

Agenda

1. Call Meeting to Order – Mayor Mahoney
2. Approve Agenda – Mayor Mahoney
3. Approve Minutes – Mayor Mahoney
4. Standing Items – Director of Finance Susan Thompson

General Fund Financials – YTD Nov 2025

5. Discussion Topic(s):

Action on these items will be requested at the 12/22/2025 City Commission meeting.

Auditor's Office Restructure – Susan Thompson

Axon Contract Renewal – Chief Zibolski and AC Stefonowicz

6. Other Business
7. Adjourn

FINANCE COMMITTEE
Fargo, North Dakota

Regular Meeting: Monday: November 10, 2025:

The Regular Meeting of the Finance Committee of the City of Fargo, North Dakota, was held in the Commission Chambers at City Hall at 10:00 a.m., Monday, November 10, 2025.

Commissioners present or absent were as follows:

Present: Kolpack, Piepkorn, Strand, Turnberg, Mahoney.

Absent: None.

Staff attending: Finance Director Susan Thompson, Assistant Finance Director Jamie Bullock and City Engineer Tom Knakmuhs.

Mayor Mahoney presiding.

Order of the Agenda:

Commissioner Kolpack moved the Order of the Agenda be approved. Second by Strand. There was unanimous approval.

Minutes:

Commissioner Strand moved the Minutes from the August 27, 2025 meeting be approved. Second by Kolpack. There was unanimous approval.

Sales Tax Update:

Finance Director Susan Thompson provided an update on Fargo's year-to-date sales tax revenue, which is still in the negative but showing progress. She said the decrease has narrowed from around 3% to slightly under 2%.

General Fund Financials and Projections:

Ms. Thompson said a strong August is reflected in the funds received in October with hopes for continued strong months to close out the rest of the year. In response to a question raised regarding the 5-year sales tax average, particularly for the Diversion fund, she said in 2022 it was 4.28%, in 2023 4% and last year just under 1% growth. She said she estimates a 5-year average is likely to be around 2%. The financial model's sales tax growth assumption was discussed and Ms. Thompson said current modeling for the financial model to work started at 1.5% and is now at 2.5%. She said she uses 2% for internal purposes, noting that the Diversion's specific modeling number is an open question. She stated September's status (reflected in October packet) year-to-date (YTD) for the General Fund is approximately break-even relative to budget versus actuals with year-end projections remaining consistent. She said several variable months are ahead with cold weather and snow.

Commissioner Kolpack asked if they were reading the Public Safety Sales Tax correctly regarding the "Transfers In" being approximately \$240,000.00-\$250,000.00 over budget and Ms. Thompson clarified and confirmed they were following the data correctly.

2026 Capital Improvement Plan:

City Engineer Tom Knakmuhs presented the Engineering Capital Improvement Plan (CIP) and outlined the proposed 4-year plan (2026-2029) for preserving, rehabilitating and replacing City-owned infrastructure, which includes water/sewer mains, storm sewer, pavement, street lights and flood control assets. The pavement network alone is vast, he said, covering more than 10 million square yards. He said project selection is coordinated with multiple City departments and prioritized based on pavement/utility condition, risk of failure and public safety. The 4-year plan is divided into several categories, Locally funded and programmed projects which includes core neighborhood street reconstruction and utility replacement, pavement preservation, storm sewer utility and sidewalk improvements; Federal Aid Projects, which include arterial reconstruction, pavement rehabilitation, shared-use paths, bridges and safety improvements; Prairie Dog/Flex Fund, the City determines project locations and are possible only with these funds; Flood Control is overseen by the Engineering Department with funding from the Diversion Authority; and new development/alley paving, which is typically, 100% special assessed based on owner requests. The Engineering CIP is funded exclusively by dedicated sources, no General Fund revenues are used, he said. Those sources include the infrastructure sales tax , which helps keep utility rates and special assessments lower; however, it is set to expire in December 2028. He said an informational meeting to discuss a potential extension is anticipated for early 2026. Utility Funds from Storm Sewer, Water, Water Reclamation and Street Light/Traffic utilities; Prairie Dog/Flex Funds: and Federal Funds, which are distributed to MetroCOG and allocated by the Policy Board. He said Special Assessments are capped by City policy (street reconstruction averages 17.4% special assessed) to manage property owner costs. He said projected infrastructure needs are outpacing sales tax revenues, leading to a diminishing fund balance, which requires staff to scale projects to prevent a negative balance. Engineering will seek approval from the City Commission on November 24th for 2026 projects, he said. A proposed revision to the Infrastructure Funding Policy is being considered to change the special assessment term to save property owners money, he stated.

