.

Please let me know if you have any questions. Thank you for considering me for this assignment.

Respectfully submitted,



Joe Ibach, MAI
CG-1009

Austin Hill

From: Lisa Carpenter <lcarpenter@rrtitle.com>
Sent: Tuesday, April 24, 2018 2:09 PM
To: Austin Hill
Subject: Quote and timeframe for abstracts

Austin,

Our price for the update of each abstract will be \$300 each. The new abstracts that will need to be prepared will be \$500 each. Our timeframe to complete the updates and the new abstracts is 3 weeks. Thanks!

Lisa Carpenter

Red River Title Services, Inc.
dba Cass County Abstract Co.
35 4th Street N., Suite 101
Fargo, ND 58102
Direct: (701) 526-1341
Office: (701) 232-3341
Fax: (701) 232-7851
www.rrtitle.com

"DEDICATED TO SERVING YOU WITH EXCELLENCE"

This email message is for the sole use of the intended recipient(s) and may contain confidential information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply email and destroy all copies of the original message.

Bid Submittal from: RM Hoefs & Associates, Inc; PO Box 3102, Fargo, North Dakota 58108

City of West Fargo, Cass County, North Dakota

Reconstruction of Sheyenne Street from 32nd Ave S to 40th Ave S

West Fargo, North Dakota

	Assigned	\$ Each	Hrs	Quantity	Estimated	Subtotal I	Subtotal II	Total
	Assigned	\$/Hr	Hours	Quantity	Estimated	Subtotal	Subtotal II	Total
Basic Data Book Reporting Compliance USPAP Standard 2 and UASFLA Section D, NDCC 24-.01 thru 24-.10 and 32-15, Appraisal Institute Ethics Provision								
Research sales and verify salesn data entry	Megan	\$ 20.00	48		\$ 960.00			
Proiect and comp inspections	Rose	\$ 70.00	12	1	\$ 840.00			
Clerical preparation	Megan	\$ 20.00	3		\$ 60.00			
Photo Addenda and Sales	Megan	\$ 20.00	2		\$ 40.00			
						\$ 1,900		
Basic Data Book Reporting Compliance USPAP Standard 2 and								
Prepare initial template	Megan	\$ 20.00	12		\$ 240.00			
Narrative with sale analysis and review	Rose	\$ 70.00	60		\$ 4,200.00			
						\$ 4,440		
Subtotal Basic Data Book / Labor							\$ 6,340	
Basic Data Book Associated Expenses. Profit								
Estimated Payroll Tax Contribution					\$ 1,308.07			
Office Overhead (rent. machines. supplies. etc.)					\$ 1,077.80			
						\$ 2,386		
Subtotal							\$ 8,726	
Profit Marqin					\$ 1,221.62			
						\$ 1,222		
TOTAL ESTIMATED COST BASIC DATA BOOK								\$ 9,947

	Assigned	\$/Hr	Hours	Quantity	Estimated	Subtotal	Subtotal II	Total
Appraisal Preparation Compliance USPAP Standards 1 and 2; UASFLA Sections B and D, NDCC 24-.01 thru 24-.10 and 32-15, Appraisal Institute Ethics Provision								
Clerical Prep of files	Megan	\$ 20.00	8	7	\$ 1,120.00			
Record Keeping. work file (time labor and materials)	Rose	\$ 70.00	3	7	\$ 1,470.00			
File and Appraisal Prep	Rose	\$ 70.00	6	7	\$ 2,940.00			
						\$ 5,530		
Inspection and Interview Compliance USPAP Standard 1 and UASFLA Section B, NDCC 24-.01 thru 24-.10 and 32-15, Appraisal Institute Ethics								
Property Owner Inspections	Rose	\$ 70.00	1	7	\$ 490.00			
						\$ 490		
Development Summary Appraisals: Compliance USPAP Standard 1 and UASFLA Section B, NDCC 24-.01 thru 24-.10 and 32-15, Appraisal Institute Ethics Provision								
Scope of Work / Consideration of Damages	Rose	\$ 70.00	12	7	\$ 5,880.00			
						\$ 5,880		

Summary Appraisals / Reporting / Compliance USPAP Standard 2 and UASFLA Section D, NDCC 24-.01 thru 24-.10 and 32-15, Appraisal Institute Ethics Provision	Assigned	\$/Hr	Hours	Quantity	Estimated	Subtotal	Subtotal II	Total
Narrative estimating 2 summary reports and review	Rose	\$ 70.00	8	7	\$ 3,920.00			
Admin preparation and publish	Megan	\$ 20.00	4	7	\$ 560.00			
						<u>\$ 4,480</u>		
Subtotal / Appraisal Cost							\$ 16,380	
Appraisals / Associated Expenses. Profit								
Estimated Payroll Tax Contribution					\$ 3,379.52			
Office Overhead (rent, machines, supplies, etc.)					\$ 2,784.60			
						<u>\$ 6,164</u>		
Subtotal							<u>\$ 22,544</u>	
Profit Margin					\$ 3,156.18			
						<u>\$ 3,156</u>		
TOTAL ESTIMATED COST APPRAISALS								<u>\$ 25,700</u>
TOTAL BASIC DATA BOOK AND APPRAISALS								\$ 35,647

	Labor	Overhead	Profit		Total Estimated Cost	Direct Reimbursable Expenses
Appraisals	\$ 16,380	\$ 6,164	\$ 3,156	=	\$ 25,700	\$0
Basic Data Book	\$ 6,340	\$ 2,386	\$ 1,222		\$ 9,947	\$0
Summary Project Cost, Excluding Reimbursable Expenses	<u>\$ 22,720</u>	<u>\$ 8,550</u>	<u>\$ 4,378</u>	=	<u>\$ 35,647</u>	<u>\$0</u>
Percentages / Project Costs	63.74%	23.98%	12.28%	=	100.00%	

The preceding estimate does not include preparation for litigation.

**Sheyenne Street Segment 3 Final Design
SU-8-992(040)041**

KLJ Totals	Project Management & Coordination	\$ 42,428.00
	Design & Plan Preparation	\$ 67,744.00
	Survey	\$ 10,880.00
	Utility Coordination	\$ 5,440.00
	Plan Submittal	\$ 4,352.00
	Environmental/Permitting	\$ 12,996.00
	Acquisition	\$ 134,542.00
	Pre Bid/Bid/Construction Activities	\$ 6,960.00
	KLJ Subtotal	\$ 285,342.00
Subconsultant Totals	Moore Engineering	\$ 805,972.00
	Braun Intertec	\$ 15,000.00
	RM Hoefs & Associates	\$ 35,647.00
	Dakota Appraisal	\$ 7,000.00
	Red River Abstract	\$ 15,000.00
	Subconsultant Subtotal	\$ 878,619.00
Project Total		\$ 1,163,961.00



3203 32nd Avenue South, Suite 201
Fargo, ND 58103-6242
701 232 5353
KLJENG.COM

May 2, 2018

Chris Brungardt
Public Works Director
City of West Fargo
810 12th Avenue Northwest
West Fargo, ND 58078

Re: Sheyenne Street Supplement

Dear Chris:

Throughout the preliminary and final design of Sheyenne Street, many out of scope work items were completed. KLJ would like to request a supplement for completing these items. The out of scope items are detailed below:

Preliminary Design

Additional Design Alternatives – The original scope of the project included 2 alignment alternatives be reviewed. KLJ created 4 alternatives for the project. The multiple alignments alternatives were primarily located just north of 32nd Avenue. Due to potential right of way acquisition issues, KLJ had to develop several iterations of the horizontal alignment and coordinate with the Sheyenne-32 developer and the City of West Fargo prior to determining the final preferred alignment.

Noise Analysis – KLJ originally scoped to perform a noise analysis for two build alternatives. As stated in the previous paragraph, the alignment and profile were revised mid-way through the project just north of 32nd Avenue. This revision was completed after the noise analysis for the original alignment had been completed. KLJ had to complete an additional noise analysis for the corridor due to the alignment revision.

Final Design

Landscaping Plan – KLJ's original scope included preparing Landscape Concepts for the Beaton Farm property. For the final design, KLJ completed a tree planting plan along with detailed landscaping plans for the pedestrian underpass at 32nd Avenue.

Pedestrian Underpass Aesthetics – KLJ's original scope did not include the vast amount of aesthetic details associated with the pedestrian underpass. The details that were completed include decorative lighting, decorative concrete, multiple iterations of retaining wall form liners and colors, PTZ cameras, and pedestrian stairs.

Pedestrian Underpass Lift Station – KLJ's original scope of work did not include any time for the design of the electrical controls for the pedestrian underpass lift station.



Sheyenne-32 Development Coordination – KLJ received eight iterations of the Sheyenne-32 Development throughout the design process. These multiple iterations caused revisions to the underpass retaining wall alignments, Sheyenne Street sidewalk locations, grading around the underpass retaining walls, drainage, and ultimately required the need for a modular block retaining wall along the west side of Sheyenne Street.

Pedestrian Underpass Lift Station Driveway – After the plans were completed, the City of West Fargo requested that the sidewalk along the north side of 32nd Avenue be widened from 10' to 12' and thickened to accommodate maintenance vehicles. The change required a plan addendum.

Street Signs – In the fall of 2017, KLJ was informed that the block numbers did not have to be placed on any of the proposed street signs throughout the corridor. Once the plans were completed, the City of West Fargo requested that the block numbers be added to the street signs. This change required a plan addendum.

21st Avenue Frontage Road Revisions – During the acquisition negotiations, the RJ's Tesoro owner requested that the 21st Avenue intersection be wider than it currently is so that the intersection better accommodated large trucks. KLJ widened the intersection from 36' to 48' to accommodate this request. The owner of Sheyenne Commercial Condos also requested that the 21st Avenue Frontage Road be extended as a part of the acquisition negotiations. Both revisions required a plan addendum.

Utility Coordination – KLJ exceeded the budgeted time for utility coordination throughout the life of the project. The ND One Call locates that were submitted were for design locates, so utility companies did not have to locate their facilities, only provide maps. KLJ held multiple utility coordination meetings and performed multiple ND One Call's to accurately determine existing utility locations and owner information throughout the corridor.

Cass County Electric Easements – KLJ did not scope any time to draft all of the existing Cass County Electric easements throughout the project corridor. These exhibits were needed to determine who is responsible for paying to relocate Cass County Electric's lines.

Southeast Cass Water Resource District Coordination – KLJ was required to coordinate with the SE Cass WRD to obtain permits for the Sheyenne Diversion Bridge Construction and the outfall for the I-94 lift station. This coordination was extensive and exceeded the original scope.

The total requested supplement has been summarized in the table below. Please see the attached documentation outlining the out of scope tasks from Moore Engineering.



Sheyenne Street Supplement Cost Breakdown May 2018	
Preliminary Design	
Additional Design Alternatives	\$ 137,000.00
Noise Analysis	\$ 26,160.00
<i>Preliminary Design Subtotal</i>	<i>\$ 163,160.00</i>
Final Design	
Landscaping Plan	\$ 9,600.00
Pedestrian Underpass Aesthetics	\$ 54,000.00
Pedestrian Underpass Lift Station	\$ 21,280.00
Sheyenne-32 Development Coordination	\$ 35,520.00
Pedestrian Underpass Lift Station Driveway	\$ 9,600.00
21st Avenue Frontage Road Revisions	\$ 18,400.00
Utility Coordination	\$ 9,920.00
Cass County Electric Easements	\$ 18,480.00
Southeast Cass Water Resource District Coordination	\$ 5,440.00
<i>Final Design Subtotal</i>	<i>\$ 182,240.00</i>
Subconsultants	
Moore Engineering	\$ 91,387.00
RM Hoefs & Associates	\$ 8,500.00
<i>Subconsultant Subtotal</i>	<i>\$ 99,887.00</i>
Total Request	\$ 445,287.00

If you have any questions or require additional information, please feel free to contact me at 701.271.4863 or travis.wieber@kljeng.com.

Sincerely,

KLJ

Travis Wieber, PE
Project Manager

Enclosure(s): Moore Engineering Supplement
Project #: 14416104
cc: Brandon Oye – Moore Engineering



925 10th Avenue East
West Fargo, ND 58078

P: 701.282.4692
F: 701.282.4530



ATTACHMENT X

May 2, 2018

Kadrmass, Lee & Jackson, Inc.
Travis Wieber, Office Manager
3203 32nd Ave S Suite 201
Fargo, ND 58103-6242

Subject: Contract Amendment

Phase II Final Design Supplement

Segment 1 – Sheyenne Street from Beaton Drive to 13th Avenue

City of West Fargo - Street Improvement District No. 2244

Moore Project No. 18978A

Dear Mr. Wieber,

In accordance with our meeting held on April 30, 2018, Moore Engineering, Inc. (Moore) is submitting our contract amendment to Kadrmass, Lee & Jackson, Inc. (KLJ) for supplemental services provided to complete Phase II – Final Design for Segment 1 of the Sheyenne Street Reconstruction project (“Project”).

Scope of Work

To meet the Project Objectives, Moore provided the following supplemental services:

1. Outlet Design for Storm Sewer
 - a. It was assumed during the scoping phase that the existing outlets for the storm sewer into the Sheyenne River could remain in place. During final design it was determined the pipe size needed to be increased for capacity and outlet structures with flap gates were to be installed. This also required coordination with KLJ on submittal of a USACE 404 permit and Sovereign Lands permit.
2. Additional Utility Coordination
 - a. The existing dry utilities required several additional pick-up surveys and meetings with utilities to confirm accuracy of existing utilities. Significant coordination with the City Attorney was required to verify NuStar easements were not enforceable against the city’s proposed improvements, potentially saving the city hundreds of thousands of dollars in utility relocations costs.
3. Landscaping Plan
 - a. Moore’s staff worked with city staff to develop a comprehensive landscaping plan, including landscaping improvements adjacent to the corridor (17th Avenue median)

and additional landscaping berm features north of Beaton Drive. The plan included a highly diverse selection of tree species, which was coordinated with the Forestry Department.

4. Sanitary Sewer Design
 - a. It was identified during final design that many sewer service connections were not clearly understood on how the connections were made. This also required coordination between landowners for sewer services that crossed other properties. We identified those issues and provided additional sewer service stubs to prevent future issues with sewer service connections.
5. Retaining Wall
 - a. It was identified during the final design that a landscaping berm would require a retaining wall to maintain the berm and trees as requested by the Beaver Creek property. The profile of the roadways was adjusted and a retaining wall was designed to meet grading requirements.
6. Gateway West Storm Sewer Model Revisions
 - a. Throughout the final design of the storm sewer system, our staff worked with the Gateway West engineers to determine the impact to the proposed storm sewer system. There were several iterations from the Gateway West engineer prior to finalizing the storm sewer system model and design.

Fee

Moore's fee to perform the tasks specified in the Scope of Work above are the following:

1. Outlet Design for Storm Sewer – \$9,400
2. Additional Utility Coordination – \$7,500
3. Landscaping Plan – \$14,760
4. Sanitary Sewer Design – \$4,500
5. Retaining Wall Design – \$2,500
6. Gateway West Storm Sewer Model Revisions – \$2,500

Total fee for supplement - \$41,160



925 10th Avenue East
West Fargo, ND 58078

P: 701.282.4692
F: 701.282.4530



ATTACHMENT X

May 2, 2018

Kadmas, Lee & Jackson, Inc.
Travis Wieber, Office Manager
3203 32nd Ave S Suite 201
Fargo, ND 58103-6242

Subject: Contract Amendment

Phase II Final Design Supplement
Segment 2 – SU-8-992(039)040, PCN 21568 (32nd Avenue to Beaton Drive)
City of West Fargo - Street Improvement District No. 2250
Moore Project No. 18978B

Dear Mr. Wieber,

In accordance with our meeting held on April 30, 2018, Moore Engineering, Inc. (Moore) is submitting our contract amendment to Kadmas, Lee & Jackson, Inc. (KLJ) for supplemental services provided to complete Phase II – Final Design for Segment 2 of the Sheyenne Street Reconstruction project (“Project”).

Scope of Work

To meet the Project Objectives, Moore provided the following supplemental services:

1. Additional Sewer and Water Relocations
 - a. Prepared all sewer and water relocation plans for the pedestrian box culvert crossing at 32nd Avenue and assisted with additional coordination of sewer service extension for Heiden property. Coordinated design of valve vault for sewer force main with City.
2. Bridge Agreement between City of West Fargo and Southeast Cass WRD
 - a. Coordinated getting agreement prepared for ownership and maintenance of bridge over Diversion.
3. Sole Source Coordination
 - a. Assisted KLJ with getting all requested sole source items identified and approved through City staff.
4. Research on existing city utility line work
 - a. Assisted KLJ with identifying existing city utility linework throughout Segment 2.
5. Coordination on City specific questions

- a. Assisted KLJ on getting answers from city staff on questions specific to city standards
6. Coordination on Sheyenne 32 Site
 - a. Assisted KLJ on coordinating improvements between the Sheyenne Street project and staff working on the Sheyenne 32 project.
7. Additional Storm Sewer Modeling
 - a. Provided additional modeling revision due to 32nd Avenue storm sewer adjustments around box culvert crossing and Doll's 7th pond adjustments.
8. Access to Storm Lift Station for Box Culvert Crossing
 - a. Assisted KLJ on coordination access to proposed lift station for the pedestrian box culvert crossing.

Fee

Moore's fee to perform the tasks specified in the Scope of Work above are the following:

1. Additional Sewer and Water Relocations – \$28,727
2. Bridge Agreement – \$1,500
3. Sole Source Coordination – \$5,500
4. Existing city utility line work – \$3,500
5. City specific questions – \$4,500
6. Coordination on Sheyenne 32 Site – \$2,500
7. Additional Storm Sewer Modeling – \$2,500
8. Access to Storm Lift Station for Box Culvert Crossing – \$1,500

Total fee for supplement - \$50,227

Agenda # 5
Agenda Code Regular
Project # 19228

AGENDA ITEM DESCRIPTION
CITY COMMISSION
WEST FARGO, NORTH DAKOTA

***Please Note: The following information must be completed and submitted to the West Fargo City Auditor's Office by the Thursday noon preceding the City Commission meeting. Failure to comply may result in no action being taken on your request.

1. CONTACT PERSON: Dustin Scott

2. PHONE NO. 282-4692 DATE: June 4, 2018

3. PLEASE BRIEFLY DESCRIBE YOUR REQUEST: _____
Review bid tab for Sewer Improvement Project No. 1308

4. SITE ADDRESS OR LEGAL DESCRIPTION (if applicable):
Connection to Fargo Wastewater System

5. ACTION BEING REQUESTED FROM CITY COMMISSION: _____
Award contract for Sewer Improvement Project No. 1308
to Dakota Underground Company



925 10th Avenue East
West Fargo, ND 58078

P: 701.282.4692
F: 701.282.4530



June 4, 2018

Board of Commissioners
800 4th Avenue East
West Fargo ND 58078

Re: Sewer Improvement Project No. 1308
Connection to Fargo Wastewater System
West Fargo, ND

Dear Commissioners:

Attached is the bid tab for your review of the above referenced project.

I hereby recommend award of contract to Dakota Underground Company for their bid of \$4,664,455.00 received on May 24, 2018.

Our Engineer's Opinion of Probable Cost with the Engineer's Report was \$4,006,040.00. Our final engineer's estimate was \$4,400,000.00.

If the contract is awarded by the Commission, please sign, date, and return the Notice of Award.

