

City Commission meetings are broadcast live on TV Fargo Channel 56 and online at [www.FargoND.gov/streaming](http://www.FargoND.gov/streaming). They are rebroadcast Mondays at 5:00 p.m., Thursdays at 7:00 p.m. and Saturdays at 8:00 a.m. They are also included in the video archive at [www.FargoND.gov/citycommission](http://www.FargoND.gov/citycommission). . **\*\*\*PLEASE NOTE** that in an effort to exercise the CDC's Prevention guidelines pertaining to social distancing and gatherings the number of individuals in attendance of the meeting will be limited. Members of the public and media are encouraged to view the meeting in an alternative method, including the following: via a livestream hosted on the City of Fargo's Facebook (questions and comments will be monitored during the Commission Meeting) and Twitter accounts, on the web at [www.TV Fargo.com](http://www.TV Fargo.com) or via the Fargo Access Channel 56.

- A. Pledge of Allegiance.
- B. Roll Call.
- C. Approve Order of Agenda.
- D. Minutes (Regular Meeting, April 20, 2020).

**CONSENT AGENDA – APPROVE THE FOLLOWING:**

- 1. Application for Games of Chance for Grand Chapter Order of the Eastern Star Foundation, Inc. for a raffle on 6/4/20; Public Spirited Resolution.
- 2. Agreement with the Downtown Community Partnership for the placement of a Bison sculpture on Broadway in the City's right of way.
- 3. Amendment (Fifth) to Developer and Road Use Agreement with Block 9 Partners LLC.
- 4. Purchase Agreement with Tara Shilling for property located at 901 41st Avenue North (Project No. FM-19-A).
- 5. Purchase Agreement with Philip S. and Ellen J. Sondreal for property located at 906 42nd Avenue North (Project No. FM-19-A).
- 6. Purchase Agreement with Marjorie A. Montplaisir, as Trustee of the Marjorie A. Montplaisir Living Trust for property located at 747 Royal Oaks Drive North (Project No. FM-19-B).
- 7. Bid award for Project No. SR-20-A1.
- 8. Bid advertisement for Project No. SL-20-A.
- 9. Agreement for Services with Janice Tweet.
- 10. Amendment to Purchase of Service Agreement with ND Department of Human Services, Behavioral Health Division for prevention of opioid related deaths.
- 11. Exercising the option to piggyback on ND State Contract No. 22-MNWNC-124-PA with PCS Mobile/NASPO ValuePoint for Police squad car set-ups and mobile data computers for the Fire Department vehicles. (PBC20-022)

Page 2. Set May 18, 2020 at 5:15 p.m. as the date and time for a hearing on a dangerous building at 1007 8th Avenue North.

13. Purchase Agreement and Developer's Agreement with Beyond Shelter, Inc. for the redevelopment of 314, 320, 324 7th Street North and 712 4th Avenue North, pending legal review.
14. Application for Appropriation from Civil Asset Forfeiture Fund for the Fargo Police Department Criminal Investigation Fund.
15. Grant award from the Office of Justice for funding from the Coronavirus Emergency Supplemental Funding Program (CFDA #16.034).
16. Amending Agreement No. 1 with Creative Outdoor Advertising of America Inc.
17. Amendments to Contract Nos. 38180987A and 38190960A with the ND Department of Transportation (CFDA #s 20.513 and 20.256).
18. Submittal of a grant application to the Federal Transit Administration for funding under the CARES Act and upon successful receipt of funds to execute the Grant Agreement.
19. Submittal of a grant application to the State of ND for grant funding for public transportation and upon successful receipt of funds to execute the Grant Agreement (CFDA #s 20.526 and 20.513).
20. Transit Capital Project – Fiscal Year 2020 Urban Roads Program Memorandum of Understanding with the NDDOT/Federal Transit Administration.
21. Change Orders for the Ground Transportation Center Remodel Project (F18006 and F19011):
  - a. No. 1 for a decrease in the amount of \$2,710.00 with Gast Construction Company, Inc.
  - b. No. 1 for an increase in the amount of \$18,488.64 with Rick Electric, Inc.
  - c. No. 1 for a decrease in the amount of \$166.60 with Valley Service Mechanical, LLC.
22. Pre-Disaster Mitigation Program Subgrant Agreement with the ND Department of Emergency Services and FEMA for the Wastewater Treatment Plant Flood Protection Plan (Project No. WW1707).
23. Task Order No. 14 with AE2S for Project No. WW1707.
24. Contract and bond for Project No. TR-20-A1.
25. Bills.
26. Memorandum of Offer to Landowner for the purchase of a permanent easement (storm sewer) from the University of Northwestern in association with Improvement District No. BN-19-A1.
27. Memorandum of Offers to the following Landowners in association with Improvement District No. BN-20-C1:
  - a. Gary and Diana D. Buzick for a permanent and temporary easement.
  - b. Sarah and Thomas Bruce for a permanent and temporary easement.