Auditor's Office Restructure:

Ms. Thompson discussed the impending retirement of City Auditor Steve Sprague and a proposed restructuring of the Auditor's office duties to improve efficiency and align responsibilities with specialized departments. She said the interim plan is Deputy Auditor Angie Bear will cover the Auditor's duties following Mr. Sprague's medical leave and eventual retirement in January. The Auditor's role has become a hodgepodge mix of duties, she stated, and the goal is to move specialized tasks to more appropriate departments, mirroring the Grand Forks model. She said accounting duties (special assessment, debt payments, banking) will move from Auditor's to the Finance Department, leveraging the expertise of Finance specialists. Records requests will move from the Communications Department to the Auditor's Office, she said, aligning with the staff that manages the City's records. The proposal requests the Commission appoint the Finance Director as the new City Auditor upon Mr. Sprague's retirement to prevent a vacancy, she said. The Auditor's office name will remain, she said; however, it will function under the Finance Department's umbrella, with Ms. Bear staying as Deputy

Auditor and assuming supervisory responsibilities. The Finance Director will oversee the accounting duties, she said, not personally absorb them and other efficiencies gained from automated meters (AMR) will free up one-meter reader to be absorbed into the Auditor's office for clerical support. She said existing Finance employees who are project accounting experts will handle the special assessment work. Staff will map all responsibilities, assess the cost implications (pending HR grading of new job descriptions) and seek Commission approval to move forward with the reorganization on a trial basis, she said, with an agreement to report back on its effectiveness.

2025 Refunding Improvement Bond (RIB) and Moody's Rating:

Ms. Thompson discussed the City's \$56.5 million fall improvement bond sale and the financial fallout from the recent Moody's credit rating downgrade from AA2 to AA3, still considered high-quality debt. She said the credit downgrade will cause the City to pay slightly more interest on the upcoming bonds, estimated at 10-15 basis points. The primary factor for the downgrade cited by Moody's was the City's low available fund balance ratio, she said, currently just under 9%, with 15% being the required minimum to avoid a downgrade. The leverage ratio (debt) was a secondary concern, she stated, and Moody's assigned a continued negative outlook.

Commissioner Piepkorn urged the City to immediately stop spending more, focus and impose a hiring freeze, dismissing arguments that Moody's changed its rules.

The Mayor and Commissioner Kolpack said chasing a high reserve fund (25%) through drastic rate hikes is not fiscally balanced, calling the recovery a marathon, not a sprint. They stressed continuing to look for efficiencies and new revenue sources such as land sales.

Ms. Thompson said the primary solution to restore the rating is to increase the fund balance by reducing expenses or increasing revenue/rates/fees. While the City's total debt is \$1.3 billion, she said, it is divided into different buckets with designated, relatively secure revenue streams for repayment, which Moody's acknowledges given the City's growth. She proposed a workshop in January to develop a concrete recovery strategy, including setting goals/timelines and determining the split for fund balance restoration between the General and Enterprise Funds.

Commissioners requested earlier budget workshops and stronger recommendations for policy changes, such as special assessment modifications.

The meeting adjourned at 11:29 o'clock a.m.