Sincerely,

Erik Gilbertson, PE
Project Engineer

Sewer Improvement Project No. 1308
 Connection to Fargo Wastewater System
 West Fargo ND

Dakota Underground Company
 4001 15th Ave NW
 Fargo ND 58102

Master Construction Co., Inc.
 1572 45th St N
 Fargo ND 58102

RL Larson Excavating
 2255 12th St SE
 St. Cloud MN 56304

S.J. Louis Construction, Inc.
 1351 Broadway St W
 Rockville MN 56369-0459

Project No. 19228

Bid Date: May 24, 2018

[C]=Corrected Amount

BID ITEM NO. & DESCRIPTION	UNIT	ESTIMATED QUANTITY	BID UNIT PRICE	BID PRICE	BID UNIT PRICE	BID PRICE	BID UNIT PRICE	BID PRICE	BID UNIT PRICE	BID PRICE
Base Bid										
1. 260.0100 Silt Fence Unsupported	LF	5,900	\$1.50	\$8,850.00	\$1.60	\$9,440.00	\$1.55	\$9,145.00	\$2.00	\$11,800.00
2. 261.0000 Storm Water Management	LS	1	\$2,500.00	\$2,500.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$9,000.00	\$9,000.00
3. 261.0112 Fiber Rolls 12In	LF	900	\$2.50	\$2,250.00	\$2.75	\$2,475.00	\$2.75	\$2,475.00	\$3.00	\$2,700.00
4. 201.0330 Clearing & Grubbing	LS	1	\$2,500.00	\$2,500.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$8,000.00	\$8,000.00
5. 201.0370 Removal Of Trees 10In	EA	2	\$250.00	\$500.00	\$500.00	\$1,000.00	\$500.00	\$1,000.00	\$750.00	\$1,500.00
6. 201.0380 Removal Of Trees 18In	EA	1	\$500.00	\$500.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,300.00	\$1,300.00
7. 201.0390 Removal Of Trees 30In	EA	3	\$1,000.00	\$3,000.00	\$1,100.00	\$3,300.00	\$1,500.00	\$4,500.00	\$1,500.00	\$4,500.00
8. 202.0174 Removal Of Pipe All Types And Sizes	LF	50	\$30.00	\$1,500.00	\$10.00	\$500.00	\$55.00	\$2,750.00	\$30.00	\$1,500.00
9. 330507 Jacked Casing - 36"	LF	660	\$525.00	\$346,500.00	\$700.00	\$462,000.00	\$800.00	\$528,000.00	\$1,000.00	\$660,000.00
10. 330507.13 Sanitary Sewer Directional Drill - 24"	LF	2,740	\$290.00	\$794,600.00	\$370.00	\$1,013,800.00	\$460.00	\$1,260,400.00	\$375.00	\$1,027,500.00
11. 333123 Fittings	LBS	16,360	\$6.00	\$98,160.00	\$10.00	\$163,600.00	\$9.50	\$155,420.00	\$10.00	\$163,600.00
12. 333123 Maintenance Manhole	EA	10	\$120,000.00	\$1,200,000.00	\$120,000.00	\$1,200,000.00	\$120,000.00	\$1,200,000.00	\$142,000.00	\$1,420,000.00
13. 333123 Plug Valve & Box - 24"	EA	6	\$14,000.00	\$84,000.00	\$15,000.00	\$90,000.00	\$13,000.00	\$78,000.00	\$17,000.00	\$102,000.00
14. 333123 Sanitary Sewer Force Main - 24"	LF	26,465	\$75.00	\$1,984,875.00	\$110.00	\$2,911,150.00 [C]	\$128.00	\$3,387,520.00	\$105.00	\$2,778,825.00
15. D-401 SA40 Modifications - Allowance	ALLOWANCE	1	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00
16. D-401 SA40 Modifications - General	LS	1	\$18,000.00	\$18,000.00	\$30,000.00	\$30,000.00	\$37,200.00	\$37,200.00	\$28,915.00	\$28,915.00
17. E-100 SA40 Modifications - Electrical	LS	1	\$5,000.00	\$5,000.00	\$15,000.00	\$15,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
18. 714.0000 Drain Tile Repairs	ALLOWANCE	1	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
19. 714.4095 Pipe Conduit 15In	LF	20	\$50.00	\$1,000.00	\$50.00	\$1,000.00	\$65.00	\$1,300.00	\$65.00	\$1,300.00
20. 714.4110 Pipe Conduit 30In	LF	20	\$75.00	\$1,500.00	\$70.00	\$1,400.00	\$85.00	\$1,700.00	\$110.00	\$2,200.00
21. 714.4115 Pipe Conduit 36In	LF	30	\$85.00	\$2,550.00	\$90.00	\$2,700.00	\$110.00	\$3,300.00	\$115.00	\$3,450.00
22. 302.0121 Aggregate Base Course Cl 5	CY	100	\$50.00	\$5,000.00	\$35.00	\$3,500.00	\$40.00	\$4,000.00	\$39.00	\$3,900.00
23. 744.0050 Insulation Board	CF	550	\$11.00	\$6,050.00	\$5.00	\$2,750.00	\$15.00	\$8,250.00	\$2.00	\$1,100.00
24. 752.0922 Fence Remove & Reset	LF	90	\$25.00	\$2,250.00	\$50.00	\$4,500.00 [C]	\$50.00	\$4,500.00	\$55.00	\$4,950.00
25. 251.0300 Seeding Class III	ACRE	8.4	\$1,350.00	\$11,340.00	\$1,600.00	\$13,440.00	\$1,450.00	\$12,180.00	\$1,700.00	\$14,280.00
26. 253.0101 Straw Mulch	ACRE	14.4	\$300.00	\$4,320.00	\$315.00	\$4,536.00	\$310.00	\$4,464.00	\$350.00	\$5,040.00
27. 255.0101 Ecb Type 1	SY	1,720	\$1.75	\$3,010.00	\$1.35	\$2,322.00	\$2.00	\$3,440.00	\$2.00	\$3,440.00
28. 260.0101 Remove Silt Fence Unsupported	LF	5,900	\$0.25	\$1,475.00	\$0.40	\$2,360.00	\$1.00	\$5,900.00	\$1.00	\$5,900.00
29. 261.0113 Remove Fiber Rolls 12In	LF	900	\$0.25	\$225.00	\$0.60	\$540.00	\$1.00	\$900.00	\$1.00	\$900.00
30. 704.1100 Traffic Control	LS	1	\$3,000.00	\$3,000.00	\$5,000.00	\$5,000.00	\$1,000.00	\$1,000.00	\$3,400.00	\$3,400.00
TOTAL OF ALL BID PRICES				\$4,664,455.00	\$6,027,313.00 [C]	\$6,803,344.00	\$6,803,344.00	\$6,803,344.00	\$6,346,000.00	\$6,346,000.00



NOTICE OF AWARD

Date of Issuance: June 4, 2018

Owner: City of West Fargo

Owner's Contract No.:

Engineer: Moore Engineering, Inc.

Engineer's Project No.: 19228

Project: Connection to Fargo Wastewater System

Contract Name: Sewer Improvement Project No. 1308

Bidder: Dakota Underground Company

Bidder's Address: 4001 15th Ave NW, Fargo, ND 58102

TO BIDDER:

You are notified that Owner has accepted your Bid dated May 24, 2018 for the above Contract, and that you are the Successful Bidder and are awarded a Contract for: Sewer Improvement Project No. 1308.

The Contract Price of the awarded Contract is: \$4,664,455.00

3 unexecuted counterparts of the Agreement accompany this Notice of Award, and three copies of the Contract Documents accompanies this Notice of Award, or has been transmitted or made available to Bidder electronically.

3 sets of the Drawings will be delivered separately from the other Contract Documents.

You must comply with the following conditions precedent within 10 days of the date of receipt of this Notice of Award:

1. Deliver to Owner 3 counterparts of the Agreement, fully executed by Bidder.
2. Deliver with the executed Agreement(s) the Contract security [*e.g., performance and payment bonds*] and insurance documentation as specified in the Instructions to Bidders and General Conditions, Articles 2 and 6.
3. Other conditions precedent (if any):

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award, and declare your Bid security forfeited.

Within ten days after you comply with the above conditions, Owner will return to you one fully executed counterpart of the Contract Documents.

Owner: City of West Fargo

Authorized Signature

By: Richard Mattern

Title: President of the Board of City Commissioners

Copy: Engineer



West Fargo Police Department Summary



Print Date/Time: 05/15/2018 09:32
 Login ID: westfargo\kassenborga
 Case Number: 2018-00009398

WEST FARGO POLICE DEPARTMENT
 ORI Number: ND0090300

Case

Case Number: 2018-00009398
 Location: 1410 9TH ST E 501
 WEST FARGO, ND 58078
 Reporting Officer ID: 041 - CRUFF

Incident Type: Liquor License Background
 Occurred From: 05/01/2018 15:22
 Occurred Thru: 05/02/2018 08:47
 Disposition:
 Disposition Date:
 Reported Date: 05/01/2018 15:22 Tuesday

Offenses

No.	Group/ORI	Crime Code	Statute	Description	Counts
1	ND0090300	OTHER	LIQUOR LICENSE	BACKGROUND LIQUOR LICENSE CHECK	1

Subjects

Type	No.	Name	Address	Phone	Race	Sex	DOB/Age
Assisting Officer	1	CRUFF, DEREK AARON	800 4TH AVE E 2 WEST FARGO, ND 58078	(701)433-5500			
Mentioned	1	ABOAH, RITCHELL EVE	4021 19TH AVE S 101 FARGO, ND 58103	(701)412-4487	Black	Female	11/12/1992 25

Arrests

Arrest No.	Name	Address	Date/Time	Type	Age
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Property

Date	Code	Type	Make	Model	Description	Tag No.	Item No.
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Vehicles

No.	Role	Vehicle Type	Year Make	Model	Color	License Plate	State
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West Fargo Police Department

Summary



Print Date/Time: 05/15/2018 09:32
Login ID: westfargo\kassenborga
Case Number: 2018-00009398

WEST FARGO POLICE DEPARTMENT
ORI Number: ND0090300

Routing:

- SRO
- SEHS
- City Prosecutor-long form
- City Prosecutor-citation
- WF Investigations
- State Medical Examiner
- Probation & Parole
- Other Agency
- Coroner
- Rape & Abuse
- Juvenile Court
- Social Services
- States Attorney
- Chief
- File

SUPP02.W414.05/15/2018

2018-00009398
Supplement 2
Sergeant Detective Derek Cruff #414
May 15, 2018

In reference to this case I, SERGEANT DETECTIVE DEREK CRUFF, did have an opportunity to conduct further background in reference to the liquor license application for Aawak LLC to be located at 1410 19th Street East in West Fargo. I began by again meeting in person the owner for the perspective business RITCHELL ABOAH. In speaking with ABOAH, I had spoken with her about her lack of experience as a manager for a bar which she stated that she did understand. ABOAH stated that she had worked in the banking industry previously with Wells Fargo and understands the financial aspect very well for running a business. She said that she currently has an \$80,000 loan for the upgrade of the property at that address to be conducted. She stated that what she's looking to do is still run a standard bar out of that location but is looking to go into more of a comfort Vegas type setting with couches and easy relaxed seating for individuals in there. In speaking with her further in reference to a perspective manager who is experienced in the bar industry, she did locate her perspective manager who is going to be ZHENG FENHUA, date of birth 01/11/1988. She stated that she has extensive experience in management of the bar industry and would be a good fit in helping her try to make a success out of her new endeavor.

I did have an opportunity to speak with FENHUA. At that time I asked her about her experience. FENHUA stated that she had previously worked in a management roll out of the Kobe's located here in Fargo and then the

owner had found work for her to start up and co-manage 2 businesses in Cedar Rapids, Iowa which she did for approximately 2 years before returning back here. Those were both for an Osaka and a Wasabi. I did speak with her about what her duties were. Both of these institutions stated that she was in charge of server training, management, HR, liquor purchasing, and over all day to day management and payroll for the bar setting. When speaking to her about her abilities for being able to run this bar, she stated that she would have no problem with her previous experience that she has had. She has been back at the Kobe's store here in Fargo since 2017 and is still currently employed there pending approval of this liquor license.

Sergeant Detective Derek Cruff #414
May 15, 2018
DC/ak



LIQUOR LICENSE APPLICATION - PRE-APPROVAL REVIEW (FORM A)

All licenses expire each year on June 30th. (New license fees will be prorated with the number of months remaining in a license year)

Requests for Liquor Licenses require an administrative review prior to consideration by the City Commission. Administrative fees are utilized to offset the cost of this process and are non-refundable. If your license request is granted, you will be asked to complete a Post Approval Liquor License form to calculate final license fees.

For period beginning June 22nd and ending June 30, _____
 Business Name: Aawak LLC
 DBA/Name: Aawake lounge
 Business Address: 1410 19th ~~W~~ St E West Fargo ND 58078
 Phone #: 701-412-4487 Cell Phone: _____ Email: Aawake.llc@yahoo.com

I. TYPE OF LICENSE(S) APPROVED:

(CIRCLE THE APPROPRIATE LICENSES AND CALCULATE TOTAL FEES)

Application Review Fees

Retail On and Off Premises Liquor	\$375
Retail On and Off Premises Beer/Wine	\$100
Retail On Premises Liquor	\$275
Retail On Premises Beer/Wine	\$150
Retail Off Premises Liquor	\$275
Retail Off Premises Beer/Wine	\$150
Retail Club/Lodge On Sale Liquor	\$250
Retail Club/Lodge On Sale Beer/Wine	\$38
Wholesale	\$250
Total Due	475

- * If you are applying for a **Club License**, how many members do you have at this time? No
- * If you are applying for a **On-Premises Liquor License** and plan to serve food:
 Will you allow people under the age of 21 in your establishment? No If yes, do you
 anticipate that the sale of food will exceed the sale of alcoholic beverages? No
 (in future years you will be required to provide proof of food to alcohol sales)

II. APPLICANT DATA: (individual filling out application for license):

Your Full Name: (First, Middle, Last): Ritchell Aboach
Applicant Legal Address: 4021 19th Ave S Apt 101 Fargo ND ~~58103~~ 58103
Date of Birth: 11/12/1992 Social Security # US Citizen: Y N
Applicant Email Address: Awake.11c@yahoo.com
Applicant Phone #: 701-412-4487 How long have you been a resident of ND? 4 years Have you ever been convicted of any violation, or any law, other than a traffic offense in the U.S.? NO If yes, what crime?

What Court? _____
Have you ever been convicted of any violation of laws governing the manufacture, sale, consumption or possession of intoxicating beverages? _____ If yes provide details: _____

Please list any current or previous liquor licenses held: N/A

Have you ever had a liquor license revoked or rejected by any municipality or state? N/A
If yes, provide details: _____

Will you be engaged in any other form of business besides the sale of liquor under the applied license? NO If yes provide details: _____

- List names, addresses and phone numbers of three business references (at least one bank), and state the extent of your business relations with each:
1. Easton Heglie, easton.heglie@wellsfargo, 701-433-3688
Personal Banker, Wells Fargo Bank, N/A
 2. David Witherspoon 701-541-1760 All Stars Barber Shop
745 45th St S Suite E Fargo ND 58103
 3. Poonam Oatis 701-552-2937 West Fargo ND
Real Estate

III

RESIDENT MANAGER INFORMATION:
Name: Fenhua, Zheng Date of Birth: 01-11-1988
Address: 4311 15th Ave S Apt 326, Fargo, ND 58103 Phone #: 917-833-5535
List resident manager's previous employment for past five years:
2013 ~ 2015 Kobe's 4228 15th Ave S Fargo ND 58103
2015 ~ 2017 Wasabi 221 2nd Ave Cedar Rapids IA 52401
Osaka 5001 1st Ave SE Cedar Rapids IA 52402
2017 ~ Now Kobe's 4228 15th Ave S Fargo ND 58103
SS# 007-45-0353

IV. BUSINESS DATA:

Name of Business (DBA): Awake lounge
Mailing Address of Licensed Establishment: 1410 9th St E Int 501 West Fargo ND 58078
Establishment Phone #: 701-412-4487
Business Type: (Sole Proprietorship, Partnership, Corporation) Sole proprietorship

Based on the business type above provide below the **names, addresses and dates of birth of ALL individuals, partners, officers and directors**. Include all persons with 1% or more interest in the business and indicate percentage of ownership: (add additional pages if necessary):

N/A

If Incorporated: Date of Charter: _____ State of Charter: _____

List any person (including name, address, date of birth and association with business), other than the applicants listed, with any right, title, estate or interest in the leasehold, furniture, fixtures or equipment in the premises for which the license is requested:

Does the business have any interest, directly or indirectly, with any other liquor establishment in any state? N/A

If yes give names and addresses of the establishments: _____

**V. ATTACH A DETAILED FLOOR-PLAN OF BUSINESS
(HAND DRAWN FLOOR PLANS WILL NOT BE ACCEPTED)**

VI. EMPLOYEE ROSTER LIST - SERVER TRAINING (SEE ATTACHED FORM)

For new establishments, you will be given 90 days from date of opening to submit a server training roster which will list servers with completed training, as well as a detailed plan for completion of training for those who have not. Employee server training must be kept current and is subject to periodic review.

Information on signup and training is available online at Fargo Cass Public Health Department's Website:

www.fargocasspublichealth.com

VII. VALIDATION/SIGNATURES

Do you agree not to permit the sale of alcohol on said premises to a minor, incompetent person, or a person who is inebriated or a habitual drunkard? Yes No

Do you understand that any license granted with this application will not be transferable except by specific authority of the governing body and will authorize the sale of products as applied for only at the place and premises designated in the application and said license? Yes No

Have you reviewed the Alcoholic Beverage Ordinances(s) of the City of West Fargo and are familiar with the conditions and requirements of these ordinances? Yes No

If granted an alcoholic beverage license, will you comply with the State of North Dakota Liquor Control Act and the City of West Fargo Alcoholic Beverage Ordinances, as well as any amendments to either of these, which may be made in the future? Yes No
(copy of current ordinance provided with application)

Do you understand that approval of license application is contingent upon having completed successful inspections from the Police Department, Fire Department, Building Inspection Department and Cass County Health Department?

Do you certify that property owned in connection with this license does not have real and/or personal property taxes that are delinquent? Yes No

For leased/rented property, do you certify that all payments are current? Yes No

I(We) am (are) familiar with the information in this completed application, the answers and information contained herein are, to the best of my (our) knowledge true, complete and accurate

All signatures must be notarized.

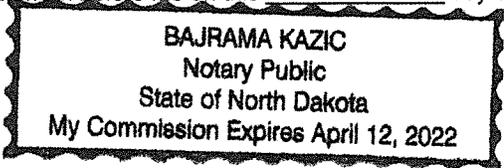
List owner(s) names (In case of a Corporation only President and Secretary are required):

Name: Ritchell Aboach
Title: Owner
Signature: [Signature]
Date: May-10-18
Name: _____
Title: _____
Signature: _____
Date: _____

Name: Fenhua, Zheng
Title: Manager
Signature: [Signature]
Date: May-10-18
Name: _____
Title: _____
Signature: _____
Date: _____

Before me personally appeared: (list names from above) Ritchell Aboach & Fenhua Zheng

Subscribed and sworn before me on this 10 day of May, 2018



[Signature]
(Signature of Notary Public)

My Commission expires: 04-12-2022

Notary Public for _____, _____ 4

North Dakota

nd.gov Official Portal for
North Dakota State Government*North Dakota***SECRETARY OF STATE
NORTH DAKOTA**[Home](#) | [Business Records Search](#)**AWAKE LLC****Corporation Details**

System ID: 43905100 **Phone:** Not on file
Type: LIMITED LIABILITY COMPANY
Status: Active & Good Standing
Original File Date: 09/25/2017 **Effective Date:** 09/25/2017
State of Origin: North Dakota

Principal Office

4021 19TH AVE S APT 101 FARGO, ND 58103-7123

Registered Agent

RITCHELL ABOAH
4021 19TH AVE S APT 101
FARGO, ND 58103-7123
Established Date: Sep 25, 2017

Generate an Annual Report To File

To Generate a Annual Report form to be filed with the Secretary of State, select the appropriate year of the report you intend to file. This report does not contain details of a report previously filed with the Secretary of State. The annual report years reflected are an indication of the various report forms available in this site and is not an indication that an entity needs to file reports for all years. Missing years indicate that the forms for the missing year have not yet been deployed to the website, or have already been removed, and can be obtained by contacting the Secretary of State.

2017 (generates a forms-fillable pdf in a new pop-up window)

[Return to Search Results](#)

[Contact Us](#)[Disclaimer](#) | [Privacy Policy](#)

We use Secure Sockets Layer (SSL) encryption technology to ensure your information is secure and protected.

Will open a new window (pop-up).

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State of North Dakota

SECRETARY OF STATE



CERTIFICATE OF ORGANIZATION OF

AWAKE LLC
Secretary of State ID#: 43,905,100

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that Articles of Organization for

AWAKE LLC
duly signed and executed pursuant to the provisions governing a North Dakota LIMITED LIABILITY COMPANY, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Organization to

AWAKE LLC

Effective date of organization: September 25, 2017

Issued: September 25, 2017

A handwritten signature in cursive script, reading "Alvin A. Jaeger".

Alvin A. Jaeger
Secretary of State

VIII. BACKGROUND CHECK AUTHORIZATION

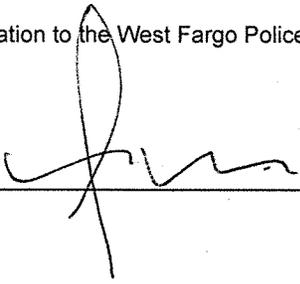
To: _____

(Please leave blank - for use of WF Police Department)

YOU ARE HEREBY AUTHORIZED to release to the bearer of this authorization, any and all information concerning my dealings as a customer of your institution. Said information is to be given in connection with the investigation by the West Fargo Police Department in relation to a liquor license request.

PRINTED NAME OF APPLICANT: Fenhua Zheng (Manager)

By releasing this information to the West Fargo Police Department, I understand that my information may be subject to North Dakota open record laws.

Signature of Applicant:  _____ Date: 05-10-18

Please forward the records for the above investigation for a City liquor license to:

West Fargo Police Department
ATTN: License Investigations
800 4th Avenue East, Ste 2
West Fargo, ND 58078
Fax: 701-433-5508



GAMING SITE AUTHORIZATION
OFFICE OF ATTORNEY GENERAL
SFN 17996 (02/2018)

G - _____ (_____) _____
Site License Number
(Attorney General Use Only)

Full, Legal Name of Gaming Organization *West Fargo Hockey Association*

The above organization is hereby authorized to conduct games of chance under the license granted by the Attorney General of the State of North Dakota at the following location

Name of Location <i>M & J</i>			
Street <i>817 W Main Ave</i>	City <i>West Fargo</i>	ZIP Code <i>58078</i>	County <i>Cass</i>
Beginning Date(s) Authorized <i>July 1 2018</i>		Ending Date(s) Authorized <i>June 30 2019</i>	Number of twenty-one tables if zero, enter "0": <i>2</i>
Specific location where games of chance will be conducted and played at the site (required) <i>North East corner of the bar. Bingo entire bar area</i>			
If conducting Raffle or Poker activity provide date(s) or month(s) of event(s) if known			

RESTRICTIONS (City/County Use Only)

Days of week of gaming operations (if restricted)	Hours of gaming (if restricted)
---	---------------------------------

ACTIVITY TO BE CONDUCTED Please check all applicable games to be conducted at site (required)

<input checked="" type="checkbox"/> Bingo	<input type="checkbox"/> Club Special	<input type="checkbox"/> Sports Pools
<input type="checkbox"/> ELECTRONIC Quick Shot Bingo	<input type="checkbox"/> Tip Board	<input checked="" type="checkbox"/> Twenty-One
<input checked="" type="checkbox"/> Raffles	<input type="checkbox"/> Seal Board	<input checked="" type="checkbox"/> Poker
<input type="checkbox"/> ELECTRONIC 50/50 Raffle	<input type="checkbox"/> Punchboard	<input type="checkbox"/> Calcuttas
<input checked="" type="checkbox"/> Pull Tab Jar	<input type="checkbox"/> Prize Board	<input checked="" type="checkbox"/> Paddlewheels with Tickets
<input type="checkbox"/> Pull Tab Dispensing Device	<input type="checkbox"/> Prize Board Dispensing Device	<input checked="" type="checkbox"/> Paddlewheel Table
<input checked="" type="checkbox"/> ELECTRONIC Pull Tab Device		

APPROVALS

Attorney General	Date
Signature of City/County Official	Date
PRINT Name and official position of person signing on behalf of city/county above	

INSTRUCTIONS:

1. City/County-Retain a **copy** of the Site Authorization for your files.
2. City/County-Return the **original** Site Authorization form to the Organization.
3. Organizations - Send the **original, signed**, Site Authorization to the Office of Attorney General with any other applicable licensing forms for final approval.