- c. Clarence W. Samuel Revocable Living Trust #2 for a permanent easement.
  - d. Lee and Deborah Haugen for a temporary easement.
28. Improvement District No. BN-20-C1:
- a. Sole Source Procurement with Ducks Unlimited, Inc. (SSP20084)
  - b. Purchase of Wetland Mitigation Credits from Ducks Unlimited, Inc.
29. Contract Amendment No. 4 with KLJ in the amount of \$218,068.00 for Improvement District No. PN-19-A0.
30. Contracts and bonds for Improvement District Nos. BN-20-C1, BR-20-B1 and PR-20-E1.

**REGULAR AGENDA:**

31. Presentation on the Wastewater Treatment Plant Phase IIB Expansion:
- a. Bid award for Project No. WW1701.
  - b. Task Order No. 23 with Apex Engineering Group in the amount of \$8,047,500.00 for Project No. WW1701.
32. Applications for property tax exemptions for improvements made to buildings:
- a. Richard Trottier, 1501 40th Avenue South (3 year).
  - b. Simon and Leslie Heitkamp, 2801 Evergreen Road North (5 year).
33. Commissioner Gehrig would like to have a discussion on a polling site(s) for the upcoming June election.
34. COVID-19 Update:
- a. Health Update.
  - b. Update from the Cass Clay Food Partners.
    - 1. Resolution Establishing a Moratorium to Permit the Keeping of up to six chickens.
  - c. Budget Update.
  - d. CIP Update.

People with disabilities who plan to attend the meeting and need special accommodations should contact the Commission Office at 701.241.1310. Please contact us at least 48 hours before the meeting to give our staff adequate time to make arrangements.

Minutes are available on the City of Fargo website at [www.FargoND.gov/citycommission](http://www.FargoND.gov/citycommission).

REPORT OF ACTIONUTILITY COMMITTEE

3/1a

Project No. WW1701

Type: Bid Award – PKG Contracting Inc.

Location: Wastewater Treatment Plant Phase IIB Expansion

Date of Hearing: 4-23-2020

Routing \_\_\_\_\_ Date \_\_\_\_\_

City Commission 5-4-2020

Project File \_\_\_\_\_

Jim Hausauer, Wastewater Utility Director, presented attached for bid recommendation for Project WW1701. Bids were opened at 2:30 PM on Wednesday April 1<sup>st</sup>, 2020 for work associated with the Wastewater Treatment Facility - Phase II B Expansion. These improvements are included in the Wastewater Utility 20 year CIP. The project costs will be funded with a 30 year 2% Clean Water SRF Loan with the debt service funded with rate revenues. The Phase II B Expansion will improve and increase treatment capacity to accommodate Fargo growth and further regionalization.

See attached bid tab for a detail of bid results:

The apparent low base bid, which is above the engineers estimate, is the Combined Contract D from PKG Contracting in the amount of \$123,950,000. This bid award was approved by both the Utility and Finance Committees.

**MOTION:**

On a motion by Kent Costin, seconded by Terry Ludlum, the Utility Committee voted to approve the Bid Award to PKG Contracting Inc. for Project WW1701 contingent upon approval of the NDDEQ.

|                   |                |            |           |                  |          |
|-------------------|----------------|------------|-----------|------------------|----------|
| <u>COMMITTEE:</u> | <u>Present</u> | <u>Yes</u> | <u>No</u> | <u>Unanimous</u> | <u>X</u> |
|-------------------|----------------|------------|-----------|------------------|----------|

|              |
|--------------|
| <u>X</u>     |
| <u>Proxy</u> |

Anthony Gehrig, City Commissioner

Kent Costin, Director of Finance

Brian Ward, Water Plant Superintendent

Mark Miller, Wastewater Plant Supt.