City of Fargo, North Dakota
General Fund - Budget to Actual
 Unaudited Monthly Financial Statements - November 30, 2025
 Amounts shown in thousands

		YTD Budget	YTD Actual	YTD Variance
REVENUES:				
1	Taxes	\$ 51,484	\$ 49,747	(1,737)
2	Licenses & Permits	6,438	5,568	(870)
3	Intergovernmental Revenue	24,882	21,878	(3,004)
4	Charges for Services	15,034	17,642	2,608
5	Fines & Traffic Tickets	1,507	1,663	155
6	Interest	6,875	7,517	642
7	Miscellaneous Revenue	616	840	224
8	Transfers In	17,515	17,522	7
Total Revenues		\$ 124,351	\$ 122,377	(1,975)
EXPENDITURES:				
9	General Government	\$ 27,116	\$ 25,940	1,176
10	Public Safety	51,645	50,452	1,193
11	Public Works	14,218	13,481	738
12	Health & Welfare	14,206	13,653	552
13	Culture & Recreation	5,279	5,089	190
14	Economic Development	204	491	(288)
15	General Support	1,408	1,775	(367)
16	Capital Outlay	134	115	19
17	Operating Transfers	8,718	8,204	514
18	Contingency (Salary Savings)	(313)	15	(328)
Total Expenditures		\$ 122,615	\$ 119,215	3,400
Revenue Over (Under) Expenditures		\$ 1,736	\$ 3,162	1,426

- 1** Franchise Fees - trending below budget.
- 2** Building Permit revenue below budget.
- 3** Highway Funds below budget; timing w/ Fire Premium Tax rev (\$1.7M received Dec).
- 4** CIP Admin Fee Revenue higher due to more projects.
- 9-13** Lower FT labor and other operating expenses for general fund departments.
- 14** Budget error: budget excluded final payment of NDSCS pledge.
- 15** Worker Comp Premium higher for 2025.
- 18** Est salary savings budgeted here; actual salary savings reflected within specific departments.



FINANCE OFFICE
225 4th Street North
Fargo, ND 58102
Phone: (701) 241-1333
www.FargoND.gov

TO: Board of Commissioners

FROM: Susan Thompson, Director of Finance

RE: Auditor's Office Restructure
Appointment of Finance Director as City Auditor

DATE: 12/22/2025

As has been discussed at Finance Committee meetings, Finance proposes to restructure the Auditor's Office to create efficiencies and cost-savings by reassigning finance responsibilities to the Finance division and retaining licensing, utility billing, and document management responsibilities within the Auditor's Office division.

Because Century Code requires special assessment certifications to be signed by the City Auditor, I'm also proposing that the Finance Director be appointed as the City Auditor so that the related responsibilities of special assessment project accounting and special assessment project certification both reside within the Finance division. This dual title approach is implemented in Grand Forks.

I will provide additional information at the Finance Committee meeting at 10am on 12/22/2025, but I'm providing a summary to clarify some key points:

- The City of Fargo Auditor's Office is a division of the Finance Department, along with Finance, Assessors, and Municipal Court.
- The Auditor's Office wasn't intended to and does not provide internal audit functions. The Finance Department implements policies and procedures for City of Fargo internal control purposes. The City of Fargo contracts for a thorough annual external audit.
- Finance-related tasks of Special Assessment project accounting and certification, debt payments and banking relationships are reassigned to the Finance division.
- Business, liquor, pet, & gaming licensing; records management; utility billing; parking tickets; and elections will remain with the Auditor's Office.

- New in January 2026, records request management will transition from the Communications Department to the Auditor's Office.

Recommended Motion:

Approve the City of Fargo Auditor's Office restructure plan and, effective upon the retirement of City Auditor Steve Sprague, appoint Finance Director Susan Thompson as the City Auditor in accordance with NDCC 40-15-05.