RETURN ALL DOCUMENTS TO:

Office of Attorney General
Licensing Section
600 E Boulevard Ave, Dept. 125
Bismarck, ND 58505-0040
Telephone: 701-328-2329 OR 800-326-9240

*CK# 15054
Pd 5/31/18
\$100.-*



Consent Agenda Item m

GAMING SITE AUTHORIZATION
OFFICE OF ATTORNEY GENERAL
SFN 17996 (02/2018)

G - _____ (____) _____ Site License Number (Attorney General Use Only)
--

Full, Legal Name of Gaming Organization West Fargo Hockey Association

The above organization is hereby authorized to conduct games of chance under the license granted by the Attorney General of the State of North Dakota at the following location

Name of Location <u>Pub West</u>			
Street <u>3140 Bluestem Dr.</u>	City <u>West Fargo</u>	ZIP Code <u>58078</u>	County <u>Cass</u>
Beginning Date(s) Authorized <u>July 1 2018</u>		Ending Date(s) Authorized <u>June 30 2019</u>	
Specific location where games of chance will be conducted and played at the site (required) <u>Far North End of the bar</u>			Number of twenty-one tables if zero, enter "0": <u>2</u>
If conducting Raffle or Poker activity provide date(s) or month(s) of event(s) if known			

RESTRICTIONS (City/County Use Only)	
Days of week of gaming operations (if restricted)	Hours of gaming (if restricted)

ACTIVITY TO BE CONDUCTED Please check all applicable games to be conducted at site (required)

<input checked="" type="checkbox"/> Bingo	<input type="checkbox"/> Club Special	<input type="checkbox"/> Sports Pools
<input type="checkbox"/> ELECTRONIC Quick Shot Bingo	<input type="checkbox"/> Tip Board	<input checked="" type="checkbox"/> Twenty-One
<input checked="" type="checkbox"/> Raffles	<input type="checkbox"/> Seal Board	<input type="checkbox"/> Poker
<input type="checkbox"/> ELECTRONIC 50/50 Raffle	<input type="checkbox"/> Punchboard	<input type="checkbox"/> Calcuttas
<input checked="" type="checkbox"/> Pull Tab Jar	<input type="checkbox"/> Prize Board	<input checked="" type="checkbox"/> Paddlewheels with Tickets
<input type="checkbox"/> Pull Tab Dispensing Device	<input type="checkbox"/> Prize Board Dispensing Device	<input type="checkbox"/> Paddlewheel Table
<input checked="" type="checkbox"/> ELECTRONIC Pull Tab Device		

APPROVALS	
Attorney General	Date
Signature of City/County Official	Date
PRINT Name and official position of person signing on behalf of city/county above	

INSTRUCTIONS:

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3. Organizations - Send the **original, signed**, Site Authorization to the Office of Attorney General with any other applicable licensing forms for final approval.

RETURN ALL DOCUMENTS TO:

Office of Attorney General
Licensing Section
600 E Boulevard Ave, Dept. 125
Bismarck, ND 58505-0040
Telephone: 701-328-2329 OR 800-326-9240

*CK# 15054
Pd 5/31/18
\$100 -*

Consent Agenda Item n



GAMING SITE AUTHORIZATION
 OFFICE OF ATTORNEY GENERAL
 SFN 17996 (02/2018)

G - _____ (____)____
Site License Number (Attorney General Use Only)

Full, Legal Name of Gaming Organization West Fargo Hockey Association

The above organization is hereby authorized to conduct games of chance under the license granted by the Attorney General of the State of North Dakota at the following location

Name of Location <u>Rookies</u>			
Street <u>715 13th Ave E</u>	City <u>West Fargo</u>	ZIP Code <u>58078</u>	County <u>Cass</u>
Beginning Date(s) Authorized <u>July 1 2018</u>	Ending Date(s) Authorized <u>June 30 2019</u>	Number of twenty-one tables if zero, enter "0": <u>2</u>	
Specific location where games of chance will be conducted and played at the site (required) <u>South East corner of the bar</u>			
If conducting Raffle or Poker activity provide date(s) or month(s) of event(s) if known			

RESTRICTIONS (City/County Use Only)	
Days of week of gaming operations (if restricted)	Hours of gaming (if restricted)
ACTIVITY TO BE CONDUCTED Please check all applicable games to be conducted at site (required)	
<input type="checkbox"/> Bingo <input type="checkbox"/> ELECTRONIC Quick Shot Bingo <input checked="" type="checkbox"/> Raffles <input type="checkbox"/> ELECTRONIC 50/50 Raffle <input checked="" type="checkbox"/> Pull Tab Jar <input type="checkbox"/> Pull Tab Dispensing Device <input checked="" type="checkbox"/> ELECTRONIC Pull Tab Device	<input type="checkbox"/> Club Special <input type="checkbox"/> Tip Board <input type="checkbox"/> Seal Board <input type="checkbox"/> Punchboard <input type="checkbox"/> Prize Board <input type="checkbox"/> Prize Board Dispensing Device
<input type="checkbox"/> Sports Pools <input checked="" type="checkbox"/> Twenty-One <input checked="" type="checkbox"/> Poker <input type="checkbox"/> Calcuttas <input checked="" type="checkbox"/> Paddlewheels with Tickets <input type="checkbox"/> Paddlewheel Table	

APPROVALS	
Attorney General	Date
Signature of City/County Official	Date
PRINT Name and official position of person signing on behalf of city/county above	

INSTRUCTIONS:

1. City/County-Retain a **copy** of the Site Authorization for your files.
2. City/County-Return the **original** Site Authorization form to the Organization.
3. Organizations - Send the **original, signed**, Site Authorization to the Office of Attorney General with any other applicable licensing forms for final approval.

RETURN ALL DOCUMENTS TO:

Office of Attorney General
 Licensing Section
 600 E Boulevard Ave, Dept. 125
 Bismarck, ND 58505-0040
 Telephone: 701-328-2329 OR 800-326-9240

CK# 15054
 \$100.
 Pd 5/31/18

Consent Agenda Item o



GAMING SITE AUTHORIZATION
 OFFICE OF ATTORNEY GENERAL
 SFN 17996 (02/2018)

G - _____ (____)____
Site License Number (Attorney General Use Only)

Full, Legal Name of Gaming Organization	<i>West Fargo Hockey Association</i>
---	--------------------------------------

The above organization is hereby authorized to conduct games of chance under the license granted by the Attorney General of the State of North Dakota at the following location

Name of Location <i>Brickhouse Tavern</i>			
Street <i>635 32nd Ave E #104</i>	City <i>West Fargo</i>	ZIP Code <i>58078</i>	County <i>Cass</i>
Beginning Date(s) Authorized <i>July 1 2018</i>	Ending Date(s) Authorized <i>June 30 2019</i>	Number of twenty-one tables if zero, enter "0": <i>1</i>	
Specific location where games of chance will be conducted and played at the site (required) <i>South East corner of the bar</i>			
If conducting Raffle or Poker activity provide date(s) or month(s) of event(s) if known			

RESTRICTIONS (City/County Use Only)	
Days of week of gaming operations (if restricted)	Hours of gaming (if restricted)

ACTIVITY TO BE CONDUCTED Please check all applicable games to be conducted at site (required)

<input type="checkbox"/> Bingo	<input type="checkbox"/> Club Special	<input type="checkbox"/> Sports Pools
<input type="checkbox"/> ELECTRONIC Quick Shot Bingo	<input type="checkbox"/> Tip Board	<input checked="" type="checkbox"/> Twenty-One
<input checked="" type="checkbox"/> Raffles	<input type="checkbox"/> Seal Board	<input type="checkbox"/> Poker
<input type="checkbox"/> ELECTRONIC 50/50 Raffle	<input type="checkbox"/> Punchboard	<input type="checkbox"/> Calcuttas
<input checked="" type="checkbox"/> Pull Tab Jar	<input type="checkbox"/> Prize Board	<input checked="" type="checkbox"/> Paddlewheels with Tickets
<input type="checkbox"/> Pull Tab Dispensing Device	<input type="checkbox"/> Prize Board Dispensing Device	<input checked="" type="checkbox"/> Paddlewheel Table
<input checked="" type="checkbox"/> ELECTRONIC Pull Tab Device		

APPROVALS	
Attorney General	Date
Signature of City/County Official	Date
PRINT Name and official position of person signing on behalf of city/county above	

INSTRUCTIONS:

1. City/County-Retain a **copy** of the Site Authorization for your files.
2. City/County-Return the **original** Site Authorization form to the Organization.
3. Organizations - Send the **original, signed**, Site Authorization to the Office of Attorney General with any other applicable licensing forms for final approval.

RETURN ALL DOCUMENTS TO:

Office of Attorney General
 Licensing Section
 600 E Boulevard Ave, Dept. 125
 Bismarck, ND 58505-0040
 Telephone: 701-328-2329 OR 800-326-9240



RENTAL AGREEMENT
 OFFICE OF ATTORNEY GENERAL
 LICENSING SECTION
 SFN 9413 (Rev. 02-2018)

License Number (Office Use Only)

Site Owner (Lessor) Rawc, Inc		Site Name Rookies		Site Phone Number	
Site Address 715 13th Ave E		City West Fargo	State ND	Zip Code 58078	County Cass
Organization (Lessee) West Fargo Hockey Association		Rental Period 7/1/2018 to 6/30/2019		Monthly Rent Amount	
1. Is Bingo going to be conducted at this site? 1a. If "Yes" to number 1 above, is Bingo the primary game conducted? If "Yes," enter the monthly rent amount to be paid. Then answer questions 2 - 7 but do not enter any rent amounts.		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes		\$	
2. Is Twenty-One conducted at this site? Number of Tables with wagers up to \$5 _____ X Rent per Table \$ _____ Number of Tables with wagers over \$5 <u>2</u> X Rent per Table \$ <u>300.00</u>		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		\$ \$ 600.00	
3. Is Paddlewheels conducted at this site? Number of Tables _____ X Rent per Table \$ _____		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		\$	
4. Is Pull Tabs involving either a jar bar and/or a dispensing device conducted at this site? Please check: <input type="checkbox"/> Jar Bar Only <input type="checkbox"/> Dispensing Device Only <input type="checkbox"/> Jar Bar and Dispensing Device		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		\$ 175.00	
Total Monthly Rent				\$ 775.00	
5. Is Electronic Pull Tabs involving an Electronic Pull Tab Device conducted at this site? No additional rent can be paid for electronic pull tabs. Rent must be based on standard dispensing device requirements per NDCC 53-06.1-11(5)(a)(b)		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If "Yes", number of devices <u>5</u>			
6. If the only gaming activity to be conducted at this site is a raffle drawing, please check here.		<input type="checkbox"/>			
TERMS OF RENTAL AGREEMENT:					
This RENTAL AGREEMENT is between the Owner (LESSOR) and Organization (LESSEE) that will be leasing the site to conduct games of chance.					
The LESSOR agrees that no game will be directly operated as part of the lessor's business.					
The LESSOR agrees that the (lessor), (lessor's) spouse, (lessor's) common household members, (management), (management's) spouse, or an employee of the lessor who is in a position to approve or deny a lease may not conduct games at any of the organization's sites and, except for officers and board of directors members who did not approve the lease, may not play games at that site. However, a bar employee may redeem a winning pull tab or prize boards involving a dispensing device and sell raffle tickets or sports pool chances on a board on behalf of an organization.					
The LESSOR agrees that the lessor's on call or temporary or permanent employee will not, directly or indirectly, conduct games at the site as an employee of the lessee on the same day the employee is working in the area of the bar where alcoholic beverages are dispensed or consumed.					
If the LESSEE provides the Lessor with a temporary loan of funds for redeeming pull tabs or prize boards, or both, involving a dispensing device, the Lessor agrees to repay the entire loan immediately when the lessee discontinues using the device at the site.					
The LESSOR agrees not to interfere with or attempt to influence the lessee's selection of games, determination of prizes, including a bingo jackpot prize, or disbursement of net proceeds.					
The LESSOR agrees not to loan money to, provide gaming equipment to, or count drop box cash for the lessee.					
At the LESSOR'S option, the lessee agrees that this rental agreement may be automatically terminated if the lessee's gaming license is suspended at this site for more than fourteen days or revoked.					
Signature of Lessor <i>Kurt Steinhilber</i>		Title Treasurer		Date 7/1/18	
Signature of Lessee		Title		Date	



RENTAL AGREEMENT
 OFFICE OF ATTORNEY GENERAL
 LICENSING SECTION
 SFN 9413 (Rev. 02-2018)

License Number (Office Use Only)

Site Owner (Lessor) L & V Corporation		Site Name M & J		Site Phone Number	
Site Address 817 Main Ave W		City West Fargo	State ND	Zip Code 58078	County Cass
Organization (Lessee) West Fargo Hockey Association		Rental Period 7/1/2018 to 6/30/2019		Monthly Rent Amount	
1. Is Bingo going to be conducted at this site? 1a. If "Yes" to number 1 above, is Bingo the primary game conducted? If "Yes," enter the monthly rent amount to be paid. Then answer questions 2 - 7 but do not enter any rent amounts.		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		\$ 1,385.00	
		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes			
2. Is Twenty-One conducted at this site? Number of Tables with wagers up to \$5 _____ X Rent per Table \$ _____ Number of Tables with wagers over \$5 _____ X Rent per Table \$ _____		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		\$	
3. Is Paddlewheels conducted at this site? Number of Tables _____ X Rent per Table \$ _____		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		\$	
4. Is Pull Tabs involving either a jar bar and/or a dispensing device conducted at this site? Please check: <input checked="" type="checkbox"/> Jar Bar Only <input type="checkbox"/> Dispensing Device Only <input type="checkbox"/> Jar Bar and Dispensing Device		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		\$	
Total Monthly Rent				\$ 1,385.00	
5. Is Electronic Pull Tabs involving an Electronic Pull Tab Device conducted at this site? No additional rent can be paid for electronic pull tabs. Rent must be based on standard dispensing device requirements per NDCC 53-06.1-11(5)(a)(b)		<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		If "Yes", number of devices <u>5</u>	
6. If the only gaming activity to be conducted at this site is a raffle drawing, please check here.		<input type="checkbox"/>			
TERMS OF RENTAL AGREEMENT:					
This RENTAL AGREEMENT is between the Owner (LESSOR) and Organization (LESSEE) that will be leasing the site to conduct games of chance.					
The LESSOR agrees that no game will be directly operated as part of the lessor's business.					
The LESSOR agrees that the (lessor), (lessor's) spouse, (lessor's) common household members, (management), (management's) spouse, or an employee of the lessor who is in a position to approve or deny a lease may not conduct games at any of the organization's sites and, except for officers and board of directors members who did not approve the lease, may not play games at that site. However, a bar employee may redeem a winning pull tab or prize boards involving a dispensing device and sell raffle tickets or sports pool chances on a board on behalf of an organization.					
The LESSOR agrees that the lessor's on call or temporary or permanent employee will not, directly or indirectly, conduct games at the site as an employee of the lessee on the same day the employee is working in the area of the bar where alcoholic beverages are dispensed or consumed.					
If the LESSEE provides the Lessor with a temporary loan of funds for redeeming pull tabs or prize boards, or both, involving a dispensing device, the Lessor agrees to repay the entire loan immediately when the lessee discontinues using the device at the site.					
The LESSOR agrees not to interfere with or attempt to influence the lessee's selection of games, determination of prizes, including a bingo jackpot prize, or disbursement of net proceeds.					
The LESSOR agrees not to loan money to, provide gaming equipment to, or count drop box cash for the lessee.					
At the LESSOR'S option, the lessee agrees that this rental agreement may be automatically terminated if the lessee's gaming license is suspended at this site for more than fourteen days or revoked.					
Signature of Lessor <i>Oliver Smith</i>		Title <i>Owner</i>		Date <i>4/16/18</i>	
Signature of Lessee		Title		Date	



RENTAL AGREEMENT
 OFFICE OF ATTORNEY GENERAL
 LICENSING SECTION
 SFN 9413 (Rev. 08-2015)

License Number (Office Use Only)

Site Owner (Lessor) Brickhouse Taverns Llc.		Site Name Brickhouse Tavern		Site Phone Number
Site Address 635 32nd Avenue East Suite 104	City West Fargo	State ND	Zip Code 58078	County Cass
Organization (Lessee) West Fargo Hockey Association	Rental Period 7/1/2018	to 6/30/2019		Monthly Rent Amount
1. Is Bingo going to be conducted at this site? 1a. If "Yes" to number 1 above, is Bingo the primary game conducted? If "Yes," enter the monthly rent amount to be paid. Then answer questions 2 - 7 but do not enter any rent amounts.				\$
2. Is a raffle drawing going to be conducted at this site?				\$
3. Is Prize Boards involving a dispensing device conducted at this site?				\$
4. Is Twenty-One conducted at this site? Number of Tables with wagers up to \$5 _____ X Rent per Table \$ _____				\$
Number of Tables with wagers over \$5 <u>1</u> X Rent per Table \$ <u>300.00</u>				\$ 300.00
5. Is Paddlewheels conducted at this site? Number of Tables <u>1</u> X Rent per Table \$ <u>200.00</u>				\$ 200.00
6. Is Pull Tabs involving either a jar bar and/or a dispensing device conducted at this site? Please check: <input checked="" type="checkbox"/> Jar Bar Only <input type="checkbox"/> Dispensing Device Only <input type="checkbox"/> Jar Bar and Dispensing Device				\$ 175.00
				Total Monthly Rent \$ 675.00

TERMS OF RENTAL AGREEMENT:

This RENTAL AGREEMENT is between the Owner (LESSOR) and Organization (LESSEE) that will be leasing the site to conduct games of chance.

The LESSOR agrees that no game will be directly operated as part of the lessor's business.

The LESSOR agrees that the (lessor), (lessor's) spouse, (lessor's) common household members, (management), (management's) spouse, or an employee of the lessor who is in a position to approve or deny a lease may not conduct games at any of the organization's sites and, except for officers and board of directors members who did not approve the lease, may not play games at that site. However, a bar employee may redeem a winning pull tab or prize boards involving a dispensing device and sell raffle tickets or sports pool chances on a board on behalf of an organization.

The LESSOR agrees that the lessor's on call or temporary or permanent employee will not, directly or indirectly, conduct games at the site as an employee of the lessee on the same day the employee is working in the area of the bar where alcoholic beverages are dispensed or consumed.

If the LESSEE provides the Lessor with a temporary loan of funds for redeeming pull tabs or prize boards, or both, involving a dispensing device, the Lessor agrees to repay the entire loan immediately when the lessee discontinues using the device at the site.

The LESSOR agrees not to interfere with or attempt to influence the lessee's selection of games, determination of prizes, including a bingo jackpot prize, or disbursement of net proceeds.

The LESSOR agrees not to loan money to, provide gaming equipment to, or count drop box cash for the lessee.

At the LESSOR'S option, the lessee agrees that this rental agreement may be automatically terminated if the lessee's gaming license is suspended at this site for more than fourteen days or revoked.

Signature of Lessor <i>Rich Monn</i>	Title President	Date 6/13/16
Signature of Lessee (Top Executive Official)	Title President	Date

(over)

Version 1 – 12/21/17
Version 2 – 2/7/18
Version 3 – 4/13/18
Version 4 – 5/29/18

DEVELOPMENT AGREEMENT

**BY AND BETWEEN
CITY OF WEST FARGO, NORTH DAKOTA
AND
RED RIVER VALLEY FAIR ASSOCIATION**

Dated as of _____, 2018

Relating to:

A Development Agreement outlining the respective roles and responsibilities relating to the design, construction, operation, management, and maintenance of the Convention Center and related amenities.

This instrument was drafted by:
Ohnstad Twichell, P.C.
John T. Shockley
P.O. Box 458
West Fargo, North Dakota 58078

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SIGNATURE PAGESS-1 THROUGH S-2

EXHIBIT A – MAP OF FAIRGROUNDS PROPERTY

EXHIBIT B – MAP OF DEVELOPMENT PROPERTY

EXHIBIT C – MAP OF TIF DISTRICT NO. [XX]

**EXHIBIT D – FAIRGROUNDS ZONING DESIGNATION, CONVENTION CENTER ZONING DESIGNATION
AND OTHER ORDINANCE AMENDMENTS**

EXHIBIT E – BASELINE SCHEDULE

EXHIBIT F – PROJECT FOOTPRINT

DRAFT

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the “Development Agreement”) is entered into this ____ day of _____, 2018 (the “Effective Date”), by and between CITY OF WEST FARGO, NORTH DAKOTA, a Home Rule City and political subdivision of the State of North Dakota (the “City”), and RED RIVER VALLEY FAIR ASSOCIATION, a nonprofit corporation organized and existing under of the laws of the State of North Dakota (the “Fair Association”).