Bruce Grubb, City Administrator

Scott Liudahl, City Forester

Terry Ludlum, Solid Waste Utility Director

Jim Hausauer, Wastewater Utility Director

Troy Hall, Water Utility Director

Ben Dow, Public Works Operations Director

Brenda Derrig, City Engineer

Jason Halsne, Enterprise I/C Coordinator

ATTEST:



Jim Hausauer  
Wastewater Utility Director

C: Mayor Mahoney  
Commissioner Strand  
Commissioner Piepkorn  
Commissioner Grindberg



May 4<sup>th</sup>, 2020

Honorable Board of City Commissioners  
City of Fargo  
225 4<sup>th</sup> Street North  
Fargo, North Dakota 58102

**RE: Bid Award -- Project WW1701  
Wastewater Treatment Facility Expansion -- Phase II B Improvements**

Dear Commissioners:

Bids were opened at 2:30 PM on Wednesday April 1<sup>st</sup>, 2020 for work associated with the Wastewater Treatment Facility - Phase II B Expansion. These improvements are included in the Wastewater Utility 20 year CIP. The project costs will be funded with a 30 year 2% Clean Water SRF Loan with the debt service funded with rate revenues. The Phase II B Expansion will improve and increase treatment capacity to accommodate Fargo growth and further regionalization.

See attached bid tab for a detail of bid results:

The apparent low base bid, which is above the engineers estimate, is the Combined Contract D from PKG Contracting in the amount of \$123,950,000. This bid award was approved by both the Utility and Finance Committees.

**Recommended Motion**

Wastewater Utility staff recommend bid award of Combined Contract D to PKG Contracting Inc., as the lowest and best bid for Project WW1701 (Phase II B Expansion) contingent upon approval of the North Dakota Department of Environmental Quality.

Respectfully Submitted,



Jim Hausauer  
Wastewater Utility Director

April 16, 2020

Mr. Jim Hausauer  
Utility Director, Wastewater Division  
City of Fargo  
3400 North Broadway  
Fargo, ND 58102

**RE: Fargo Wastewater Treatment Facility - Phase IIB Expansion  
Bid Recommendation**

Dear Mr. Hausauer:

Bids have been received for the Wastewater Treatment Facility Phase IIB Expansion project and are summarized on the attached Bid Tabulation. Bids were received for the following: Contract A – General Construction, Contract B – Mechanical Construction, Contract C – Electrical Construction, Contract D – Combined, and Alternates 1-7. The lowest combination of Contracts A plus B plus C or Contract D will be considered. The alternates can be accepted or rejected as the project budget allows.

The low bids for each respective contract are as follows:

|  |                         |
|--|-------------------------|
| ▪ General Construction bid (Contract A) from PKG Contracting       | \$104,569,000.00        |
| ▪ Mechanical Construction bid (Contract B) from Wrigley Mechanical | \$ 7,383,000.00         |
| ▪ Electrical Construction bid (Contract C) from JDP Electric       | \$ 13,182,389.00        |
| ▪ Combined Construction bid (Contract D) from PKG Contracting      | <b>\$124,230,000.00</b> |
| ▪ Combination of Contract A plus Contract B plus Contract C        | \$125,134,389.00        |

Therefore, the lowest bid was Contract D in the amount of \$124,230,000. from PKG Contracting. Six additive alternates and one deductive alternate were received. Due to the overall project budget constraints, we recommend not awarding the six additive alternates. Alternate 7 is a deductive alternate for utilizing a different VFD manufacturer than the standard manufacturer used at the wastewater treatment facility. We recommend accepting deductive Alternate 7 to reduce the contract amount by \$280,000.

The bid from PKG Contracting is over the Engineer's Estimate of \$117,000,000. The Engineer's Estimate was completed in November 2019 at the 90% plan and specification phase. At that point, it was clear deep foundations were necessary on all buildings and tanks based on the geotechnical report and structural analysis. This was not originally included in the project estimate as only 2 out of over 40 structures on the campus have a deep foundation system. In February of 2020, the American Iron and Steel provisions (required by SRF funding) were modified, causing significant cost increases that were unforeseen. The suppliers and contractors estimate approximately 5-6% increase in additional project costs for AIS and other SRF requirements. Finally, the project bid during the ongoing COVID-19 pandemic. Various contractors, vendors and suppliers reported as much as 5-8% cost increases due to the unknowns such as scheduling delays, less bidders/competition, labor force issues and material costs.