FARGO POLICE DEPARTMENT

A SAFE AND UNIFIED COMMUNITY BUILT ON TRUST, ACCOUNTABILITY AND INCLUSION

OFFICE OF THE CHIEF

MEMORANDUM

To: Fargo City Commission

From: Chief David Zibolski

Date: 12/17/2025

RE: AXON Enterprise – Contract Renewal (PBC26045)

The Fargo Police Department is committed to leveraging innovative solutions and technology that enhance operational efficiency and improve the quality of service we provide to the community. In alignment with this mission, we respectfully request FAHR Committee support for the renewal and growth of our contract with Axon Enterprises, Inc.

Background & Procurement

The Fargo Police Department implemented the Axon Body-Worn Camera (BWC) program in June 2021 using CARES funding. The initial investment of approximately \$3 million included BWCs, in-car video systems, Tasers and the Axon Evidence.com digital evidence platform.

Axon was selected through a competitive solicitation process under **RFP21024**, issued by the City of Fargo in 2021. This process evaluated vendor proposals, cost, functionality, and long-term support. Axon was awarded the contract and has remained our provider for integrated systems since that time.

Over the past year, the Police Department and the City Purchasing Division jointly conducted a comprehensive review of the current body-worn camera and vehicle camera inventory, prosecutor access and licensing requirements, future technological needs, new Axon system capabilities, and overall alignment with department workflows. This evaluation confirmed that renewing the Axon platform is necessary to maintain operational consistency, preserve system integration across existing technologies, and ensure continuity of evidence management processes critical to daily operations.

Renewal Contract Highlights

- **10-Year Term:** Locks in current pricing, protecting against inflation and ensuring budget predictability.
- **Estimated Savings:** Sign by December 31, 2025, to secure substantial cost savings under the 2025 pricing model.
- **Hardware Refresh Schedule:** Built-In for BWC, Fleet 3, Taser, VR kits, Drones and Docks,
- **Capabilities** – VR Training, Dictation tools, Draft One Report Writing, Investigate Third Party Video, FUSUS, Drone as First Responder (DFR), and unlimited storage.

Key Benefits to Technology Included

1. Integrated Ecosystem with Existing Axon Products

- Seamlessly connects with the City's existing Axon platform (Body-Worn Cameras, Evidence.com, TASER and Fleet 3 program).
- Reduces administrative burden by keeping training data, reporting, and analytics in the same secure environment already used by the department.
- Leverages current user accounts and permissions—no new infrastructure required.

2. Realistic, Branching Scenarios Built on Actual Police Encounters

- Branching decision trees adapt to an officer's verbal and tactical choices, improving judgment training and real-time decision-making.

3. Advanced De-escalation and Crisis Response Modules

- Axon's modules focus heavily on communication, empathy, and non-lethal resolution.
- Includes specialized modules for mental health crises, domestic disturbances, traffic stops, school threats, and more.
- Reinforces Fargo Police Department's emphasis on reducing force where possible.

4. TASER-Specific Training

- Offers unique VR modules that allow officers to practice:
 - TASER 10 deployment
 - Distance and angle decision-making
 - Test routines
- Allows realistic practice without expending cartridges or requiring a live training setup.

5. High-Fidelity Environmental Realism

- Axon VR captures full 3D locations (parking lots, homes, hallways, vehicles) using their own scanning technology.
- Produces highly realistic lighting, movement, and human behavior that improves stress inoculation for officers.

6. Continuous Updates

- Axon regularly adds new scenarios based on recent national incidents, best practices, and emerging public safety trends.
- Ensures officers are training on the most current threats and expectations, not outdated simulations.

7. Scalable Hardware with Minimal Training Room Requirements

- Axon VR headsets are wireless and self-contained—no external PCs, sensors, or dedicated space required.
- Easy for the department to deploy at substations, academies, or training days.

8. Built-in Performance Metrics and Administrative Reporting

- Provides detailed analytics on:
 - Verbal communication
 - Tactical movement
 - Response time
 - Use-of-force decisions
- Integrates with Evidence.com for secure storage, auditing, and reporting.
- Supports documentation for POST requirements and internal training standards.