WHEREAS, the City and the Fair Association desire to spur economic development on the western edge of the City; and

WHEREAS, the Fair Association owns parcels of property on the western edge of the City; and

WHEREAS, in an effort to spur economic development, the Fair Association desires to transfer a portion of its property to the City for construction of a Convention Center, Hotel, and Restaurant and adjacent Parking Lots; and

WHEREAS, the City will be responsible for designing, financing, and constructing the Convention Center and Parking Lots; and

WHEREAS, the City will finance the construction of the Convention Center and Parking Lots by issuing Debt Obligations backed by the City Sales and Use Tax, the Tax Increment, and funds deposited into the Visitor’s Promotion Capital Construction Fund; and

WHEREAS, following the City’s financing and construction of the Convention Center and Parking Lots, a collaborative board, the Convention Center Authority, consisting of members from the City, the Fair Association, and the Fargo-Moorhead Convention & Visitors Bureau will operate, manage, and maintain the Convention Center and Parking Lots; and

WHEREAS, the Convention Center Authority shall further be responsible for contracting with a private developer for the construction and operation of the Hotel and Restaurant; and

WHEREAS, the Fair Association and the City desire to enter into this Development Agreement to outline their respective roles and responsibilities in the design, financing, construction, operation, management, and maintenance of the Convention Center, Hotel, Restaurant, and Parking Lots.

NOW THEREFORE, in consideration of the mutual covenants made herein and for other valuable consideration, the receipt of which is hereby acknowledged, the City and the Fair Association agree as follows:

ARTICLE I. DEFINITIONS AND INTERPRETATION

Section 1.01 DEFINITIONS. All capitalized terms used and not otherwise defined herein shall have the meanings given to them in this Development Agreement and as defined in this Section unless a different meaning clearly applies from the context.

“**Act**” means North Dakota Century Code Chapter 40-58, as may be amended from time to time.

“**Annexation Agreement**” means the Annexation Agreement, dated of even date herewith, by and between the City and the Fair Association.

“**Baseline Schedule**” means the initial construction schedule for the construction of the Convention Center and Parking Lots, attached hereto as Exhibit E.

“**Capital Expansion Fund**” means the fund established by Section 9.07.

“**Chair**” means a voting member of the Convention Center Authority Board who presides over meetings pursuant to Section 8.04 of this Development Agreement.

“**Change in Law**” means the introduction or repeal (in whole or in part) of, the amendment, alteration or modification to, or the change in interpretation of (in each case including, to the extent applicable, by retroactive effect), any applicable laws, standards, practice, or guidelines issued or published by any governmental entity that occur after the Effective Date that are binding on the City or the TIF District [xx].

“**City**” means the City of West Fargo, North Dakota, a Home Rule City and political subdivision of the State of North Dakota.

“**City Commission**” means the City of West Fargo’s City Commission, which is the governing body of the City.

“**City Members**” means the two (2) individual members appointed by the City Commission to serve on the Convention Center Authority Board.

“**City Sales and Use Tax**” means the sales and use tax imposed by the City pursuant to City Ordinance Chapter 1-09, of which one hundred percent (100%) of the two percent (2%) City sales and use tax has been dedicated by the City, pursuant to Ordinance [xx], to debt service on Debt Obligations issued by the City for the construction of the Convention Center and Parking Lots.

“**Convention Center**” means a multi-purpose convention center.

“**Convention Center Authority**” means the collaborative joint powers board and North Dakota political subdivision created by this Development Agreement and vested with the powers herein.

“**Convention Center Authority Board**” means the governing body of the Convention Center Authority.

“Convention Center Authority Board Member” means an individual duly appointed pursuant to Section 8.01 of this Development Agreement and who is a voting member of the Convention Center Authority Board.

“Convention Center Zoning Designation” means the zoning designation that will be adopted by the City following the execution of the Annexation Agreement and the Effective Date of the Development Agreement, as described in Exhibit D hereto.

“CVB Board” means the Board of Directors of the Fargo-Moorhead Convention & Visitors Bureau.

“CVB Member” means the one (1) individual member appointed by the Fargo-Moorhead Convention & Visitors Bureau to serve on the Convention Center Authority Board.

“Debt Obligation Year” means January 1 through December 31 of each and every year in which the Debt Obligations remain outstanding.

“Debt Obligations” means any loan, note, bond, or other security instrument issued by the City to provide financing for the Convention Center and Parking Lots.

“Development Property” means the property identified on Exhibit B that, on the Effective Date, is owned by the Fair Association and will be developed in accordance with Section 2.03 hereof.

“Effective Date” means the date on which both Parties have executed this Development Agreement.

“Environmental Law” means any applicable law requiring consideration of environmental impacts or addressing, regulating, or imposing liability, actions, or standards of conduct that pertains to the environment, Hazardous Material, contamination of any type whatsoever, or environmental health and safety matters, and any lawful requirements and standards that pertain to the environment, Hazardous Material, contamination of any type whatsoever, or environmental health and safety matters, set forth in any permits, licenses, approvals, plans, rules, regulations, ordinances, or other governmental approvals adopted, or other criteria and guidelines promulgated, pursuant to applicable law, as such have been or are amended, modified, or supplemented from time to time (including any present and future amendments thereto and reauthorizations thereof) including those relating to:

(a) The manufacture, processing, use, distribution, existence, treatment, storage, disposal, generation, and transportation of Hazardous Material;

(b) Air, soil, surface, and subsurface strata, stream sediments, surface water, and groundwater;

(c) Releases of Hazardous Material;

(d) Protection of wildlife, threatened or endangered species, sensitive species, wetlands, water courses and water bodies, historical, archeological, and paleontological resources, and natural resources;

(e) The operation and closure of underground storage tanks;

(f) Safety of employees and other persons; and

(g) Notification and recordkeeping requirements relating to the foregoing.

“Fair Association” means the Red River Valley Fair Association, a nonprofit corporation organized and existing under the laws of the State of North Dakota.

“Fair Association Executive Committee” means the governing board of the Fair Association which is responsible for conducting business on behalf of the Fair Association.

“Fair Association Members” means the two (2) individual members appointed by the Fair Association Executive Committee to serve on the Convention Center Authority Board.

“Fairgrounds” means the zoning designation that will be adopted by the City following the execution of the Annexation Agreement and the Effective Date of the Development Agreement, as described in Exhibit D hereto.

“Fairgrounds Property” means the property identified on Exhibit A that, on the Effective Date, is owned by the Fair Association.

“Fargo-Moorhead Convention & Visitors Bureau” means a nonprofit organization organized and existing under the laws of the State of North Dakota.

“Final Plans and Specifications” means final plans and specifications for the construction of the Convention Center and Parking Lots.

“Fiscal Year” means the fiscal year of the Convention Center Authority which shall run from January 1 through December 31.

“Fargo-Moorhead Metropolitan Area” means Fargo, North Dakota, Moorhead, Minnesota, and surrounding communities.

“Good Faith” means observance of reasonable commercial standards of fair dealing in a given trade of business.

“Good Industry Practice” means the industry practices and standards that would be exercised by a prudent and experienced developer, designer, engineer, contractor, operator, or maintenance provider engaged in the same kind of undertakings and under similar circumstances.

“Gravel Parking Lot” means a gravel parking lot located adjacent to the Paved Parking Lot.

“Hazardous Material” means any hazardous, toxic, radioactive, or infectious substance, material, or water as defined, listed, or regulated under any Environmental Law.

“Hotel” means a hotel attached to the Convention Center.

“Insufficient Year” means a Debt Obligation Year in which Pledged Revenues are insufficient to meet debt service payments on Debt Obligations due in that Debt Obligation Year.

“Market Value” means, of an estate, as of any specified date, the present fair market value of such estate.

“Net Proceeds” means the gross process from the sale of Development Property minus costs and expenses associated with closing on the sale such as brokerage fees, closing costs, and attorney’s fees.

“Net Profits” means funds of the Convention Center Authority remaining after deducting all expenses incurred during a Fiscal Year from all revenues generated during a Fiscal Year.

“Open Records Law” means North Dakota Century Code Chapter 44-04, as may be amended from time to time.

“Organizational Meeting” means the initial meeting of the Convention Center Authority, as identified in Section 8.08 hereof.

“Parking Lots” means the Paved Parking Lot and Gravel Parking Lot, collectively.

“Party” means either the City or the Fair Association, as the context may require, and its legal representatives, successors, and assigns, and if there is a reference to Parties, **“Parties”** means both the City and the Fair Association, and their legal representatives, successors, and assigns.

“Paved Parking Lot” means a paved parking lot adjacent to the Convention Center.

“Phase 1 Environmental Site Assessment” means an environmental site assessment that identifies potential or existing environmental contamination liabilities.

“Pledged Revenues” means the sources of funds identified in Section 3.01 as such.

“Project” means the Convention Center, Hotel, Restaurant, and Parking Lots collectively.

“Project Footprint” means property, as outlined on Exhibit F, that will be transferred from the Fair Association to the City for the construction and operation of the Project.

“Reserve Fund” means the fund established by Section 9.05.

“Reserve Fund Requirement” means \$x,000,000, the threshold to which the Reserve Fund must be funded and maintained.

“Restaurant” means a restaurant located in the Hotel/Convention Center complex.

“Soccer Complex” means the real property legally described, on the Effective Date, as Lot 1, Block 1, to the Red River Valley Fair Soccer Subdivision, Barnes Township, Cass County, North Dakota, which is being purchased by the West Fargo Park District from the Fair Association on a contract for deed.

“Substantial Completion” means the element of the Project is functional to its intended use.

“Sufficient Year” means a Debt Obligation Year in which Pledged Revenues are sufficient to meet debt service payments on Debt Obligations due in that Debt Obligation Year.

“Tax Increment” means the net amount per Debt Obligation Year by which the original taxable value (as determined by the Act) of all lots and parcels of real estate in the area, as then assessed and equalized within TIF District No. [xx], including real estate then held by the municipality or urban renewal agency valued at zero, has increased in comparison with the original taxable value of all such real estate, multiplied by the aggregate mill rate of those authorities having power to tax the real estate in the TIF District No. [xx], less any deductions as determined by the Act.

“TIF District No. [xx]” means the tax increment financing district adopted by the City in Ordinance [xx] and identified on Exhibit C.

“Utility” means and includes poles, plants, lines, trenches, bridges, tunnels, pipelines, and any other system for furnishing, producing, generating, transmitting or distributing power, electricity, communications, telecommunications, water, gas, oil, petroleum products, coal or other mineral slurry, steam, heat, light, chemicals, air, sewage, drainage not connected with a highway drainage system, irrigation, or another substance.

“Visitor’s Promotion Capital Construction Fund” means the fund created pursuant to City Ordinance Chapter 10-05 into which a tax of one percent (1%) pursuant to N.D.C.C. § 40-57.3-01.1 is deposited.

“Year” means a calendar year, beginning on January 1 and ending on December 31, in which no Debt Obligation is outstanding.

Section 1.02 INTERPRETATION GENERALLY. The headings of Articles and Sections are provided for convenience of reference only and will not affect the construction, meaning, or interpretation of this Development Agreement. All Exhibits to this Development Agreement are hereby incorporated by reference. The definition of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms. The words “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation.”

The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument, or other document herein shall be construed as referring to such agreement, instrument, or other document as from time to time amended, supplemented, or otherwise modified (subject to any restrictions on such amendments, supplements, or modifications as set forth herein), (b) any reference herein to any person shall be construed to include such person’s permitted assigns, (c) the words “herein,” “hereof,” and “hereunder,” and words of similar import, shall be construed to refer to this Development Agreement in its entirety and not to any particular provision hereof, (d) all references herein to articles, sections, exhibits, and schedules shall be construed to refer to articles and sections of, and exhibits and schedules to, this Development Agreement, and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts, and contract rights.

ARTICLE II. ANNEXATION AGREEMENT

Section 2.01 ANNEXATION AGREEMENT. In conjunction with the execution of this Development Agreement, the Parties are also executing the Annexation Agreement. The Parties intend for the Development Agreement and the Annexation Agreement to be read together and for the Development Agreement to be an expansion of the Annexation Agreement. The Parties do not intend for the Development Agreement to conflict with the Annexation Agreement, but in the event there is a conflict between the Development Agreement and the Annexation Agreement, the Development Agreement controls.

Section 2.02 ANNEXATION OF OTHER PROPERTY. When the City annexes the Fairgrounds Property, including the Development Property, pursuant to the Annexation Agreement, neither this Development Agreement nor the Annexation Agreement precludes the City from concurrently annexing any neighboring properties to the Fairgrounds Property at the same time as the Fairgrounds Property.

Section 2.03 ZONING AND DEVELOPMENT. Following the annexation of the Fairgrounds Property, the City will zone the Fairgrounds Property, including the Development Property but excluding the Soccer Complex and Project Footprint, as Fairgrounds and will zone the Soccer Complex as Public and the Project Footprint with a Convention Center Zoning Designation. Following the annexation of the Development Property, however, the Fair Association shall, in Good Faith, actively market the Development Property as commercial property at Market Value, shall sell the Development Property at or near Market Value, and shall not protest the rezoning of the Development Property to commercial. The Fair Association will deposit Net Proceeds into the Reserve Fund until the Reserve Fund Requirement is met and then it may use the remainder of the Net Proceeds in its sole discretion.

ARTICLE III. FINANCING

Section 3.01 DEBT OBLIGATIONS. The City will finance the construction of the Convention Center and Parking Lots through Debt Obligations issued by the City. For the

repayment of the Debt Obligations, the City shall pledge the Tax Increment, funds deposited into the Visitor's Promotion Capital Construction Funds, and the City Sales and Use Tax ("Pledged Revenues"). On or prior to the Effective Date, the City shall seek approval from all other entities necessary to receive the Tax Increment. The City, within its discretion, may reimburse itself for costs related to the construction of the Convention Center and the Parking Lots from the proceeds of the Debt Obligations. Reimbursable costs are only those which under accepted accounting practices constitute capital costs incurred to construct the Convention Center and Parking Lots, including but not limited to land, easements, buildings, structures, machinery, and equipment, and the costs of all architectural, engineering, legal, and other professional services, printing, and publication, and other costs reasonable, necessary, and incidental thereto including issuance costs of Debt Obligations.

Section 3.02 FAIR ASSOCIATION. The Fair Association has no liability whatsoever for payment of the principal sum or interest of any Debt Obligation.

ARTICLE IV. PROJECT FOOTPRINT

Section 4.01 UPDATED ABSTRACT AND TITLE OPINION. On or prior to the Effective Date, the Fair Association shall have obtained, at the Fair Association's expense, an updated abstract and title opinion to the Project Footprint and furnished the same to the City.

Section 4.02 SURVEY AND APPRAISAL. On or prior to the Effective Date, the Fair Association shall have obtained, at the Fair Association's expense, an ALTA survey prepared by a registered land surveyor and certified to the City showing the Project Footprint and location of all easements thereon and such other information and containing such matters as the City shall reasonably request. Additionally, on or prior to the Effective Date, the Fair Association shall have obtained, at the Fair Association's expense, an appraisal of the Project Footprint from a certified real estate appraiser of similar property types.

Section 4.03 ENVIRONMENTAL ASSESSMENT. On or prior to the Effective Date, the Fair Association shall have obtained, at the Fair Association's expense, a Phase 1 Environmental Site Assessment of the Project Footprint and furnished the results of such to the City.

Section 4.04 TRANSFER. On the Effective Date, the Fair Association shall transfer the Project Footprint at Market Value to the City by warranty deed. The Fair Association and the City shall each be responsible for the payment of its own attorney's fees incurred as a result of the transfer, but the City shall be responsible for any expenses related to the recording of the warranty deed. The Fair Association will deposit a portion of the funds received from the City into the Reserve Fund until the Reserve Fund Requirement is established and then it may use the remainder of the funds in its sole discretion.

Section 4.05 OPTION TO PURCHASE. The City shall only utilize the Project Footprint for the uses intended under this Development Agreement, that being for a Convention Center, Parking Lots, Hotel, and Restaurant and their attendant and associated uses. In the event the City desires to utilize the Project Footprint for a use different from the above-described uses, the City will seek consent from the Fair Association. If the Fair Association does not provide consent for the varied

use and the City desires to have the varied use on the Project Footprint, the City will provide written notice of such to the Fair Association, and the Fair Association, within sixty (60) calendar days from the date of the City's notice, will have the option to purchase the Project Footprint from the City for Market Value. Closing on the purchase of the Project Footprint need not occur within the 60-day period, but the City must receive a written notice of intent from the Fair Association to exercise its option to purchase within the 60-day period. If the Fair Association does not exercise its option to purchase the Project Footprint, then the City may move forward with having the varied use on the Project Footprint.

Section 4.06 RIGHT OF FIRST REFUSAL. In the event the City, its successors or assigns, desires to convey or sell the Project Footprint or any portion thereof, such sale must be made subject to a right of first refusal on the part of the Fair Association to purchase the Project Footprint, or any part thereof, under the same terms and conditions as those offered by a third party and acceptable to the City. The Fair Association shall provide written notice of its intent to exercise such right of first refusal within sixty (60) calendar days of being provided notice of an offer to purchase the Project Footprint, or any portion thereof. Closing on the purchase of the Project Footprint, or any part thereof, need not occur within the 60-day period, but the City must receive a written notice of intent from the Fair Association to exercise its right of first refusal within the 60-day period. Failure to provide written notice of intent to exercise this right of first refusal within this 60-day period shall result in the termination of this right of first refusal. This right of first refusal may be terminated by the written consent of the Fair Association.

ARTICLE V. DESIGN

Section 5.01 CONVENTION CENTER AND PARKING LOTS. The Parties shall work cooperatively to design the plans and specifications for the Convention Center and the Parking Lots; provided, however, the City shall have the final discretion to approve the Final Plans and Specifications.

Section 5.02 DESIGN SERVICES. The City may, in its discretion, select and contract with architects, space planners, engineers, and other design personnel to perform design services and product design and construction plans, drawings, specifications, and documents necessary for the construction of the Convention Center and Parking Lots. Such persons shall have experience, expertise, training, and applicable licenses, certifications, and registrations necessary for the design work performed by them. All design work will be performed by an architect or firm of architects licensed by the State of North Dakota. The costs of all professional engineering, design, and architectural services required to prepare Final Plans and Specifications will be paid by the City.

Section 5.03 MODIFICATIONS. If any modifications are proposed to the Final Plans and Specifications, the City will consult with the Fair Association prior to the City approving the proposed modifications. The City, however, shall have the final discretion to approve any modifications to the Final Plans and Specifications.

ARTICLE VI. PRELIMINARY ACTIVITIES

Section 6.01 GENERAL OBLIGATIONS OF THE CITY. Aside from the obligations of the Fair Association expressed in Article IV herein, the City shall be responsible for all other preliminary activities that are necessary in the City's discretion to prepare the Project Footprint for construction of the Convention Center and the Parking Lots.

ARTICLE VII. CONSTRUCTION

Section 7.01 GENERAL OBLIGATIONS OF CITY.

(a) The City will furnish, at its own cost and expense, all construction and other services and provide all materials, equipment, and labor to perform the construction work for the Convention Center and the Parking Lots in accordance with this Development Agreement and the Final Plans and Specifications.

(b) All construction work for the Convention Center and the Parking Lots must be performed by one or more general contractors or design-builders, as selected by the City, who are licensed in the State of North Dakota.

(c) If Hazardous Material is found during construction, the City, at its own cost and expense, shall be responsible for management, treatment, handling, storage, monitoring, remediation, transport, and/or disposal of any Hazardous Material. The City expressly reserves the ability, however, to pursue claims for Hazardous Material that were not disclosed or under disclosed in the Phase 1 Environmental Site Assessment.

(d) The City will be responsible for performing and completing all construction work that the City is obligated to perform for or on behalf of third parties relating to the Convention Center and Parking Lots in accordance with its agreement with such third parties and subject to any dispute resolution with such third parties and without prejudicing the City's rights under any such agreement.

Section 7.02 UTILITY RELOCATIONS AND CONNECTIONS. The City, at its sole cost and expense, will perform all activities and services for all Utility relocations and the installation of new infrastructure and facilities necessary to accommodate construction of the Convention Center and the Parking Lots in accordance with the Final Plans and Specifications. The City shall further be solely responsible for the cost of all reservation charges, capacity charges, connection fees, tap fees, and any other rents, rates, assessments, surcharges, fees, taxes, and charges incurred in connecting the Convention Center and Parking Lots to existing Utility infrastructure. Subject to Applicable Law, the Fair Association will provide to the City the benefit of any provisions in a recorded Utility or other easement affecting the Convention Center or Parking Lots which require the easement holders to relocate at their expense and the Fair Association will reasonably assist the City in obtaining the benefit of all rights the Fair Association has under any Utility easement, permit, or other right relating to Utility relocations; however, it being understood that such assistance will not entail the initiation of or participation in legal actions or proceedings.

Section 7.03 BASELINE SCHEDULE. On or prior to the Effective Date, the Parties have agreed upon a Baseline Schedule for the construction of the Convention Center and the Parking

Lots. The City may modify the Baseline Schedule as necessary in the City's discretion to accommodate construction of the Convention Center or the Parking Lots.

Section 7.04 CARE, CUSTODY, AND CONTROL. The City will be responsible for the security and protection of active construction areas on the Convention Center and the Parking Lots and of all materials, equipment, supplies, and any other property of any third party affiliated with the City.

Section 7.05 CHANGE ORDERS. If any change orders are proposed during the construction of the Convention Center or the Parking Lots, the City will consult with the Fair Association prior to the City approving the proposed change orders. The City, however, shall have the final discretion to approve any change orders.