This project at the wastewater treatment facility is essential for the City of Fargo to continue to serve its regional wastewater customers. Time is of the essence since the full wastewater connection with West Fargo cannot occur until this project is complete. The timeline is already abridged for

construction and any delays in awarding the contract would likely cause additional cost increases to the project. In addition, the cost increases for deep foundations and changes to SRF requirements were unforeseen but cannot be eliminated. The cost increases for COVID-19 could also increase and may last many months. It is anticipated any delays in award would increase overall project costs since the project completion date must remain the same.

Based on the bids received, we recommend the City of Fargo award the project to PKG Contracting with deductive Alternate 7 contingent on the North Dakota Department of Environmental Quality (NDDEQ) approval. The plans and specifications were submitted and approved by the NDDEQ. A State Revolving Fund loan at 2% interest rate for a term of 30 years is in place for financing these improvements and is planned to be repaid through user rates. The North Dakota PFA recommends continuing to draw on the existing loan and if more funds are necessary, the loan can be modified at that time. In addition, a portion of the project Storm Lift Station 24 is being funded separately through the Engineering Department in the amount of \$2,000,000 and will not be included in the SRF loan.

- ***The total project cost for the base bid Contract D plus deductive Alternate 7 is \$123,950,000. A Notice of Award contingent on North Dakota Department of Environmental Quality approval in this amount to PKG Contracting is attached for your consideration.***

If you have any questions or need further information, please feel free to contact me.