9. Supports Officer Wellness and Resilience

- Includes modules designed to strengthen emotional regulation and stress response.
- Helps officers build confidence through repetition in a controlled environment before facing real-world encounters.

Key Benefits of the Drone as First Responder (DFR) Program

1. Seamless Integration with the Existing Axon Ecosystem

- Live drone video feeds integrate directly with Axon Respond, allowing real-time situational awareness for dispatch, supervisors, and responding officers.
- Footage is automatically routed to Evidence.com, eliminating manual uploads and maintaining chain-of-custody integrity.
- Uses the same user accounts, permissions, and audit trails already in place for Axon BWC and in-car systems.

2. Faster Response Times and Better Initial Assessment

- Drones can arrive on scene minutes before officers, providing live visual intel on hazards, number of people involved, weapons, medical needs, and scene layout.
- Enables officers to plan approach routes, stage resources, and avoid walking into unknown or dangerous conditions.

3. Improved Officer and Public Safety

- Early aerial visibility helps de-escalate situations by giving officers more information before making contact.
- Reduces unnecessary foot or vehicle pursuits by tracking from above.
- Allows officers to avoid high-risk entries until conditions are fully understood.

4. Operational Efficiency and Resource Optimization

- Eliminates the need to dispatch multiple units for uncertain calls when a drone can provide immediate clarity.
- Supports search and rescue, perimeter checks, nighttime calls, and outdoor scene reconstruction are far more efficient than ground units alone.

5. Secure, Encrypted Streaming and Evidence Handling

- Axon's secure streaming architecture ensures end-to-end encryption and compliant data storage.
- Recordings automatically link to CAD incidents and are retained based on Fargo Police department policy.

6. Real-Time Multi-User Access

- Dispatchers, supervisors, and responding officers can all view the live stream simultaneously through Axon Respond.
- Supports split-screen views, mapping overlays, and alerts in the same platform used for BWC and in-car video.

7. Purpose-Built for Emergency Services

- High-quality sensors and stabilization for low-light and dense urban environments.
- Tailored modules for:
 - Foot pursuits
 - Missing persons
 - Traffic incidents
 - Crowd monitoring
 - Perimeter establishment
 - Hazardous scenes (fires, chemical spills, armed individuals)

8. Reduced Community Risk and Greater Transparency

- Provides objective video documentation from an elevated, unbiased vantage point.
- Helps build community trust by improving response accuracy and reducing unnecessary use-of-force encounters.

Exempt Justification for Continued Use of Axon

✓ **Competitive Procurement Already Completed:**

Axon was selected via RFP21024, a fully competitive process.

✓ **Sourcewell Cooperative Contract:**

110223-AXN

✓ **System Integration and Continuity:**

Axon provides all proprietary hardware and digital evidence systems currently deployed.

✓ **Evidence Chain of Custody Requirements:**

Migrating years of video and metadata would be cost-prohibitive and legally complex.

✓ **Operational Efficiency and Training:**

Hundreds of staff are trained on Axon systems.

✓ **Technology Ecosystem and Expansion:**

New features are natively integrated into Axon's platform, ensuring seamless interoperability.

Budget Impact

PSST (Public Safety Sales Tax) planning anticipated the AXON renewal as follows:

Years 1–5: \$1,000,000 per year

Years 6–10: \$1,200,000 per year

Additionally, the 2026 budget includes \$134,000 for AXON technology items that will be incorporated into the renewal.

If sales tax growth does not cover this amount, the Police Department proposes absorbing the difference within its annual Operations budget.

- **Estimated Savings:** \$8,646,346.33 over 10 years, or \$864,634.64 annually.