Section 7.06 SUBSTANTIAL COMPLETION. The City shall be responsible for signing off on Substantial Completion of the construction of the Convention Center and the Parking Lots.

Section 7.07 FINAL COMPLETION. The City shall be responsible for signing off on final completion of the construction of the Convention Center and the Parking Lots.

Section 7.08 FURNISHINGS. The City, at its sole cost and expense, shall be responsible for furnishing the Convention Center. In making its decision on furnishings, the City shall consult with the Convention Center Authority. The City, however, shall have the final discretion regarding furnishings.

Section 7.09 LIQUIDATED DAMAGES. In the event the contracts by and between the City and contractors for the construction of the Convention Center or the Parking Lots call for the payment of liquidated damages by the contractors, the City shall solely be entitled to those liquidated damages. The Fair Association shall have no claim to any of those liquidated damages.

ARTICLE VIII. CONVENTION CENTER AUTHORITY

Section 8.01 COMPOSITION OF BOARD. There is hereby established a joint board to be known as the Convention Center Authority Board. The Convention Center Authority Board is the governing body of the Convention Center Authority and shall consist of:

- (a) Two (2) members of the City Commission appointed by the City Commission (the "City Members");
- (b) Two (2) members of the Fair Association Executive Committee appointed by the Fair Association Executive Committee ("Fair Association Members"); and
- (c) One (1) member of the CVB Board appointed by the CVB Board ("CVB Member").

Section 8.02 NOT EMPLOYEES. Convention Center Authority Board Members shall not be deemed employees of the Convention Center Authority. Each respective appointing authority

shall be responsible for providing all compensation and fringe benefits to their respective employees, elected or appointed officials. Convention Center Authority Board Members shall not be allowed to be a party to any contract with the Convention Center Authority.

Section 8.03 TERMS. There are no set terms of Convention Center Authority Board Members. The City Members, Fair Association Members, and CVB Members shall serve at the discretion of their respective appointing organizations.

Section 8.04 CHAIR. The Chair is a member of the Convention Center Authority Board for purposes of presiding at its meetings. The Chair may vote on all matters before the Convention Center Authority Board. The Chair is the head of the Convention Center Authority Board for ceremonial purposes and for the purpose of service of civil process. The Chair may execute all contracts, notes, indentures, warrants, and other instruments on behalf of the Convention Center Authority Board. No contract, note, indenture, warrant, or other instrument executed by the Chair shall be valid and binding upon the Convention Center Authority Board until attested by the Secretary.

The Chair position shall rotate between a City Member, a Fair Association Member, and a CVB Member, respectively. The City Member, Fair Association Member, or CVB Member serving as the Chair shall be selected by that member's respective organization. Each Chair shall serve a one (1) year term, beginning January 1 and ending December 31. Provided, however, the first Chair, a City Member, shall serve from the date of the Organizational Meeting until December 31, 2019. Thereafter, the rotation of the Chair shall commence with a Fair Association Member, then a CVB Member, and then a City Member. This rotational schedule shall continue for the remainder of the term of this Development Agreement. Individuals may serve as Chair multiple times if they remain in their respective elected or appointed positions. If the Chair is absent from a meeting, the second member from the Chair's respective organization shall preside at the meeting, or if there is no second member or the second member is absent, the Convention Center Authority Board Members present at the meeting shall appoint an acting Chair for the meeting. If a vacancy in the Chair position occurs, the outgoing Chair's respective organization shall appoint a new Convention Center Authority Board Member and a replacement Chair.

Section 8.05 SECRETARY. At the Organizational Meeting of the Convention Center Authority, the Convention Center Authority Board Members shall appoint a Secretary. An employee of the City, the Fair Association, or the Fargo-Moorhead Convention & Visitors Bureau, or an individual or contractor, may be appointed as the Secretary of the Convention Center Authority Board. The Secretary shall be responsible for noticing meetings of the Convention Center Authority Board as required by law and for ensuring that minutes are prepared for all Convention Center Authority Board meetings. The Secretary shall also keep all books and records of the Convention Center Authority Board and may have other duties assigned from time to time by the Convention Center Authority Board. The Secretary shall also be responsible for compliance with North Dakota's Open Records Law requirements.

Section 8.06 VOTING. Each Convention Center Authority Board Member shall have one (1) vote on matters before the Convention Center Authority. Each Convention Center Authority Board Member shall cast a vote on all matters before the Convention Center Authority unless the Convention Center Authority Board Member has a conflict prohibiting him or her from

casting a vote. All decisions before the Convention Center Authority shall be determined by a simple majority vote of the Convention Center Authority Board Members present. Convention Center Authority Board Members are not permitted to vote by proxy.

Section 8.07 DISCLOSURE OF CONFLICTS OF INTEREST. Before taking any action or casting a vote regarding a member before the Convention Center Authority Board, which would constitute a conflict of interest under North Dakota law or as set forth in this Development Agreement, Convention Center Authority Board Member(s) must disclose such conflict(s) and abstain from voting on the matter involving the conflict of interest and from participating in Convention Center Authority Board discussions and deliberations on the matter involving the conflict of interest. For purposes of this Development Agreement, conflicts of interest include, but are not limited to, all conflicts of interest under membership on an appointing organization and/or status as a controlling officer, member of a board of directors, mayor, president, or chief executive of a political subdivision, a public entity, and/or private entity engaged in a legal or administrative action, pending litigation, and/or active litigation in which the Convention Center Authority is an adverse party. Any Convention Center Authority Board Member with a conflict of interest shall not be entitled to participate in an executive session of the Convention Center Authority Board held pursuant to Section 8.08.

Section 8.08 MEETINGS. The Convention Center Authority shall hold meetings as follows:

(a) Organizational Meeting. An Organizational Meeting shall be held within six (6) months of the anticipated date of Substantial Completion of the Convention Center and shall be called at a time to be determined by the City Member selected by the City Commission to serve as the Chair of the Convention Center Authority Board. The Chair shall ensure that proper notice of the meeting is given.

(b) Regular Meetings. Thereafter, the Convention Center Authority Board shall meet at a time and date each and every month, as selected during the Organizational Meeting, that this Development Agreement is in effect, and a schedule of regular meetings, which may include multiple regular meetings each month, shall be adopted at the Organizational Meeting and thereafter each and every year at the annual meeting.

(c) Annual Meeting. The Convention Center Authority Board shall set the date and time for its annual meeting during its Organizational Meeting.

(d) Special Meetings. Special meetings of the Convention Center Authority Board may be called by the Chair and must be called by the Chair upon written request of three (3) Convention Center Authority Board Members, who must identify the business matters to be discussed at such special meeting. Business at a special meeting is limited to matters contained in the notice of the special meeting.

(e) Emergency Meetings. In accordance with Applicable Law, an emergency meeting may be called by the Convention Center Authority Board due to circumstances in the judgment of the Chair require immediate Convention Center Authority Board consideration. Prior to calling an emergency meeting, the Convention Center Authority Board shall contact appropriate media.

(f) Meeting Location. Convention Center Authority Board meetings will be held at the West Fargo City Hall, unless the Convention Center Authority Board determines that a meeting should be held at an alternative location.

(g) Parliamentary Rules. All meetings of the Convention Center Authority Board shall comply with parliamentary rules and procedures outlined in the most recent edition of ROBERT'S RULES OF ORDER for small boards, except to the extent those rules are inconsistent with any rules adopted by the Convention Center Authority Board or are inconsistent with the provisions of this Development Agreement or applicable North Dakota law.

(h) Executive Sessions. The Convention Center Authority may hold an executive session to consider or discuss confidential records or other matters as authorized by Chapter 44-04 of the North Dakota Century Code.

Section 8.09 OPEN MEETINGS LAWS. All meetings of the Convention Center Authority shall be held in compliance with the Open Meetings Law.

Section 8.10 RECORDS RETENTION LAW. The Convention Center Authority shall adopt a records retention policy establishing minimum retention periods for its records in compliance with the North Dakota Open Records Law.

Section 8.11 OPEN RECORDS LAWS. The Convention Center Authority shall comply with the North Dakota Open Records Law in regard to all data collected, created, received, and maintained or disseminated.

Section 8.12 QUORUM. A quorum of the Convention Center Authority necessary for the transaction of any business shall consist of three (3) Convention Center Authority Board Members who may transact business. If vacancies cause the members of the Convention Center Authority to be fewer than three (3) members, the Convention Center Authority may not conduct any business until such time that there are at least three (3) Convention Center Authority Board Members; provided, however, that if a quorum of Convention Center Authority Board Members is not present, those members who are present shall be authorized to adjourn the meeting to such date, time, and place as they shall determine and announce at the time of adjournment. The failure of the Convention Center Authority Board to meet due to a lack of a quorum shall not be construed so as to invalidate the authority of the Chair to implement previously approved contracts or resolutions of the Convention Center Authority.

Section 8.13 BYLAWS. The Convention Center Authority Board may adopt bylaws governing its operations that are not inconsistent with this Development Agreement and may amend said bylaws as necessary. The bylaws may provide for sub-committees of the Convention Center Authority Board as necessary. Any bylaw or modification thereof shall not be effective until approved by a majority vote of the Convention Center Authority Board.

Section 8.14 OFFICIAL NEWSPAPER. The Convention Center Authority Board may designate one (1) or more legal newspapers of general circulation in the Fargo-Moorhead

Metropolitan Area as its official newspaper for whatever purposes as may be required by statute to be published in an official newspaper.

Section 8.15 POWERS. The Convention Center Authority shall have the following duties and powers.

(a) Receipt of Funds. To apply for and receive grants and to accept donations, bequests, and contributions.

(b) Enter into Contracts. To enter into contracts related to the Project and to perform all of its obligations pursuant to the terms and conditions of those contracts.

(c) Purchasing. To purchase and otherwise acquire real and personal property and to purchase capital equipment and equipment and items necessary for the operations and maintenance of the Project.

(d) Expenses. To incur expenses necessary and incidental to effectuation of its purposes and consistent with its powers.

(e) Sales. To convey, sell, dispose of, or lease any of its equipment or its real or personal property as deemed necessary for the Project.

(f) Sue and Be Sued. To commence litigation as deemed necessary and to defend against any claims brought against the Convention Center Authority.

(g) Conduct or Arrange for Public Information Meetings. To conduct and arrange for public information meetings.

(h) Employees. To employ personnel to carry out the purposes of this Development Agreement.

(i) Management, Operations, and Maintenance of the Project. To provide for the management, operations, and maintenance of the Project by hiring the Fair Association or a private contractor, who has the authority to hire, retain, and terminate private contractors or Fair Association staff to provide for the management, operations, and maintenance of the Project.

(j) Budget. To establish an annual operating budget.

(k) Insurance. To enter into contracts for the purpose of securing insurance coverage regarding the Project or the operation of the Convention Center Authority, including general liability, automobiles, property, and workers' compensation coverage.

(l) Enforce this Agreement. To enforce the terms of this Development Agreement.

(m) Committee and Sub-committees. To create committees to provide assistance to the Convention Center Authority Board.

(n) Provide for Professional Services. To procure the services of engineers, attorneys, contractors, consultants, and other persons or entities for the management, operation, and/or maintenance of the Project.

(o) Hire Accountants. To procure the services of a public accountant to make an annual audit of the accounts and records of the Convention Center Authority.

(p) Contracts with Private Third Parties. To enter into contracts or other arrangements for the design, construction, operation, management, and maintenance of the Hotel and Restaurant.

(q) Implicit Powers. In addition to the above specified powers, the Convention Center Authority shall have those powers implicitly necessary to carry out its duties.

ARTICLE IX. OPERATIONS, MANAGEMENT, AND MAINTENANCE

Section 9.01 GENERAL OBLIGATIONS OF CONVENTION CENTER AUTHORITY. At all times following final completion of the Convention Center and the Parking Lots, the Convention Center Authority, at its sole cost and expense, will generally cause the Convention Center and Parking Lots to be operated, managed, and maintained in accordance with applicable law, all governmental approvals, all other approvals, Good Industry Practice, and the terms, conditions, and standards set forth in this Development Agreement. As provided in Section 9.06 hereof, the Convention Center Authority will initially hire the Fair Association to conduct the day-to-day operations, management, and maintenance of the Convention Center and Parking Lots, with the Convention Center Authority providing an oversight role for the Fair Association.

Section 9.02 APPROVALS. The Convention Center Authority shall be responsible for securing any and all governmental and other approvals necessary for the operations, management, and maintenance of the Convention Center and the Parking Lots.

Section 9.03 REVENUES. Any and all revenues generated from operations of the Convention Center and Parking Lots will be allocated as follows:

(a) In operating, managing, and maintaining the Convention Center and Parking Lots, the Convention Center Authority shall be entitled to any and all revenues needed to match any and all expenses incurred for the operation, management, and maintenance in any Debt Obligation Year or Year. Net Profits in any Debt Obligation Year or Year are allocated as follows:

(1) Insufficient Year. In an Insufficient Year, any Net Profits shall be allocated:

(A) Fifty percent (50%) to the City to use for debt service payments on Debt Obligations;

(B) Twenty-five percent (25%) deposited into the Reserve Fund; and

(C) Twenty-five percent (25%) to the Fair Association.

- (2) Sufficient Year. In a Sufficient Year, any Net Profits shall be allocated:
- (A) Fifty percent (50%) deposited into the Reserve Fund;
 - (B) Twenty-five percent (25%) to the Fair Association; and
 - (C) Twenty-five percent (25%) to the City to use for debt service payments on Debt Obligations.
- (3) Year. In a Year, any Net Profits shall be allocated:
- (A) Fifty percent (50%) deposited into the Capital Expansion Fund;
 - (B) Twenty-five percent (25%) deposited into the Reserve Fund; and
 - (C) Twenty-five percent (25%) to the Fair Association.

(b) The Convention Center Authority shall make allocations from Net Profits by March 31 following the end of the preceding Debt Obligation Year or Year. For Debt Obligation Years, the City shall make a certification to the Convention Center Authority by March 1 following the end of the preceding Debt Obligation Year as to whether such Debt Obligation Year was an Insufficient Year or a Sufficient Year. For example, Fiscal Year 3 and Debt Obligation Year 3 both end on December 31, 2020. By March 1, 2021, the City must certify to the Convention Center Authority whether Debt Obligation Year 3 was an Insufficient Year or a Sufficient Year. Based upon the City's certification, the Convention Center Authority, if there are Net Profits from Fiscal Year 3, disburses such Net Profits according to this Section by March 31, 2021.

Section 9.04 EXPENSES. The Convention Center Authority will be responsible for any and all expenses incurred as result of operation, management, and maintenance of the Convention Center and Parking Lots.

Section 9.05 RESERVE FUND.

(a) The Convention Center Authority shall establish a Reserve Fund. Funds deposited into the Reserve Fund pursuant to this Agreement shall be used solely for operating losses of the Convention Center and/or Parking Lots and for maintenance, repairs, and replacements in the Convention Center and/or Parking Lots. In the event there are not enough funds in the Reserve Fund to cover an operating loss, the Convention Center Authority shall look to the Fair Association for funds to cover the operating loss.

(b) In the event the Convention Center operates at a deficit for three (3) consecutive Fiscal Years at any time following the initial four (4) years of operation, the City and the Fair Association shall engage in Good Faith negotiations to decide upon a course of action for the Convention Center and Parking Lots.

Section 9.06 FAIR ASSOCIATION.

(a) As provided in Section 8.15, the Convention Center Authority will hire the Fair Association to oversee day-to-day operations, management, and maintenance of the Convention Center and Parking Lots. The Fair Association may facilitate operations, management, and maintenance by hiring private consultants or by utilizing Fair Association staff, in the Fair Association's discretion.

(b) In the event the Fair Association is failing to oversee day-to-day operations, management, and maintenance in accordance with Good Industry Practice in the discretion of the Convention Center Authority, the Convention Center Authority will provide written notice to the Fair Association detailing the behavior and allowing the Fair Association ninety (90) calendar days to correct such behavior. If the behavior is such that it cannot reasonably be corrected within the 90-day period, but the Fair Association is diligently pursuing correction within the 90-day period, the Convention Center Authority shall provide a reasonable extension to the Fair Association to continue its diligent pursuit of the correction. If the Fair Association fails to correct the behavior in accordance with this Section, the Convention Center Authority will direct the City to market for private consultants who could oversee operations, management, and maintenance. The Convention Center Authority, within its discretion, may or may not compensate the Fair Association.

(c) If the Convention Center Authority terminates the Fair Association at any time during the term of this Development Agreement, the Fair Association is entitled to the amounts in the Reserve Fund that it deposited from the sale of Development Property and the Project Footprint. If the balance of the Reserve Fund, determined on the date of termination of the Fair Association, is less than the amounts deposited by the Fair Association from such items, however, neither the Convention Center Authority nor the City will owe any deficiency to the Fair Association.

(d) While overseeing operations and management of the Convention Center, the Fair Association shall coordinate schedules with its operations to ensure adequate amenities, such as parking, are available for expected event patrons. Additionally, the Fair Association, when scheduling events, shall be aware of and respect its parking agreement with Bonanzaville.

Section 9.07 CAPITAL EXPANSION FUND. The Convention Center Authority shall establish a Capital Expansion Fund. Funds deposited into the Capital Expansion Fund pursuant to this Agreement shall be used solely for the expansion, renovation, improvement, or modification of the Convention Center or Parking Lots. Funds may not be expended from the Capital Expansion Fund without the consent of the City, the Convention Center Authority, and the Fair Association. If the balance in the Reserve Fund is at the Reserve Fund Requirement, the Convention Center Authority may vote to deposit funds which would have been deposited into the Reserve Fund into the Capital Expansion Fund.

Section 9.08 SPECIAL ASSESSMENTS. In the event special assessments are assessed against the Project Footprint following the final completion of the Convention Center and the Parking Lots, the Convention Center Authority shall be solely responsible for payment of the special assessments. Prior to final completion of the Convention Center and the Parking Lots, the City shall be responsible for any special assessments.

Section 9.09 IMPROVEMENTS. Following final completion of the Convention Center and the Parking Lots, if the Convention Center Authority desires to make any improvements or modifications to the Convention Center and/or the Parking Lots, the Convention Center Authority shall receive written approval from the City prior to making any such improvement or modification. If the City desires to make any improvements or modifications to the Convention Center and/or Parking Lots, the City may do so in its discretion, but it shall coordinate with the Convention Center Authority in an attempt to minimize disruptions to operations as much as reasonably possible during construction of the improvement or modification. If the improvement or modification requires the purchase of additional property from the Fair Association, the City and the Fair Association will engage in Good Faith negotiations to arrive at a procedure to accomplish the purchase.

Section 9.10 NAMING RIGHTS. All funds received from naming rights to the Convention Center or Parking Lots will be allocated as follows:

(a) From the Effective Date until the tenth anniversary of the Effective Date, unless all Debt Obligations are repaid prior to the tenth anniversary of the Effective Date, all funds will be allocated to the City for debt service payments on the Debt Obligations; and

(b) Following the tenth anniversary of the Effective Date or until all Debt Obligations are repaid, whichever occurs sooner, all funds will be deposited into the Reserve Fund.

Section 9.11 POLICE PRESENCE. The West Fargo Police Department will coordinate with the Convention Center Authority, the Fair Association, and other law enforcement agencies in which the Fair Association contracts to provide a police presence during large-scale events held at the Convention Center or on the Fairgrounds Property.

Section 9.12 HAZARDOUS MATERIAL MITIGATION. If Hazardous Material is introduced onto or deposited on the Project Footprint by the Convention Center Authority or by the Convention Center Authority's use of the Project Footprint, the Convention Center Authority will notify the City and the Fair Association of the presence of the Hazardous Material, and the Convention Center Authority will pay any and all costs and expenses associated with mitigating the Hazardous Material.

Section 9.13 DISBANDING OF CONVENTION CENTER AUTHORITY. In the event the Convention Center Authority is no longer operational or is disbanded, the City will be responsible for operating, managing, and maintaining the Convention Center and the Parking Lots.

Section 9.14 PARKING LOTS. The Fair Association may utilize the Parking Lots for its events at no charge to the Fair Association.

ARTICLE X. HOTEL AND RESTAURANT

Section 10.01 GENERAL OBLIGATIONS OF CONVENTION CENTER AUTHORITY. The Convention Center Authority shall be responsible for marketing for, and entering into a construction contract with, a private developer for the construction and operation of the Hotel and

Restaurant. The Convention Center Authority shall enter a contract for the construction of the Hotel and Restaurant within twenty four (24) months following Substantial Completion of the Convention Center. In the event the Convention Center Authority does not enter a contract within said 24-month period, the Convention Center Authority's responsibility to enter into a contract ceases and the City shall be responsible for contracting with a private developer for the construction and operation of the Hotel and Restaurant. If the contract between the Convention Center Authority and the private developer calls for the private developer to make lease payments of any kind, (i) in years in which the City has Debt Obligations outstanding, the Convention Center Authority shall remit those lease payments to the City for debt service on the Debt Obligations; or (ii) in years in which the City has no Debt Obligations outstanding, the Convention Center Authority shall deposit the lease payments in their entirety into the Reserve Fund. If the City enters a contract with a private developer for the construction and operation of the Hotel and Restaurant, then any and all lease payments under said contract will belong to the City.

Section 10.02 GROUND LEASE. Contemporaneous with the execution of a contract for the construction and operation of the Hotel and Restaurant between the Convention Center Authority and a private developer, the City will enter a ground lease with the Convention Center Authority granting the Convention Center Authority the right to lease those portions of the Project Footprint necessary for the construction of the Hotel and Restaurant.

ARTICLE XI. INDEMNIFICATION

Section 11.01 INDEMNIFICATION.