Sincerely,



Karla J. Olson, PE  
Project Manager



## Bid Tabulation

**Wastewater Treatment Facility Phase II B Expansion**  
City of Fargo, ND

| GENERAL CONTRACTOR                 |                             |                 |                 | MECHANICAL CONTRACTOR  |  | ELECTRICAL CONTRACTOR |  | Lowest Each Contract |  | Engineer's Estimate |  |
|------------------------------------|-----------------------------|-----------------|-----------------|------------------------|--|-----------------------|--|----------------------|--|---------------------|--|
| PKG Contracting                    |                             |                 |                 | Rice Lake Construction |  | Wrigley Mechanical    |  | JDP Electric         |  | Muth Electric       |  |
| Addenda 1-7                        |                             |                 |                 | X                      |  | X                     |  | X                    |  | X                   |  |
| 5% Bid Bond                        |                             |                 |                 | X                      |  | X                     |  | X                    |  | X                   |  |
| Contractor's License               |                             |                 |                 | X                      |  | X                     |  | X                    |  | X                   |  |
| MBE/WBE                            |                             |                 |                 | X                      |  | X                     |  | X                    |  | X                   |  |
| List of Major Equipment (00400R)   |                             |                 |                 | X                      |  | X                     |  | X                    |  | X                   |  |
| Sub/Supplier (00410)               |                             |                 |                 | X                      |  | X                     |  | X                    |  | X                   |  |
| Qualification Statement (00420)    |                             |                 |                 | X                      |  | X                     |  | X                    |  | X                   |  |
| DBE EPA Forms                      |                             |                 |                 | X                      |  | X                     |  | X                    |  | X                   |  |
| Item No                            | Description                 | Total Cost      | Total Cost      |                        |  | Total Cost            |  | Total Cost           |  | Total Cost          |  |
| A General Construction Contract    |                             |                 |                 | \$ 104,569,000.00      |  | \$ 136,263,800.00     |  | \$ 104,569,000.00    |  | \$ 99,000,000.00    |  |
| Alt. #1                            | Operations Building         | \$ 110,000.00   | \$ 112,000.00   |                        |  |                       |  | A                    |  | Alt. #1             |  |
| Alt. #2                            | Trickling Filter Work       | \$ 2,269,000.00 | \$ 2,383,000.00 |                        |  |                       |  | Alt. #2              |  | Alt. #2             |  |
| Alt. #3                            | Administration Building     | \$ 3,950,000.00 | \$ 3,208,000.00 |                        |  |                       |  | Alt. #3              |  | Alt. #3             |  |
| Alt. #4                            | East Train Vault Work       | \$ 260,000.00   | \$ 1,367,000.00 |                        |  |                       |  | Alt. #4              |  | Alt. #4             |  |
| Alt. #5                            | Effluent Forcemain          | \$ 4,340,000.00 | \$ 4,577,000.00 |                        |  |                       |  | Alt. #5              |  | Alt. #5             |  |
| Alt. #6                            | Secondary Digester          | \$ 453,000.00   | \$ 561,000.00   |                        |  |                       |  | Alt. #6              |  | Alt. #6             |  |
| B Mechanical Construction Contract |                             |                 |                 | \$ 9,100,000.00        |  |                       |  | B                    |  | Alt. #1             |  |
| Alt. #1                            | Operations Building         | \$ 18,000.00    |                 |                        |  |                       |  | Alt. #1              |  | Alt. #1             |  |
| Alt. #2                            | Trickling Filter Work       | \$ 240,000.00   |                 |                        |  |                       |  | Alt. #2              |  | Alt. #2             |  |
| Alt. #3                            | Administration Building     | \$ 340,000.00   |                 |                        |  |                       |  | Alt. #3              |  | Alt. #3             |  |
| C Electrical Construction Contract |                             |                 |                 |                        |  |                       |  | C                    |  | Alt. #1             |  |
| Alt. #1                            | Operations Building         |                 |                 |                        |  |                       |  | Alt. #1              |  | Alt. #1             |  |
| Alt. #2                            | Trickling Filter Work       |                 |                 |                        |  |                       |  | Alt. #2              |  | Alt. #2             |  |
| Alt. #3                            | Administration Building     |                 |                 |                        |  |                       |  | Alt. #3              |  | Alt. #3             |  |
| Alt. #4                            | East Train Vault Work       |                 |                 |                        |  |                       |  | Alt. #4              |  | Alt. #4             |  |
| Alt. #7                            | Deduct for VFD Manufacturer |                 |                 |                        |  |                       |  | Alt. #7              |  | Alt. #7             |  |
| CONTRACT A + B + C                 |                             |                 |                 |                        |  |                       |  | \$ 125,134,389.00    |  |                     |  |
| D Combined Construction Contract   |                             |                 |                 | \$ 124,230,000.00      |  |                       |  | D                    |  | Alt. #1             |  |
| Alt. #1                            | Operations Building         | \$ 291,000.00   |                 |                        |  |                       |  | Alt. #1              |  | Alt. #1             |  |
| Alt. #2                            | Trickling Filter Work       | \$ 3,120,000.00 |                 |                        |  |                       |  | Alt. #2              |  | Alt. #2             |  |
| Alt. #3                            | Administration Building     | \$ 4,654,000.00 |                 |                        |  |                       |  | Alt. #3              |  | Alt. #3             |  |
| Alt. #4                            | East Train Vault Work       | \$ 269,000.00   |                 |                        |  |                       |  | Alt. #4              |  | Alt. #4             |  |
| Alt. #5                            | Effluent Forcemain          | \$ 4,340,000.00 |                 |                        |  |                       |  | Alt. #5              |  | Alt. #5             |  |
| Alt. #6                            | Secondary Digester          | \$ 452,000.00   |                 |                        |  |                       |  | Alt. #6              |  | Alt. #6             |  |
| Alt. #7                            | Deduct for VFD Manufacturer | \$ (280,000.00) |                 |                        |  |                       |  | Alt. #7              |  | Alt. #7             |  |

**Certification:**

I certify that these bids were opened and read aloud on 04/01/2020 at 2:30 PM, at Fargo City Hall.

Karla J. Olson, PE



## NOTICE OF AWARD

Date of Issuance: May 4, 2020

Owner: City of Fargo, ND

Owner's Contract No.: WW1701

Engineer: Apex Engineering Group

Engineer's Project No.: 18.102.0114

Project: Phase IIB WWTF Expansion

Contract Name: Combined Construction

Bidder: PKG Contracting, Inc.