	PSST Allocation	PD Operating	Amortization	Difference
2026	\$1,000,000	\$134,000	\$1,134,000	\$ -
2027	\$1,197,500	\$134,000	\$1,331,500	\$ -
2028	\$1,000,000	\$134,000	\$1,134,000	\$ -
2029	\$1,000,000	\$134,000	\$1,134,000	\$ -
2030	\$1,000,000	\$134,000	\$1,185,828	\$ (51,828.00)
2031	\$1,200,000	\$134,000	\$1,458,832	\$ (124,832.00)
2032	\$1,200,000	\$134,000	\$1,458,832	\$ (124,832.00)
2033	\$1,200,000	\$134,000	\$1,508,832	\$ (174,832.00)
2034	\$1,200,000	\$134,000	\$1,508,832	\$ (174,832.00)
2035	\$1,200,000	\$134,000	\$1,508,832	\$ (174,832.00)
10-Year Contract		\$13,363,488	\$	(825,988.00)

Conclusion

The City competitively selected AXON under RFP21024 and continued use of AXON through contract renewal maintains system continuity, protects evidence integrity, and avoids unnecessary replacement and migration costs. A long-term agreement will secure pricing stability and ensure the department's operational and technological needs are met over the next decade.

Recommended Motion

It is recommended to approve the renewal of the Axon Enterprises Inc. 10-year contract in the amount of **\$13,363,487.06**. This renewal supports long-term cost predictability, enhances operational efficiency, and sustains innovation in public safety technology. Funding will be sourced through the Public Safety Sales Tax and supported by the Fargo Police Department Operational Budget.

Emerging Technology - AI Era Plan

Future consideration for The Fargo Police Department would include seeking approval to adopt the AI Era Plan, a comprehensive upgrade that enhances officer productivity, strengthens evidence management, and prepares the agency for the accelerating demands in policing. This platform aligns with the department's long-term technology strategy and builds upon the City's established investment in body-worn cameras, in-car video systems, and digital evidence infrastructure.

The AI Era Plan provides improved reporting, streamline case review by identifying individuals within video evidence, policy chat, and live translation. This upgrade ensures the department remains compatible with emerging capabilities while avoiding the operational risks and increased pricing.

Key AI Solution include:

- **Evidence Translation:** Enables rapid translation of transcripts within Axon Evidence for multilingual incidents.
- **Form One:** Automatically completes commonly used forms from BWC audio, reducing data entry workload.
- **Brief One:** Summarizes complex or large cases in minutes to support investigators and supervisors.
- **Live Translation:** Provides real-time voice translation in the field, improving communication and reducing reliance on external interpretation services while increasing community engagement.
- **Smart Capture:** Automates collection and entry of key data elements to improve record accuracy.
- **Automated People Detection:** Allows investigators to jump directly to individuals within video evidence, dramatically reducing review time.
- **Policy Chat:** Delivers instant, self-service answers to agency policy questions through a secure, customized GPT-based interface.

These tools directly address challenges identified by the department, including increasing documentation demands, translation needs, and the workload associated with case reviews and public records processing.

- **Total Current year (2025) Cost:** \$773.00 per Sworn Officer.
- **Estimated Savings:** \$11,891,059.29 over 10 years, or \$1,189,105.93 annually.



PIGGYBACK PURCHASE REQUEST FORM (PBC)

Requested by:	Travis Stefonowicz	Department:	Police Department
Date of Request:	12/10/2025	Phone Number:	701-241-1437
E-mail:	TStefonowicz@fargond.gov		
Dept Head Signature:		Estimated Amount of Purchase:	\$13,363,487 over 10 years

Piggyback Purchase from a State or Cooperative Contract Requirement:

A contract less than \$100,000 may be awarded without competition when the purchasing manager determines in writing, that a State or Cooperative purchasing contract exists and allows municipalities to purchase from a list of approved vendors for the required supply, service, or material. Any purchase contract award greater than \$100,000 must also be approved by the Board of City Commissioners prior to a vendor award using this method. No quotes required.

Product or Service description:

10 year renewal Agreement with AXON Enterprise, Inc to include: VR Training, Dictation tools, Draft One Report Writing, Investigate Third Party Video, FUSUS, Drone as First Response (DFR), and unlimited storage.

\$11,197,000 is allocated within the Public Safety Sales Tax plan over 10 years.