(a) Following final completion of the Convention Center, the Convention Center Authority will release, hold harmless, defend, and indemnify the City, the City's officers, employees, agents, and representatives from any and all liability, losses, damages, penalties, claims, demands, actions, suits, costs, expenses, judgments, and executions in any way relating to or arising out of this Development Agreement or the use or occupancy of the Project Footprint. The Convention Center Authority shall not be required to indemnify the City for liability, losses, damages, penalties, claims, demands, actions, suits, costs, expenses, judgments, or executions caused by wrongful acts or omission of the City, its agents, or employees. The Convention Center Authority assumes all risk of personal injury or death and property damage or loss from whatever causes arise in any way related to the Convention Center Authority, or the Convention Center Authority's agents', employees', or representatives' use of or presence of the Project Footprint.

(b) The Convention Center Authority's duties to release, hold harmless, defend, and indemnify the City, the City's officers, employees, agents, and representatives as described above include, but are not limited to, any and all claims, damages, actions, causes of action, claims for relief for damages (compensatory, exemplary, or otherwise), costs, loss of services, expenses, or compensation for or on account of any damage, loss, or injury directly to the Convention Center Authority, or the Convention Center Authority's officers, agents, representatives, or employees, and/or to claims, demands, actions, causes of action, or claims for relief for contribution and/or indemnity for injury alleged to the person or property of any other person or party, whether natural or not, other than the Convention Center Authority.

**ARTICLE XII.
INSURANCE**

Section 12.01 COVERAGES.

(a) The City will obtain and maintain the following insurance coverages for the construction of the Convention Center and Parking Lots until and following final completion of the Convention Center and Parking Lots:

(1) Commercial General Liability Insurance including coverage for premises and operations, independent contractors, personal injury, product and completed operations, explosion, collapse and underground, and broad form contractual liability of limits at least equal to the maximum municipal liability limits in N.D.C.C. § 32-12.1-03.

(2) Property Insurance. The City shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Convention Center is located, property insurance written on an “all-risk” or equivalent policy form in an amount equal to full replacement cost of the Convention Center.

(3) The City, in its discretion, may procure additional insurance coverages.

(b) The Convention Center Authority will obtain and maintain the following coverages for the Convention Center and the Parking Lots following final completion of the Convention Center and Parking Lots:

(1) Commercial General Liability Insurance including coverage for premises and operations, independent contractors, personal injury, product and completed operations, explosion, collapse and underground, and broad form contractual liability of limits at least equal to the maximum municipal liability limits in N.D.C.C. § 32-12.1-03.

(2) The Convention Center Authority, in its discretion, may procure additional insurance coverages.

Section 12.02 NO WAIVER OF STATUTORY LIMITS. Nothing in this Development Agreement shall constitute a waiver of the statutory limits of liability set forth in N.D.C.C. § 32-12.1-03 or a waiver of any available immunities or defenses.

Section 12.03 PROOF OF COVERAGE. The City and the Convention Center Authority will each deliver true and correct copies of policies, material forms, and premium indications of each insurance policy required to be procured, certified by its respective insurance broker to be true and correct copies of such policies, forms, endorsements, and premium indications and will continually do so annually thereafter no later than ten (10) calendar days prior to policy renewal or replacement.

Section 12.04 ADJUSTMENTS IN COVERAGE AMOUNT. Each year on the anniversary of the date of final completion, the required policy limits secured by the Convention Center Authority shall increase by two percent (2%).

Section 12.05 FAILURE TO OBTAIN INSURANCE COVERAGE. If in any instance the Convention Center Authority has not performed its obligations respecting insurance coverage set forth in this Development Agreement or is unable to enforce and collect any insurance for failure to assert claims in accordance with the terms of the insurance policies, then for purposes of determining the Convention Center Authority's liability, the Convention Center Authority will be treated as if it has elected to self-insure up to the full amount of insurance coverage which would be available had the Convention Center Authority performed such obligations and not committed such failure.

Section 12.06 RESTORATION; INSURANCE PROCEEDS. If all or any part of any of the Convention Center or Parking Lots is destroyed or damaged during the term of this Development Agreement, in whole or in part by fire or other casualty of any kind or nature (including any casualty for which insurance was not obtained or obtainable), ordinary or extraordinary, foreseen or unforeseen, the Convention Center Authority will give the City notice thereof promptly after the Convention Center Authority receives actual notice of such casualty. Following receipt of notice by the City, the City shall submit an insurance claim for the destruction or damage. In the event the insurance proceeds are equal to or exceed the estimated costs of repairs, alterations, restorations, replacement, and rebuilding, the City shall proceed diligently to restore the Convention Center and/or Parking Lots to their pre-casualty condition, applying the insurance proceeds. In the event the insurance proceeds are less than the estimated costs of repairs, alterations, restorations, replacement, and rebuilding, the City and the Fair Association shall engage in Good Faith negotiations to decide upon a course of action for the Convention Center and/or Parking Lots.

ARTICLE XIII. DEFAULTS AND REMEDIES

Section 13.01 FAIR ASSOCIATION DEFAULT. The occurrence of one (1) or more of the following events during the terms of this Development Agreement will constitute a default by the Fair Association pursuant to this Development Agreement:

(a) Any representation or warranty made by the Fair Association is false or misleading in any material respect on the date made and a material adverse effect upon the Project Footprint, Convention Center, and/or the Parking Lots or the City's rights or obligations under the Development Agreement results therefrom, and such circumstances continue without cure for a period of thirty (30) calendar days following the date the City delivers to the Fair Association written notice thereof, or as agreed upon by the Parties, with cure regarded as complete only when the adverse effects are remedied; or

(b) The Fair Association fails to comply with, perform, or observe any material obligation, covenant, agreement, term, or condition in this Development Agreement which failure materially and adversely affects the City's rights or obligations under this Development Agreement and such failure continues without cure for a period of thirty (30) calendar days following the date the City delivers to the Fair Association written notice thereof (giving particulars of the failure in reasonable detail), or as agreed upon by the Parties.

Section 13.02 CITY REMEDIES. Upon the occurrence of a default by the Fair Association, the City may, subject to the provisions of this Development Agreement, do any or all of the following as the City, in its sole discretion, may determine:

(a) The City may terminate the Development Agreement to the extent provided in Section 14.02; and

(b) The City may exercise any of its rights and remedies provided for hereunder or under Applicable Law.

Section 13.03 CONVENTION CENTER AUTHORITY DEFAULT. The occurrence of any one (1) or more of the following events following final completion will constitute a default by the Convention Center Authority pursuant to this Development Agreement:

(a) The Convention Center Authority fails to comply with, perform, or observe any material obligation, covenant, agreement, term, or condition in this Development Agreement which failure materially and adversely affects the City's rights or obligations under this Development Agreement and such failure continues without cure for a period of thirty (30) calendar days following the date the City delivers to the Convention Center Authority written notice thereof (giving particulars of the failure in reasonable detail);

(b) The Convention Center Authority fails to operate, maintain, repair, rehabilitate, and renovate the Convention Center and/or Parking Lots such that they are safe and secure for occupancy by patrons, and any such condition, occurrence, or failure continues for a period of seven (7) calendar days after written notice by the City to the Convention Center Authority;

(c) The Convention Center Authority fails to maintain all governmental and other approvals necessary for the management, operation, maintenance, use, repair, or rehabilitation of the Convention Center and/or Parking Lots and such breach or default continues for thirty (30) calendar days after notice thereof by the City in writing to the Convention Center Authority; provided, however, that if such failure is of a nature that it cannot reasonably be cured within such thirty (30) calendar day period, then the Convention Center Authority shall have such time as is reasonably required to cure such breach or default; provided that the time period to cure shall not exceed sixty (60) calendar days and, provided further, that the Convention Center Authority commences the cure within such thirty (30) calendar day period following notice thereof and continues thereafter to diligently pursue completion of such cure;

(d) The Convention Center Authority fails to maintain, or to cause to be maintained, the insurance policy as and when required pursuant to this Development Agreement for the benefit of relevant parties, or fails to comply with any requirement of this Development Agreement pertaining to the amount, terms, or coverage of the same and such failure continues without cure for a period of ten (10) calendar days following the date the City delivers to the Convention Center Authority written notice thereof; and

(e) The Convention Center Authority, or its agents, willfully, repeatedly, persistently fails to comply with the performance standards relating to maintenance and repair of the Convention Center and Parking Lots as set forth in Article IX.

Section 13.04 CITY REMEDIES. Upon the occurrence of a default by the Convention Center Authority, the City may, subject to the provisions of this Development Agreement, do any or all of the following as the City, in its sole discretion, may determine:

(a) The City may terminate the Development Agreement to the extent provided in Section 14.02; and

(b) The City may exercise any of its rights and remedies provided for hereunder or under Applicable Law.

Section 13.05 CITY DEFAULT. The occurrence of any one (1) or more of the following events during the term of this Development Agreement will constitute default by the City pursuant to this Development Agreement:

(a) Any representation or warranty made by the City herein is false or misleading in any material respect on the date made and a material adverse effect upon the Convention Center and/or the Parking Lots or the Fair Association's or the Convention Center Authority's rights or obligations under the Development Agreement results therefrom, and such circumstance continues without cure for a period of thirty (30) calendar days following the date the Fair Association or the Convention Center Authority, as applicable, delivers to the City written notice thereof, with cure regarded as complete only when the adverse effects are remedied; and

(b) The City fails to comply with, perform, or observe any material obligation, covenant, agreement, term, or condition in this Development Agreement which failure materially adversely affects the Fair Association's or the Convention Center Authority's interest, and such failure continues without cure for a period of thirty (30) calendar days following the date the Fair Association or the Convention Center Authority, as applicable, delivers to the City written notice thereof (giving particulars of the failure in reasonable detail).

Section 13.06 FAIR ASSOCIATION AND CONVENTION CENTER AUTHORITY REMEDIES. Upon the occurrence of a default by the City pursuant to this Development Agreement, the Fair Association or Convention Center Authority, as applicable, may by notice to the City declare the City to be in default and may do any or all of the following as the Fair Association or Convention Center Authority, as applicable, in its discretion, will determine:

(a) The Fair Association or Convention Center Authority may terminate this Development Agreement to the extent provided in Section 14.03; and

(b) The Fair Association or Convention Center Authority may exercise any of its other rights and remedies provided for hereunder or under Applicable Law.

ARTICLE XIV. TERMINATION

Section 14.01 TERMINATION UPON CONSENT. Except as otherwise indicated herein, the Parties may terminate this Development Agreement upon written consent by both Parties.

Section 14.02 TERMINATION FOR FAIR ASSOCIATION OR CONVENTION CENTER AUTHORITY DEFAULT. Subject to the provisions of Section 13.01 and 13.03, at any time after the occurrence of a default by either the Fair Association or the Convention Center Authority, the City is entitled to terminate this Development Agreement. If the City elects to terminate pursuant to this Section, the City must deliver to the Fair Association or the Convention Center Authority, as applicable, a written notice of intent to terminate this Development Agreement.

Section 14.03 TERMINATION FOR CITY DEFAULT. Subject to the provisions of Section 13.05, the Fair Association or the Convention Center Authority, as applicable, is entitled to terminate this Development Agreement in the event of default by the City. If either the Fair Association or Convention Center Authority elects to terminate pursuant to this Section, it must deliver to the City a written notice of intent to terminate this Development Agreement.

Section 14.04 ACTIONS UPON TERMINATION.

(a) On delivery of notice of termination of this Development Agreement by the City, the Fair Association, or the Convention Center Authority, or the Parties consent to the termination of this Development Agreement, the provisions of this Section will apply.

(b) Except as otherwise specified in this Development Agreement, following final completion of the Convention Center and Parking Lots, within thirty (30) calendar days after receipt of a notice of termination, or, if applicable, not later than thirty (30) calendar days prior to the agreed-upon termination of the Development Agreement, the Convention Center Authority will meet and confer with the City for the purpose of developing an interim transition plan for the orderly transfer to the City of control of the Convention Center and Parking Lots. The City and the Convention Center Authority will use diligent efforts to complete preparation of the interim transition plan within fifteen (15) calendar days after the date of receipt of the notice of termination or, if applicable, not later than fifteen (15) calendar days before the agreed-upon termination of the Development Agreement. The City and the Convention Center Authority will use diligent efforts to complete a final transition plan within thirty (30) calendar days after such date. The transition plan will be mutually agreed upon by the City and the Convention Center Authority and will include and be consistent with the other provisions and procedures set forth in this Section, all of which procedures the Convention Center Authority will promptly follow, regardless of any delay in preparation or acceptance of the transition plan.

(c) Upon receipt of a notice of termination or, if applicable, before the agreed-upon termination of the Development Agreement, the Convention Center Authority will take all action that may be necessary, or that the City may reasonably direct, for the protection and preservation of the Convention Center and Parking Lots and such materials, goods, machinery, equipment, parts, supplies, and other property.

(d) The Convention Center Authority will deliver to the City on the date of termination of the Development Agreement:

(1) All tangible personal property, reports, books, and records necessary or useful for the Convention Center including assignment of all leases involving personal property, machinery, and equipment relating to the Convention Center;

(2) Possession and control of the Convention Center and Parking Lots, free and clear of any and all liens created, incurred, or suffered by the Convention Center Authority for anyone claiming under it;

(3) Possession, ownership, and control of the furniture and furnishings within the Convention Center, free and clear of any liens created, incurred, or suffered by the Convention Center Authority or anyone claiming under it; and

(4) Assignment of any agreement between the Convention Center Authority and a private developer for the construction and operation of the Hotel and Restaurant.

Section 14.05 LIABILITY AFTER TERMINATION; CONSEQUENCES OF TERMINATION.

(a) If this Development Agreement is terminated by reason of default by the City, the Fair Association, or the Convention Center Authority, such termination will not excuse the defaulting party from any liability arising out of such default as provided in this Development Agreement.

(b) If this Development Agreement is terminated by any reason other than by default by the City, the Fair Association, or the Convention Center Authority, no party will have any further obligation or liability except for performance of its respective obligations which are expressly stated in this Development Agreement to survive termination.

(c) The City will, as of the effective date of termination of the Development Agreement, assume full responsibility of the Convention Center and Parking Lots, and as of such date, neither the Fair Association nor Convention Center Authority will have any liability or responsibility for the Convention Center or the Parking Lots; provided, the City, the Fair Association, and the Convention Center Authority will remain fully responsible for all of their respective obligations or liabilities pursuant to this Development Agreement arising before the effective date of termination and those obligations pursuant to this Development Agreement which survive termination.

(d) Regardless of the City's prior actual or constructive knowledge thereof, no contract or agreement to which the Convention Center Authority is a party (unless the City is also a party thereto) as of the effective date of termination will bind the City, unless the City elects to assume such contract or agreement in writing. Except in the case of the City's express written assumption, no such contract or agreement will entitle the contracting party to continue performance of work or services respecting the Convention Center or Parking Lots following the effective date of termination, or to any claim, legal or equitable, against the City.

**ARTICLE XV.
DISPUTE RESOLUTION**

Section 15.01 INTENT AND PROCEDURE. The City and the Fair Association will cooperate and use their best efforts to ensure that the various provisions of this Development Agreement are fulfilled. The City and the Fair Association agree to act in good faith to undertake resolution of disputes in an equitable and timely manner and in accordance with the provisions of this Development Agreement. If disputes cannot be resolved informally, the Parties will utilize the following procedure.

Section 15.02 MEDIATION. If there is a failure between the Parties to resolve a dispute on their own, the Parties will first attempt to mediate the dispute. The Parties will agree upon a single mediator or, if an agreement cannot be reached within ten (10) calendar days, each Party shall propose three (3) mediators trained in civil mediation, for a total of six (6) mediators, from the North Dakota Statewide ADR Neutral Roster maintained by the North Dakota State Court Administrators Office, and the Parties shall select a mediator by alternatively striking names until one (1) remains. The City shall strike the first name, followed by the Fair Association, until one (1) name remains. Each Party will equally share in the costs for mediation services.

Section 15.03 VENUE. In the event the Parties are unable to resolve disputes through mediation, they may pursue litigation. Litigation arising out of or pertaining to this Development Agreement or its breach shall take place in Cass County, North Dakota.

Section 15.04 WAIVER OF JURY TRIAL. The Parties hereby knowingly, irrevocably, voluntarily, and intentionally waive any rights that any may have to a trial by jury with respect to any action, proceeding, counterclaim, or defense based on this Development Agreement, or arising out of, under, or in any connection with this Development Agreement, or with respect to any course of conduct, course of dealing, statements (whether oral or written) or actions of any Party hereto relating to this Development Agreement. This provision is a material inducement for all Parties entering into this Development Agreement. This provision applies only to suits between the Parties and does not apply to third party claims or suits.

ARTICLE XVI. REPRESENTATIONS AND WARRANTIES

Section 16.01 CITY REPRESENTATIONS AND WARRANTIES. The City hereby represents and warrants the following to the Fair Association:

(a) The City has the full power, rights, and authority to execute, deliver, and perform its obligations under, in accordance with, and subject to the terms and conditions of this Development Agreement;

(b) Each person executing this Development Agreement has been or at such time will be duly authorized to execute each such document on behalf of the City;

(c) There is no action, suit, proceeding, investigation, or litigation pending and served on the City which challenges the City's authority to execute, deliver, or perform, or the validity or enforceability of, this Development Agreement, or which challenges the authority of the City official executing this Development Agreement, and the City has disclosed to the Fair Association

any pending and unserved or threatened action, suit, proceeding, investigation, or litigation with respect to such matters of which the City is aware;

(d) This Development Agreement has been duly authorized, executed, and delivered by the City and constitutes a valid and legally binding obligation of the City, enforceable against it in accordance with the terms hereof; and

(e) The City has taken or caused to be taken all requisite action to authorize the execution and delivery of, and the performance of its obligations under, this Development Agreement.

Section 16.02 FAIR ASSOCIATION REPRESENTATIONS AND WARRANTIES. The Fair Association hereby represents and warrants the following to the Fair Association:

(a) The Fair Association is a duly organized nonprofit corporation created under the laws of the State of North Dakota, is qualified to conduct business in the State of North Dakota, has the requisite power and all required licenses to carry on its present and proposed activities, and has full power, right and authority to execute and perform each and all of its obligations under the Development Agreement;

(b) The Fair Association has taken or caused to be taken all requisite action to authorize the execution and delivery of, and the performance of its obligations under, this Development Agreement;

(c) Each person executing this Development Agreement on behalf of the Fair Association has been or will at such time be duly authorized to execute such document on behalf of the Fair Association;

(d) This Development Agreement has been duly authorized, executed, and delivered by the Fair Association and constitutes a valid and legally binding obligation of the Fair Association, enforceable against it in accordance with its terms, subject only to applicable bankruptcy, insolvency, and similar laws affecting the enforceability of the rights of creditors generally and to general principles of equity;

(e) Neither the execution and delivery by the Fair Association of this Development Agreement, nor the consummation of the transactions contemplated hereby or thereby, is in conflict with or will result in a default under or a violation of (i) the governing instruments of the Fair Association or any other agreements or instruments to which it is a party or by which it is bound or (ii) to its knowledge, any applicable law, where such violation will have a material effect on the ability of the Fair Association to perform its obligations under this Development Agreement;

(f) The Fair Association is in material compliance with all applicable laws applicable to the Fair Association or its activities in connection with the Development Agreement;

(g) To the best of the Fair Association's knowledge after diligent inquiry, no event which, with the passage of time or the giving of notice, would constitute a default by the Fair Association has occurred; and

(h) To the best of the Fair Association's knowledge after diligent inquiry, no event which, with the passage of time or the giving of notice, could constitute a default by the Fair Association under this Development Agreement has occurred.

ARTICLE XVII. MISCELLANEOUS

Section 17.01 ASSIGNMENT. Neither Party may transfer this Development Agreement without the prior written consent of the other Party. Subject to this limitation on transfers, this Development Agreement and all terms, covenants, provisions, and conditions contained herein shall inure to the benefit of and be binding upon the permitted successors and permitted assigns, if any, of the Parties.

Section 17.02 AMENDMENT. This Development Agreement may be amended only by written instrument duly executed by the Parties.

Section 17.03 WAIVER.

(a) No waiver by any Party of any right or remedy pursuant to this Development Agreement will be deemed to be a waiver of any other or subsequent right or remedy pursuant to this Development Agreement. The consent by one Party to any act by another Party requiring such consent will not be deemed to render unnecessary the obtaining of consent to any subsequent act for which consent is required, regardless of whether similar to the act for which consent is given.

(b) No act, delay, or omission done, suffered, or permitted by one Party or its agents will be deemed to waive, exhaust, or impair any right, remedy, or power of such Party pursuant to this Development Agreement.

(c) No waiver of any term, covenant, or condition of this Development Agreement will be valid unless in writing and executed by the obligee Party.

(d) No custom or practice between the Parties in the administration of the terms of this Development Agreement will be construed to waive or lessen the right of a Party to insist upon performance by the other Party in strict compliance with the terms of this Development Agreement.

Section 17.04 AUTHORIZED REPRESENTATIVES.

(a) The City and the Fair Association hereby designate the following individuals as its initial representatives, respectively, to administer this Development Agreement on its respective behalf:

- (1) For the City: Tina Fisk, City Administrator

(2) For the Fair Association: Bryan Schulz, General Manager

(b) The representatives will be reasonably available to each other during the term of this Development Agreement and will have the authority to issue instructions and other communications on behalf of the City and the Fair Association, respectively, and will be the recipients of notices and other written communications from the other Party pursuant to this Development Agreement, except as otherwise provided in this Development Agreement. Such representatives, however, will not have the authority to make decisions or give instructions binding upon the City or the Fair Association, except to the extent expressly authorized by the City or the Fair Association, as the case may be, in writing.