\$134,000/yr for AXON product in 2026 operating budget will be absorbed within this contract.

Annual overages will be budgeted within Police operating budget.

Provide source of existing State contract and Contract number: SourceWell Contract 101223-AXN

The original 2021 AXON purchase was vetted through a competitive RFP process

Is a Vendor contract required? Yes No

Vendor Name: AXON Enterprise, Inc

Address: 17800 N 85 St

City: Scottsdale State: Arizona Zip Code: 85255

Contact Person: Nick Butier Title:

Telephone: 480-845-0140 Email: nbutier@axon.com

Purchasing Manager Approval:

Piggyback (PBC) Number:

PBC26045



Axon Enterprise

Public safety video surveillance

#101223-AXN

Maturity Date: 12/15/2027

Products & Services



Products & Services

Sourcewell contract 101223-AXN gives access to the following types of goods and services:

- Axon body 4 and 3 cameras
- Axon body 2 and flex 2 cameras
- Axon body-worn camera dock hardware
- Axon camera hardware and accessories
- Officer safety plans
- Axon fleet 2 and 3
- Axon fleet cradlepoint routers, servers, and installation
- Axon interview room
- Axon air
- Axon evidence
- Axon software integrations
- Professional services

Finance Committee

City Commission Chambers

12-22-2025

AGENDA

- Call Meeting to Order
- Approve Agenda
- Approve Prior Minutes
- Standing Items
- Discussion Topics:
 - Auditor's Office Restructure
 - Axon Contract Request
- Adjourn



1

Standing Items
 General Fund Nov 2025

City of Fargo, North Dakota General Fund - Budget to Actual Unaudited Monthly Financial Statements - November 30, 2025 Amounts shown in thousands				
	YTD Budget	YTD Actual	YTD Variance	
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Total Expenditures	\$ 122,615	\$ 119,215	\$ 3,400	
Revenue Over (Under) Expenditures	\$ 1,736	\$ 3,162	\$ 1,426	

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- 3 Highway Funds below budget; including w/ Fire Premium Tax rev (\$1.7M received Dec).
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- 9.13 Lower FT labor and other operating expenses for general fund departments.
- 14 Budget error - budget excluded final payment of NDSCS pledge.
- 15 Worker Comp Premium higher for 2025.
- 18 Est salary savings budgeted here; actual salary savings reflected within specific departments.

Note: Land Sale closed 12/2025 \$5.5M Misc Revenue to General Fund.



2

Discussion Items**Auditor's Office Restructure**

Presented by: Finance Director Susan Thompson

Request on Commission Agenda:

Approve Restructure of Auditor's Office

Transfer Finance Duties to Finance Division

Move Records Requests to Auditor's Office

Appoint Finance Director as City Auditor

effective immediately upon Steve Sprague's retirement

Angie Bear to continue as Deputy Auditor



3

Discussion Items**Auditor's Office Restructure****City Auditor** - Commission appointed position w/ specific Century Code and Municipal Code references

- City of Fargo Auditor's Office is a division of the Finance Department, along with Finance, Assessors, and Municipal Court.
- The Auditor's Office wasn't intended to and does not provide internal audit functions. The Finance Department implements policies and procedures for internal control purposes. The City of Fargo contracts for a thorough annual external audit.
- Similar model in Grand Forks
- **Job description:** Business, Liquor, Pet, & Gaming licensing; Records Management; Utility Billing; Parking tickets; Elections; Special Assessment project accounting and certification; Debt payments; Banking



4

Discussion Items**Auditor's Office Restructure****Allocation of duties:****REASSIGNED TO FINANCE, split among several staff:**

Special Assessment project accounting and certification; Debt payments; Banking relationships

SPECIAL ASSESSMENT CERTIFICATION City Auditor as per Century Code (Finance)**REMAIN WITH AUDITOR'S OFFICE**

Business, Liquor, Pet, & Gaming licensing; Records Management; Utility Billing; Parking tickets; Elections

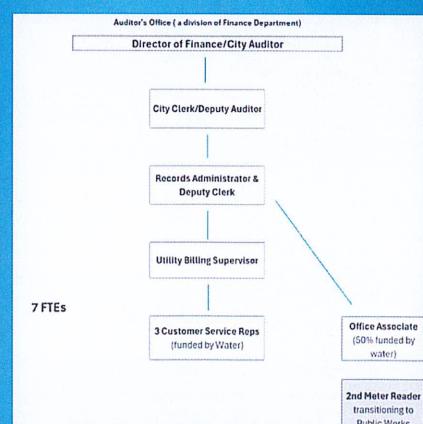
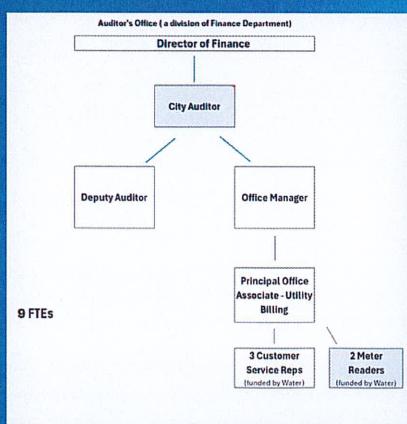
Records Requests: **NEW JAN 2026 - MOVE TO AUDITOR'S OFFICE FROM COMMUNICATIONS**

SHARED BETWEEN CITY AUDITOR (Finance) & DEPUTY AUDITOR

Signature Attestations



5

Discussion Items**Auditor's Office Restructure Proposal**

Efficiency, Expertise Alignment, & Cost Savings



6

—Discussion Items—**Axon Contract Request**

Presented by: Chief Zibolski and Assistant Chief Stefonowicz

Request on Commission Agenda:

Approve contract renewal in the amount of \$13,363,487.06 over 10 years with Axon Enterprises, utilizing the Sourcewell Cooperative Contract 101223-AXN.

AXON is the City's current, competitively selected provider.

The renewal maintains evidence integrity, operational continuity, and budget predictability.



7

—Discussion Items—**Axon Contract Request****Why This Is Before You -**

AXON was selected through a competitive RFP (RFP21024) in 2021.

The program was implemented using CARES funding.

Over the past year, the Police Department and Purchasing Division reviewed system performance, evidence management needs, future technology requirements, and the full financial impact of each platform within the Axon Enterprises eco-system.

The review confirmed that continuing with Axon is the most cost-effective and least disruptive option.



8

Discussion Items**Axon Contract Request****What the Renewal Provides -**

Ten-year term that locks in pricing and protects against inflation.

Built-in hardware refreshes over the life of the contract.

Maintains a single, fully integrated evidence platform already in use.

Avoids costly system replacement, retraining, and data migration risks.

Executing the agreement by December 31, 2025 secures 2025 pricing.



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Discussion Items**Axon Contract Request****Public Safety and Operational Benefits –**

Fully integrated body-worn cameras, in-car video, and digital evidence.

Expanded training and de-escalation tools using realistic simulations.

Drone as First Responder improves situational awareness before officers arrive.

Objective video evidence enhances transparency and accountability while reducing risk.



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Discussion Items**Axon Contract Request****Financial Impact –**

Public Safety Sales Tax planning assumptions:

Years 1–5: \$1.0 million annually.

Years 6–10: \$1.2 million annually.

The 2026 budget already includes AXON-related costs.

Any shortfall would be absorbed within the Police Operations budget.

Estimated savings of \$8.6 million over 10 years, or approximately \$865,000 annually.



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Discussion Items**Axon Contract Request****Recommendation – Approve Axon Contract**

Axon was competitively selected and is deeply integrated into City operations.

Renewal avoids evidence migration risks, transition costs, and operational disruption.

Provides long-term cost certainty and modern public safety technology.



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Other Business

Questions/Comments?