(c) In the event the City or the Fair Association designates a different representative, it will give the other Party written notice of the identity of and contact information for the new representative, as the case may be.

Section 17.05 NOTICE.

(a) All notices under the Development Agreement shall be in writing and: (i) delivered personally; (ii) sent by certified mail, return receipt requested; (iii) sent by a recognized overnight mail or courier services, with delivery receipt requested; or (iv) sent by facsimile or email communication followed by a hard copy and with receipt confirmed by telephone or return receipt (in the case of email communication), to the following addresses.

(b) All notices to the City shall be marked as regarding the Project and shall be delivered to the following address or as otherwise directed by the City representative:

City of West Fargo
800 4th Avenue E, Suite #1
West Fargo, ND 58078

(c) All notices to the Fair Association shall be delivered to the following address or otherwise directed by the Fair Association representative:

Red River Valley Fair Association
1805 Main Avenue West
West Fargo, ND 58078

(d) Notices shall be deemed received when actually received in the office of the addressee (or by the addressee if personally delivered) or when delivery is refused, as shown on the receipt of the U.S. Postal Service, private courier, or other person making the delivery. Notwithstanding the foregoing, notices sent by facsimile after 4:00 p.m. CST and all other notices received after 5:00 p.m. CST shall be deemed received on the first calendar day following delivery.

Section 17.06 NO THIRD PARTY BENEFICIARIES. Nothing contained in this Development Agreement is intended or will be construed as creating or conferring any right, benefit, or remedy

upon, or creating any obligations of the Parties hereto toward, any person or entity not a Party to this Development Agreement, except rights expressly contained herein.

Section 17.07 GOVERNING LAW. This Development Agreement will be governed by and construed in accordance with the laws of the State of North Dakota.

Section 17.08 SURVIVAL. The dispute resolution procedures, the indemnifications, limitations, releases, obligations, and all other provisions which by their inherent character should survive expiration or earlier termination of this Development Agreement will survive the expiration or earlier termination of this Development Agreement.

Section 17.09 COUNTERPARTS. This instrument may be executed in two (2) or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

Section 17.10 FORCE MAJEURE. Neither Party will be liable to the other during any period in which its performance is delayed or prevented, in whole or in part, by any of the following circumstances: war, civil war, invasion, violent act of foreign enemy, or armed conflict; nuclear, chemical, or biological contamination; ionizing radiation; or any act of terrorism. If such circumstance occurs, the Party claiming the delay must undertake reasonable action to notify the other Party of the same.

Section 17.11 ENTIRE AGREEMENT. This Development Agreement contains the entire and exclusive understanding of the Parties with respect to the subject matter thereof, and this Development Agreement supersedes all prior agreements, understandings, statements, representations, and negotiations, in each case oral or written, between the Parties with respect to their subject matter.

Section 17.12 CHANGE IN LAW. The City and the Fair Association will ensure that the Project is performed in accordance with the terms of this Agreement following any Change in Law. If a Change in Law occurs or will occur within ninety (90) calendar days, either Party may notify the other Party and include in such notification: (i) an opinion on its likely effects; (ii) any necessary changes to the Project or implementation of this Agreement, including the full detail of the procedure for implementing such changes; and (iii) amendments (if any) required by this Agreement. After either Party delivers a notice of a Change in Law, the Parties shall meet and discuss the issues referred to in such notice and any ways in which the Parties can mitigate the effect of the relevant Change in Law.

Section 17.13 LEGISLATIVE AND TAX LAW DISCLOSURE. The Fair Association acknowledges and agrees that the authority of the City to create, impose, and administer TIF District No. [xx] is derived from North Dakota statutory authority and the North Dakota Legislature has the power to amend, repeal, and replace any and all laws relating to tax increment financing, property tax valuation, and collection.

IN WITNESS WHEREOF, the City and the Fair Association caused this Development Agreement to be executed.

(Remainder of page intentionally left blank.)

DRAFT

Signature Page for the City of West Fargo

The governing body of the City of West Fargo, North Dakota, approved this Development Agreement on the _____ day of _____, 2018.

CITY OF WEST FARGO, NORTH
DAKOTA

By: _____
Rich Mattern, Mayor

ATTEST:

Tina Fisk, City Auditor

DRAFT

Signature Page for the Red River Valley Fair Association

The governing body of the Red River Valley Fair Association approved this Development Agreement on the ____ day of _____, 2018.

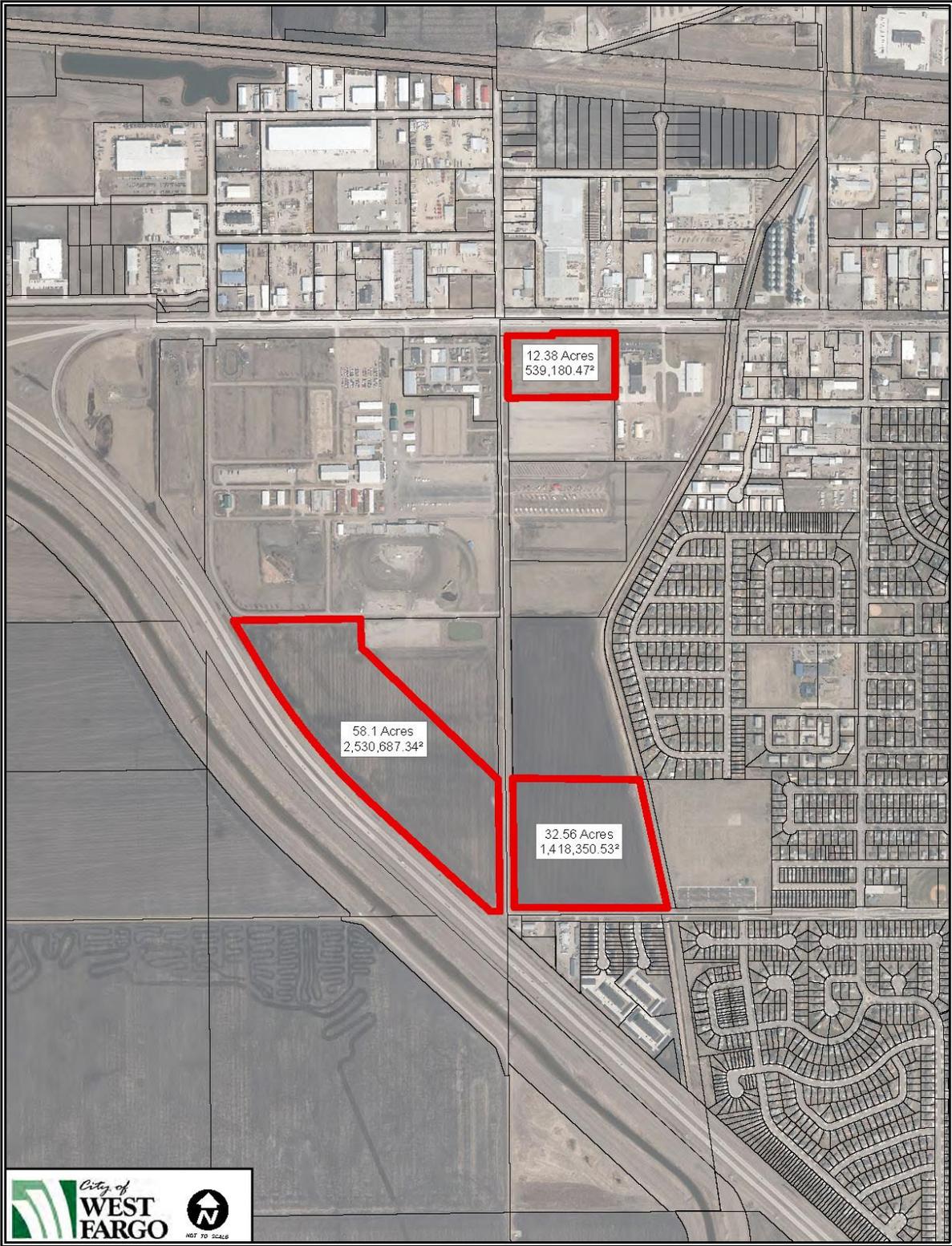
RED RIVER VALLEY FAIR
ASSOCIATION

By: _____

Its: _____

DRAFT

**EXHIBIT B –
MAP OF DEVELOPMENT PROPERTY**



**EXHIBIT C –
MAP OF TIF DISTRICT NO. [XX]¹**

DRAFT

¹ The City is in the process of drafting a preliminary map of the TIF District.

EXHIBIT D –

FAIRGROUNDS ZONING DESIGNATION, CONVENTION CENTER ZONING DESIGNATION, AND OTHER ORDINANCE AMENDMENTS

AN ORDINANCE TO AMEND AND REENACT SECTIONS 11-0106, 11-0107, 11-0108, 12-0712, 12-0903, AND 15-1405 AND TO CREATE AND ENACT SECTIONS 4-430, 4-430.1, 4-430.2, 4-430.3, 4-430.4, 4-430.5, 4-434, 4-434.1, 4-434.2, 4-434.3, AND 4-434.4 OF THE REVISED ORDINANCES OF 1990 OF THE CITY OF WEST FARGO, RELATING TO ANIMALS, NOISY PARTIES AND GATHERINGS, CURFEW FOR MINORS, NOISE CONTROL, FAIRGROUNDS ZONING DISTRICT AND CONVENTION CENTER ZONING DISTRICT.

BE IT ORDAINED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF WEST FARGO, NORTH DAKOTA:

SECTION 1. Sections 11-0106, 11-0107, and 11-0108 of the Revised Ordinances of 1990 of the City of West Fargo, North Dakota relating to Animals are hereby amended and reenacted to read as follow:

11-0106. KEEPING OF FOWL AND OTHER NON-DOMESTIC ANIMALS. No person shall keep, feed, or maintain fowl or other non-domestic animals of any kind within the City, except horses, swine or cattle temporarily held in shipping pens for shipment to market or elsewhere, or as otherwise permitted by the applicable Zoning Ordinances of the City of West Fargo. A person may keep, feed, or maintain fowl or other non-domestic animal of any kind in the Fairgrounds District during a fairground sponsored event or activity. No person shall keep, feed, or maintain restricted non-venomous constricting snakes as defined by Chapter 11-01 of the City of West Fargo Ordinances, except as otherwise permitted by the applicable Ordinances of the City of West Fargo.

11-0107. STABLES AND KENNELS. No person shall keep within the City any pig sty, kennel, stable or other animal pen or shelter in such a manner as to create or cause any offensive or noxious smell or condition, or maintain or use any such animal pen or shelter constructed in such manner as to permit the contents of filth therein to run or wash upon the premises owned or occupied by another or upon any street or other public place. A pig sty, kennel, stable, or other animal pen or shelter is permitted in the Fairgrounds District, however, reasonable efforts must be made to keep these facilities from creating or causing offensive or noxious smells or conditions.

11-0108. SHOD ANIMALS PROHIBITED OF WALKWAYS. No person shall permit a shod animal to travel on the asphalt, concrete or stone apron, on or along the sidewalk, pedestrian walkway, hiking, biking, or jogging path or on any publicly owned property unless signs permitting the travel of shod animals are displayed, ~~or~~ or during an authorized parade in the City, or located within the Fairgrounds District.

SECTION 2. Section 12-0712 of the Revised Ordinances of 1990 of the City of West Fargo, North Dakota relating to Noisy Parties and Gatherings is hereby amended and reenacted to read as follow:

4. Exceptions. The following are exempt from violation of this Section:
 - a. Activities which are duly authorized, sponsored or licensed by the City, so long as the activity is conducted pursuant to the conditions of the license, permit or contract authorizing such activity.
 - b. Church bells, chimes, or carillons.
 - c. Persons who have gone to a party for the sole purpose of abating the violation.
 - d. Sporting events held at athletic facilities owned by the City, the West Fargo Public School District, or any parochial schools in the City.
 - e. Fairground sponsored events or activities in the Fairgrounds District between the hours of 7:00 a.m. and 1:00 a.m.

SECTION 3. Section 12-0903 of the Revised Ordinances of 1990 of the City of West Fargo, North Dakota relating to Curfew for Minors is hereby amended and reenacted to read as follow:

12-0903. EXCEPTIONS.

1. The following shall constitute valid exceptions to the operation of the curfew. That the minor was:
 - (a) accompanied by the minor's parent or guardian;
 - (b) on an errand at the direction of the minor's parent or guardian, without any detour or stop;
 - (c) in a motor vehicle involved in interstate travel;
 - (d) engaged in an employment activity, or going or returning home from an employment activity, without any detour or stop;
 - (e) involved in an emergency;

- (f) on the sidewalk abutting the minor's residence or abutting the residence of a next-door neighbor if the neighbor did not complain to the police department about the minor's presence;
- (g) attending an official school, religious, or other recreational activity supervised by adults and sponsored by the City of West Fargo, a civic organization, or another similar entity that takes responsibility for the minor, or going to or returning home from, without any detour or stop, an official school, religious, or other recreational activity supervised by adults and sponsored by the City of West Fargo, a civic organization, or another similar entity that takes responsibility for the minor;
- (h) exercising First Amendment rights protected by the United States Constitution, such as the free exercise of religion, freedom of speech, and the right of assembly; or
- (i) married or had been married; or
- (j) attending a fairground sponsored event or activity in the Fairgrounds District between the hours of 7:00 a.m. and 1:00 a.m.

SECTION 4. Section 15-1405 of the Revised Ordinances of 1990 of the City of West Fargo, North Dakota relating to Noise Control is hereby amended and reenacted to read as follow:

15-1405. EXEMPTIONS. The following uses and activities shall be exempt from noise level regulations:

1. Noises of safety signals, warning devices, and emergency relief valves.
2. Noises resulting from any authorized emergency vehicles, when responding to an emergency call or acting in time of emergency.
3. Noises resulting from emergency work as defined in Section 15-1401.6.
4. Any other noise resulting from activities of a temporary duration permitted by law and for which a license or permit therefor has been granted by the City in accordance with Section 15-1406.
5. Any regulation of railroad noise will be subject to the following:

Title 40, Code of Federal Regulations, part 201:

1. 201.1 (c), (m), (p) , (t), (aa), (dd), (ee)
2. 201.10
3. 201.11 (a), (b)
4. 201.12 (a), (b)

5. 201.13
6. 201.22, 201.23, 201.24

6. A fairground sponsored event or activity in the Fairgrounds District between the hours of 7:00 a.m. and 1:00 a.m. or unless prohibited under section 15-1407.

SECTION 5. Sections 4-430, 4-430.1, 4-430.2, 4-430.3, 4-430.4, and 4-430.5 of the Revised Ordinances of 1990 of the City of West Fargo, North Dakota relating to the Fairgrounds Zoning District are hereby created and enacted to read as follow:

4-430. "FG" DISTRICT OR FAIRGROUNDS DISTRICT.

4-430.1. Statement of Intent. The FG District is intended to conserve the tradition and heritage of fairground events, activities, and farm product shows within the community. This district provides a large land area which is suitable for heavy equipment, livestock, and large crowds in a location and manner that provides an adequate distance from other districts.

4-430.2. Permitted Uses.

1. Carnival and amusement rides.
2. Child care facilities.
3. Farm equipment and product sales, testing, and demonstrations.
4. Grand stands.
5. Arenas – pavilions.
6. Racetracks.
7. Parking lots.
8. Camping (day or overnight).
9. Disaster or emergency relief staging area.
10. Structure and vehicle maintenance related to the fairgrounds.
11. Fairs, festivals, rodeos, bazaars, garage sales, flea markets, or similar events.
12. Automated teller machines during events.
13. Food and beverage services, including banquets, catering, sale of alcoholic beverages, and concessions.

14. Livestock, pet, or other animal or agricultural exhibitions, shows, competitions, training, or sales.
15. Meetings, conferences, or symposia.
16. Outdoor recreation, picnics, or social events.
17. Recreational vehicle or tent camping.
18. Telecommunications facilities.
19. Theatrical productions, filming, or photographic shoots.
20. Trade and consumer shows.
21. Temporary warehousing, storage, or distribution.
22. Recycling activities.
23. Community based agriculture.
24. Health or dance classes.
25. Farming.
26. Other uses not listed but similar to the permitted uses above and consistent with the stated purpose of this district.

4-430.3. Conditionally Permitted Uses.

1. Firework displays.
2. Composting activities.

4-430.4 Yard Requirements. None required unless a lot in the FG District abuts a yard in any residential district, in which case there will be a side yard the same as would be required in the residential district.

4-430.5 Other Applicable Regulations.

1. Section 4-440 Supplementary District Regulations
2. Off-Street Parking and Loading Requirements
3. Sign Regulations

Revised Ordinances of 1990 of the City of West Fargo, North Dakota relating to the Fairgrounds Zoning District are hereby created and enacted to read as follow:

4-434. “CC” DISTRICT OR CONVENTION CENTER DISTRICT.

4-434.1. Statement of Intent. The CC District is intended to accommodate uses predominantly serving the community, the region, and the special needs of leisure and business clientele who visit the City and the surrounding region.

4-434.2. Permitted Uses.

1. Public/semi-public facilities, such as civic centers.
2. Hotels and motels.
3. Full service restaurants, providing that where such restaurant is integral to another principal building, such as a hotel, parking supply is calculated to accommodate the mix of uses.
4. Eating and drinking establishments.

4-434.3 Prohibited Uses.

1. Residential: dwellings, dwelling units, and residences of any type, excluding hotels or motels.
2. Institutional: schools, retirement, nursing, or convalescent homes.
3. Landfills (within the city limits of the City of West Fargo).
4. Animal slaughter or rendering (within the city limits of the City of West Fargo).

4-434.4 Other Applicable Regulations.

1. Section 4-440 Supplementary District Regulations
2. Section 4-450 Off-Street Parking and Loading Requirements
3. Section 4-460 Sign Regulations

SECTION 6. Effective Date. This ordinance shall be in full force and effect from and after the date of its final passage and publication.

President of the Board of City
Commissioners of the City of
West Fargo, North Dakota

ATTEST:

City Administrator

Date of First Reading:

Date of Second Reading:

Date of Publication:

**EXHIBIT E –
BASELINE SCHEDULE²**

DRAFT

² We will insert the baseline schedule for the construction of the Convention Center and Parking Lots once agreed upon by the Parties.

**EXHIBIT F –
PROJECT FOOTPRINT³**

DRAFT

³ We will insert a map of the Project Footprint when agreed upon by the Parties.

Version 4 – 2/7/17
Version 5 – 4/12/18
Version 6 – 5/29/18

ANNEXATION AGREEMENT

BY AND BETWEEN

CITY OF WEST FARGO, NORTH DAKOTA

AND

RED RIVER VALLEY FAIR ASSOCIATION

Dated as of _____, 2018

Relating to:

An agreement to annex property owned by the Red River Valley Fair Association into the City of West Fargo.

This instrument was drafted by:
Ohnstad Twichell, P.C.
John T. Shockley
P.O. Box 458
West Fargo, ND 58078

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Exhibit A – Petition for Annexation

Exhibit B – Map of the Fairgrounds Property

Exhibit C – Map of the Development Property

Exhibit D – City Infrastructure as of the Effective Date

DRAFT

ANNEXATION AGREEMENT

THIS ANNEXATION AGREEMENT is entered into this ____ day of _____, 2018 (the “Effective Date”), by and between the City of West Fargo, North Dakota, whose address is 800 Fourth Avenue East, Suite 1, West Fargo, North Dakota 58078 (the “City”), and the Red River Valley Fair Association, whose address is 1805 Main Avenue West, West Fargo, North Dakota 58078 (the “Fair Association”).

RECITALS

WHEREAS, the City and the Fair Association desire to commence an annexation proceeding involving land owned by the Fair Association (the “Annexation Proceeding”); and

WHEREAS, pursuant to North Dakota Century Code § 40-51.2-03, the City, a municipality, may annex property into its jurisdiction; and

WHEREAS, upon a written petition signed by the owners of not less than three-fourths (3/4) in assessed value of the property in any territory contiguous or adjacent to any incorporated municipality and not embraced within the limits thereof, a municipality, by ordinance, may annex such territory to the municipality; and

WHEREAS, because the Fair Association is the owner of more than three-fourths (3/4) in assessed value of the area proposed to be annexed, the Fair Association has the authority to sign and approve the petition for annexation under this Annexation Proceeding; and

WHEREAS, the City desires to enhance the economic visibility of the community through the annexation of the Red River Valley Fairgrounds and surrounding property and to promote future commercial development; and

WHEREAS, the Fair Association desires that the City annex its property, and the City agrees to annex the Fair Association’s property as further described below; and

WHEREAS, the Fair Association and the City desire to enter into this Annexation Agreement relating to annexation and that the Fair Association will support annexation of the Fair Association’s property under the terms, conditions, and agreements set forth under this Annexation Agreement.

NOW THEREFORE, in consideration of the sum of One Dollar (\$1.00) and the mutual terms, covenants, conditions, and agreements contained herein, it is hereby agreed by and between the Parties as follows:

AGREEMENT

1. **Definitions.** The following words shall have the meaning provided in this section which will be used throughout this Annexation Agreement:

- A. **“Best Efforts”** means to take all actions and to do all things necessary, proper, or advisable to consummate, make effective, and comply with all of the terms, provisions, and covenants of this Annexation Agreement.
- B. **“City’s Authorized Representative”** means the Mayor and the City Administrator.
- C. **“City of West Fargo Governing Body”** means the West Fargo Board of City Commissioners (the “Commission”).
- D. **“Development Agreement”** means the Development Agreement dated of even date herewith by and between the City and the Fair Association.
- E. **“Development Property”** means the property owned by the Fair Association that the Fair Association plans to develop into commercial property as more fully described in Section Six (6) of this Annexation Agreement.
- F. **“Effective Date”** means the date in which this Annexation Agreement is signed and executed.
- G. **“Fair Association’s Authorized Representative”** means the individual or individuals with the authority to enter into and/or execute this Annexation Agreement on behalf of the Fair Association.
- H. **“Fairgrounds Property”** means the property owned by the Fair Association that it will maintain and use as a fairgrounds as more fully described in Section Six (6) of this Annexation Agreement.
- I. **“Livestock”** means dairy and beef cattle, goats, horses, sheep, hogs, poultry, game birds, dogs, ponies, and rabbits.
- J. **“Local Improvements”** means improvements that specifically benefit the Fairgrounds Property including but not limited to street, water, sewer, curb and gutter, sidewalk, and other various projects that will especially benefit the Fairgrounds Property.
- K. **“Oversized Infrastructure”** means regional infrastructure projects that do not specifically benefit the Fairgrounds Property that have a generalized impact on a larger area of the City.
- L. **“Party”** means either the City of West Fargo (the “City”) or the Red River Valley Fair Association (the “Fair Association”).
- M. **“Red River Valley Fair Association Governing Body”** means the Fair Association Executive Committee (the “Executive Committee”) responsible for conducting business on behalf of the Fair Association.

N. **“Soccer Complex”** means the real property legally described, on the Effective Date, as Lot 1, Block 1, to the Red River Valley Fair Soccer Subdivision, Barnes Township, Cass County, North Dakota, which is being purchased by the West Fargo Park District from the Fair Association on a contract for deed.

2. **Representations of the Parties.** The Fair Association hereby confirms and represents that the governing body of the Fair Association has duly ratified, affirmed, and approved this Annexation Agreement and the individual or individuals executing this Annexation Agreement are authorized to execute this Annexation Agreement on behalf of the Fair Association.

The City hereby confirms and represents that the Governing Body of the City has duly ratified, affirmed, and approved this Annexation Agreement and the individual or individuals executing this Annexation Agreement are authorized to execute this Annexation Agreement on behalf of the Fair Association.

3. **Annexation Agreement.** The Parties agree and acknowledge that this Annexation Agreement is made and entered into pursuant to N.D.C.C. § 40-51.2-03 and is binding upon the governing bodies of the City and the Fair Association. The Fair Association, by executing this Annexation Agreement, is requesting the City to annex the Fair Association’s property covered by the Annexation Proceeding subject to the terms, covenants, conditions, and agreements contained in this Annexation Agreement.

4. **Petition for Annexation.** The Fair Association will, by and through the Fair Association’s Authorized Representative, execute the Petition for Annexation, attached hereto as Exhibit A. The Petition for Annexation will be dated as of the Effective Date and will be delivered to the City with a fully executed copy of this Annexation Agreement.

5. **Annexation by Ordinance.** Upon receipt of a fully executed petition for annexation by the Fair Association, the City will annex the Fairgrounds Property, including the Development Property, pursuant to and in accordance with N.D.C.C. § 40-51.2-03.

6. **The Property.** The Fair Association requests that the City annex the following-described parcels located in the County of Cass, State of North Dakota, described as follows:

[legal description to be provided at a later date]

(The “Fairgrounds Property”). The Fairgrounds Property includes the property identified on the map attached hereto as Exhibit B. Contained within the Fairgrounds Property is the Development Property, which is identified on the map attached hereto as Exhibit C.

7. **Special Assessments.** Pursuant to N.D.C.C. Chapter 40-22, the City is permitted to defray the expenses associated with the installation and construction of infrastructure by levying special assessments. The City will levy special assessments for infrastructure projects to the Fairgrounds Property (excluding the Development Property and Soccer Complex) and the Development Property as follows:

- A. **Fairgrounds Property (excluding the Development Property and Soccer Complex).** The City will levy special assessments to the Fairgrounds Property for Local Improvements only if the improvements are requested by the Fair Association. The City will not levy special assessments to the Fairgrounds Property for Oversized Infrastructure or collector streets. Special assessments for Oversized Infrastructure will be deferred and may be levied against the Fairgrounds Property if it is ever sold or conveyed and/or it is ever used for any purpose other than as fairgrounds.
- B. **Development Property and Soccer Complex.** The City will levy special assessments to the Development Property and Soccer Complex as provided under N.D.C.C. Chapter 40-22, Chapter 40-23, and in accordance with standard City procedures. The City, upon complying with the provisions of these chapters, may defray the expenses of certain infrastructure improvements, including but not limited to water, sewer, street, curbs and gutters, sidewalks, storm sewers, and boulevard improvements, by the levy of special assessments.

8. **Livestock.** The Fair Association may continue to allow Livestock on the Fairgrounds Property for events that occur throughout the year. The Fair Association will have a continued responsibility to maintain the facilities to ensure any undesired smells or sights do not negatively affect the common enjoyment and well-being of neighboring property owners in the City.

9. **Manure Stockpiling.** The Fair Association may continue to stockpile manure and/or animal waste during Livestock and/or other animal events, shows, or displays only after applying for and receiving a conditional use permit from the City for composting.

10. **Security.** The West Fargo Police Department will have jurisdiction over the Fairgrounds Property. During the Fair Association's large events, the West Fargo Police Department may request the Cass County Sheriff's Office to provide assistance in ensuring the safety and well-being of participants and attendees is maintained. City and County law enforcement personnel will ensure that all federal, state, and local laws are followed.

11. **Best Efforts.** Each Party will use its Best Efforts to take all actions and to do all things necessary, proper, or advisable to consummate, make effective, and comply with all of the terms, provisions, and covenants of this Annexation Agreement.

12. **Fireworks.** The sale of fireworks will not be permitted after the Effective Date of annexation of the Fairgrounds Property. The Fair Association will be permitted to host and/or provide public or private fireworks displays at the Fairgrounds Property in accordance with applicable City ordinances.

13. **Real Estate Taxes.** The Fairgrounds Property which is duly incorporated for the purpose of holding an agriculture fair, and not conducted for the profit of any of its members or stockholders, is excluded from City taxation, except that all property shall be subject to taxation for the cost of fire protection services. The City levies a tax to cover the cost of fire protection

services which the Fairgrounds Property and the Development Property will be assessed. Upon execution of this Annexation Agreement, any property sold by the Fair Association, including the Development Property, will be subject to taxation.

14. **Indemnity.** The Fair Association expressly agrees to release, hold harmless, defend, and indemnify the City, the City's officers, employees, agents, and representatives from any and all liability, losses, damages, penalties, claims, demands, actions, suits, costs, expenses, judgments, and executions in any way relating to or arising out of this Annexation Agreement. The Fair Association shall not be required to indemnify the City for liability, losses, damages, penalties, claims, demands, actions, suits, costs, expenses, judgments, or executions caused by wrongful acts or omissions of the City, its agents, or employees. Additionally, the Fair Association assumes all risk of personal injury or death and property damage or loss from whatever causes arise in any way related to the Fair Association, or the Fair Association's agents', employees', or representatives' use of or presence on the Fairgrounds Property.

The Fair Association's duties to release, hold harmless, defend, and indemnify the City, the City's officers, employees, agents, and representatives as described above include, but are not limited to, any and all claims, damages, actions, causes of action, claims for relief for damages (compensatory, exemplary, or otherwise), costs, loss of services, expenses, or compensation for or on account of any damage, loss, or injury directly to the Fair Association, or the Fair Association's officers, agents, representatives, or employees, and/or to claims, demands, actions, causes of action, or claims for relief for contribution and/or indemnity for injury alleged to the person or property of any other person or party, whether natural or not, other than the Fair Association.

In addition, the Fair Association will indemnify, defend, insure, and hold the City harmless from and against any and all present or future claims or demands, and any and all damages, losses, injuries, liabilities, causes of action (including, without limitation, causes of action in tort or asserting a constitutional claim), costs and expenses (including, without limitation, fines, penalties, judgment, attorneys' fees) of any kind or character, known or unknown, arising from or in any way related to any contamination existing on the Fairgrounds Property before the Effective Date of this Annexation Agreement.

The Fair Association understands and acknowledges the significance of such release and waiver and hereby assumes full responsibility for any injuries, damages, or losses that it may incur as a result of its execution of this Annexation Agreement. The Fair Association's obligation to indemnify under these paragraphs will survive after the date of termination of this Annexation Agreement.

15. **Notice.** Any notice or election required or permitted to be given or served by any Party to this Annexation Agreement upon any other will be deemed given or served in accordance with the provisions of this Annexation Agreement if said notice or election is (a) delivered personally, or (b) mailed by United States certified mail, return receipt requested, postage prepaid and in any case properly addressed as follows:

If to the Fair Association: Red River Valley Fair Association
1805 Main Avenue West
West Fargo, North Dakota 58078

If to the City:

City of West Fargo
Attn: City Administrator
800 Fourth Avenue East, Suite 1
West Fargo, North Dakota 58078

Each such mailed notice or communication will be deemed to have been given on the date the same is deposited in the United States mail. Each such delivered notice or communication will be deemed to have been given upon the delivery. Any Party may change its address for service of notice upon written notice of its intent to the other Party.

16. **Contract.** This Annexation Agreement will be held by the City for the mutual benefit of the Parties.

17. **Attorney's Fees.** Each Party will pay its own attorney's fees in this matter.

18. **Entire Agreement.** This Annexation Agreement and the Development Agreement constitute the entire and complete agreement between the Parties and supersedes any prior oral or written agreements between the Parties with respect to the Fairgrounds Property. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants, conditions, and agreements set forth herein, and that no modification of this Annexation Agreement and no waiver of any of its terms, covenants, conditions, and agreements will be effective unless in writing and duly executed by the Parties.

19. **Amendments.** No amendment, modification, or waiver of any term, covenant, condition, or agreement will be valid or of any effect unless made in writing signed by the Party or Parties to be bound, or signed by a duly authorized representative of the Party or Parties to be bound, and specifying with particularity the extent and nature of such amendment, modification, or waiver.

20. **No Forbearance.** The failure or delay of any Party to insist on the performance of any of the terms of this Annexation Agreement, or the waiver of any breach of any of the terms of this Annexation Agreement, will not be construed as a waiver of those terms, and those terms will continue and remain in full force and effect as if no forbearance or waiver had occurred and will not affect the validity of this Annexation Agreement, or the right to enforce each and every term of this Annexation Agreement.

21. **No Third Party Beneficiary.** The Parties acknowledge and agree that this Annexation Agreement is for the benefit of the Parties and no assignment of this benefit may be given to a third party beneficiary.

22. **Remedies.** Except as expressly and specifically stated otherwise, nothing herein will limit the remedies and rights of the Parties thereto under and pursuant to this Annexation Agreement.

23. **Binding Effect.** All terms, conditions, covenants, and agreements of this Annexation Agreement will be binding upon and inure to the benefit of the Parties and their respective heirs, representatives, successors, and assigns, and will continue in force and effect and be binding after termination of this Annexation Agreement. When used herein, the singular will

include the plural, the plural will include the singular, and the use of one gender will include all other genders, as and when the context so requires.

24. **Governing Law.** This Annexation Agreement has been made and entered into under the laws of the State of North Dakota, and said laws will control its interpretation. The Parties agree the venue for any litigation arising out of this Annexation Agreement will be in State District Court within Cass County, North Dakota, and the Parties waive any objection to personal jurisdiction.

25. **Rules of Construction.** The Parties acknowledge that they have had the opportunity to review this Annexation Agreement, and that they have an equal bargaining position in this transaction. No rule of construction that would cause any ambiguity in any provision to be construed against the drafter of this document will be operative against any Party to this Annexation Agreement.

26. **Severability.** If any court of competent jurisdiction finds any provision or part of this Annexation Agreement is invalid, illegal, or unenforceable, that portion will be deemed severed from this Annexation Agreement, and all remaining terms and provisions of this Annexation Agreement will remain binding and enforceable; the parties will reconvene negotiations to arrive, in good faith, at an agreement as to matters remaining undetermined as a result of any finding by a court of competent jurisdiction that any provision or part of this Annexation Agreement is invalid, illegal, or unenforceable.

27. **Representation.** The Parties, having been represented by counsel or having waived the right to counsel, have carefully read and understand the contents of this Annexation Agreement, and agree they have not been influenced by any representations or statements made by any other Parties.

28. **Authority.** The Fair Association represents and warrants that the individuals signing on behalf of the Fair Association have been duly authorized and have the authority to execute this Annexation Agreement on behalf of the Fair Association. The City represents and warrants that the individuals signing on behalf of the City have been duly authorized and have the authority to execute this Annexation Agreement on behalf of the City.

29. **Counterparts.** This Annexation Agreement may be executed in counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties have signed this Annexation Agreement on the Effective Date first written above.

[Signatures appear on the following pages.]

EXHIBIT A

PETITION FOR ANNEXATION

PETITION FOR ANNEXATION

TO: THE BOARD OF CITY COMMISSIONERS OF THE CITY OF WEST FARGO,
CASS COUNTY, NORTH DAKOTA

The undersigned respectfully states to the City Commission and petitions the City Commission of the City of West Fargo, Cass County, North Dakota as follows:

The undersigned respectfully states to the City Commission of the City of West Fargo that they are collectively the owners of at least three-fourths (3/4) of the assessed value of the property described herein;

The property described herein is contiguous or adjacent to the incorporated municipality of the City of West Fargo, Cass County, North Dakota, and is not presently embraced within the limits of the City;

The undersigned hereby petitions the City to annex the below described property to the City;

The property is described as:

[insert legal description]

Dated and signed this ____ day of _____, 2018.

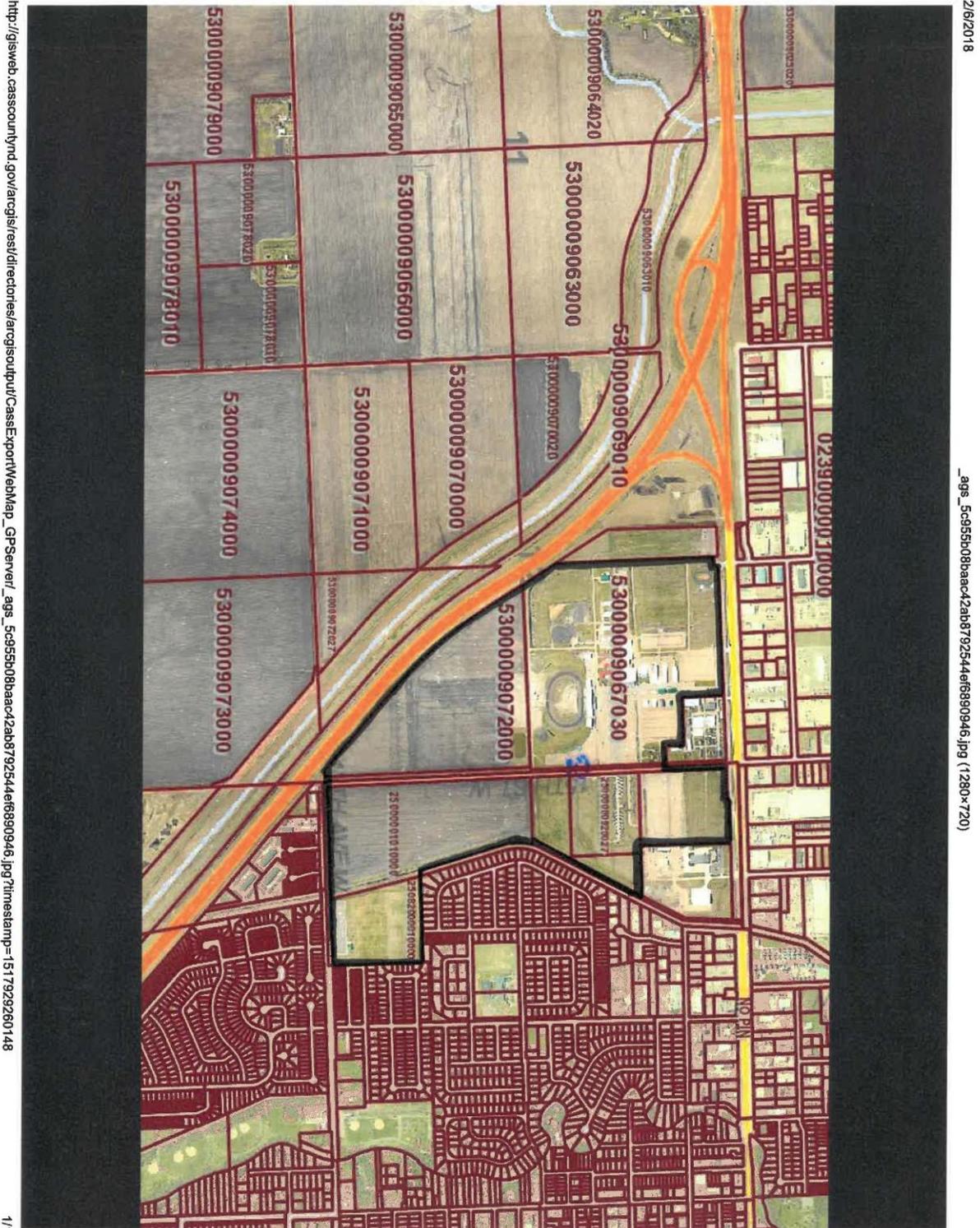
FAIR ASSOCIATION:

RED RIVER VALLEY FAIR ASSOCIATION

Its Representative,

EXHIBIT B

MAP OF THE FAIRGROUNDS PROPERTY



2/6/2018

_ags_5c955b08baec42ab8792544e68890946.jpg (1280x720)

http://gisweb.casscounty.nd.gov/arcgis/rest/directories/arcgisouipw/CassexportWebMap_GP-Server/_ags_5c955b08baec42ab8792544e68890946.jpg?timeStamp=1517929260148

1/1

EXHIBIT C

MAP OF THE DEVELOPMENT PROPERTY

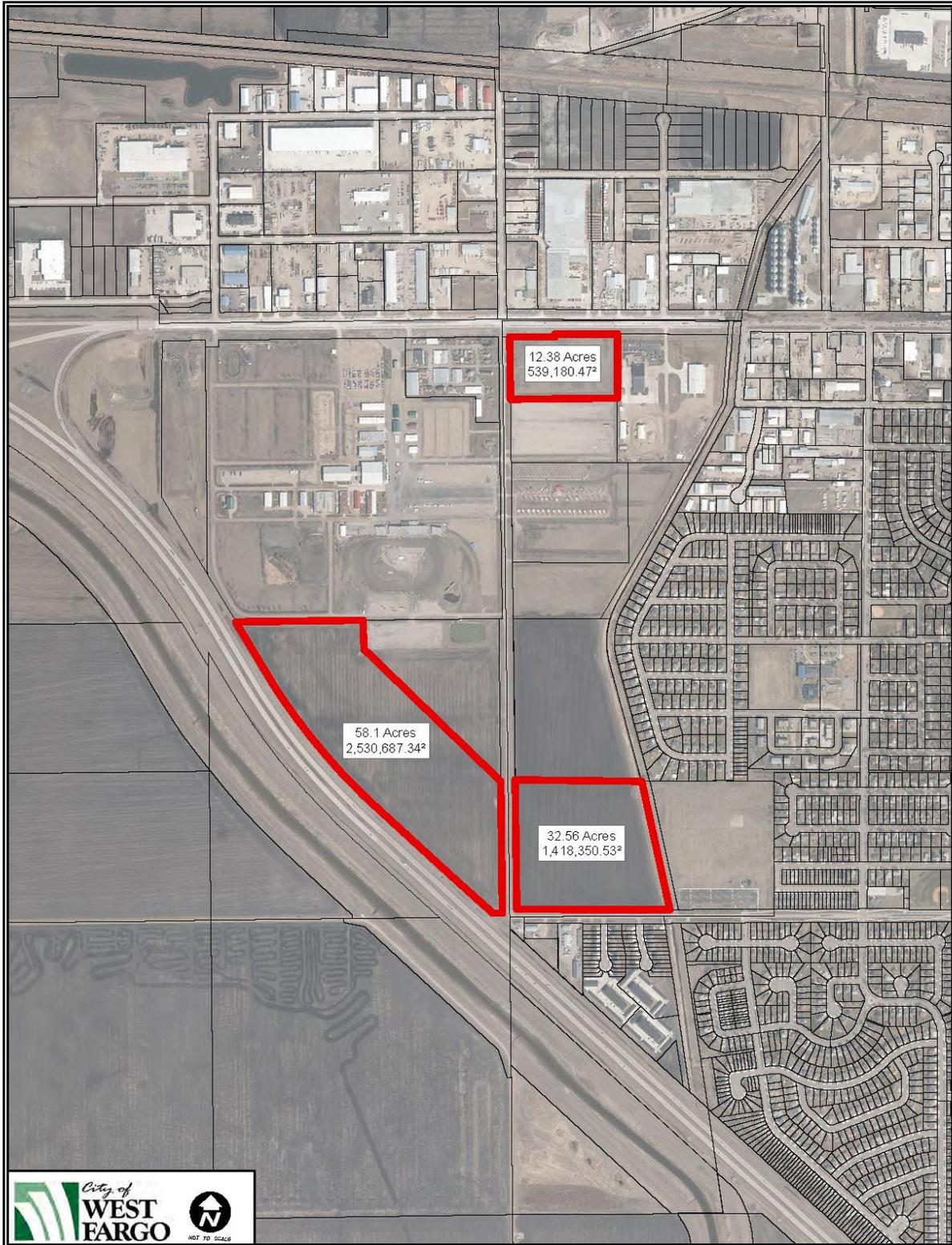


EXHIBIT D

CITY INFRASTRUCTURE AS OF THE EFFECTIVE DATE¹

DRAFT

¹ The City is checking to see which maps are available.