Bidder's Address: 4301 University Drive South, Fargo, ND 58104

### TO BIDDER:

You are notified that Owner has accepted your Bid dated April 1, 2020 for the above Contract, and that you are the Successful Bidder and are awarded a Contract contingent on North Dakota Department of Environmental Quality approval for:

**Contract D – Combined General, Mechanical and Electrical Construction plus Alternate 7 for Phase IIB Wastewater Treatment Facility Expansion project.**

The Contract Price of the awarded Contract is: **Lump Sum Bid Price of \$ 124,230,000 plus deductive Alternate 7 in the amount of -\$280,000 for a total project Contract Price of \$123,950,000.**

[ 5 ] unexecuted counterparts of the Agreement accompany this Notice of Award

☒ a set of the Drawings will be delivered separately from the other Contract Documents.

You must comply with the following conditions precedent within 15 days of the date of receipt of this Notice of Award:

1. Deliver to Owner [ 5 ] 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): N/A

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 Agreement, together with any additional copies of the Contract Documents as indicated in Paragraph 2.02 of the General Conditions.

Owner:

\_\_\_\_\_  
Authorized Signature

By: Dr. Tim Mahoney

Title: Mayor

Copy: Engineer



April 16, 2020

Jim Hausauer  
Utility Director  
Division of Wastewater  
3400 North Broadway  
Fargo, ND 58102

Re: Fargo WWTF Phase IIB Expansion Bids

Sub: State Revolving Fund (SRF) impact & Value Engineering (VE) Ideas.

Jim,

Per your request, I have reviewed PKG's bid for Phase IIB with an eye on quantifying the cost impact for SRF and to look for VE opportunities I see as the contractor on the project.

As you know with SRF funding, contractors are required to comply with both the AIS (American Iron & Steel) Act and Davis-Bacon wage rates.

- AIS requires domestic steel versus non-domestic steel which results in a 30 – 50% increase in price on affected materials; and
- Davis-Bacon wage rates are on average 25-30% higher than current local prevailing wages.

Due to the sheer size of this project and the number of labor hours it will take to complete the job, the overall impact of these two requirements affected the bid somewhere between \$6.8 to \$7.0 million. The breakdown is roughly \$4.5 - \$4.7M for AIS with the balance being in wages.

Also, in this process, I reviewed the overall project design and have identified opportunities where VE could be utilized to reduce project cost. However, while those opportunities individually may be appealing, with the project already on a tight timeline, any idea will need to be collectively discussed. A re-design could most certainly affect our ability to meet the Train 1 interim milestone. If Train 1 completion is late, the overall project completion date will be late as well.

That said, the best option for value-engineering would be to look at items that are not required to achieve the Milestone 1 completion. This would allow more time to do the proper study and complete the necessary re-engineering and yet avoid costly construction delays.

Office: 701-232-3878  
Fax: 701-232-3935

4301 S University Drive  
Fargo, ND 58104

[www.pkg-inc.com](http://www.pkg-inc.com)

PKG Contracting, Inc.

Jim Hausauer

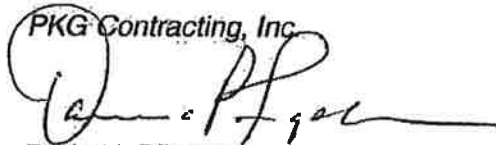
04/16/20

Page 2

Area 21 is a good example of an opportunity. This structure could possibly be eliminated with the idea of converting a Secondary Digester to fulfill the need for Filtrate Equalization. This could save the project potentially \$2 million depending modification cost of the Secondary Digester.

We have other VE ideas, but we are reluctant to identify specifics in this letter without a round table discussion because of project deadlines being priority. Cost and time associated with an extensive engineering review are simply luxuries the project does not have on the front half in order to make Milestone 1 deadline.

Regards,

PKG Contracting, Inc.  


Darin E. Pfingsten  
President



April 16, 2020

Jim Hausauer  
Utility Director  
Division of Wastewater  
3400 North Broadway  
Fargo, ND 58102

Re: Fargo WWTF Phase IIB Expansion Bids

Sub: Covid-19 Pandemic: Impact to bid

Jim,

To respond to your inquiry regarding the COVID-19 pandemic and how it may have affected the recent bid for the Phase IIB project, I offer the following comments.

Information available indicates the construction industry is being affected by COVID-19 on both a global and domestic scale. For the Phase IIB project specifically, a few things are evident that likely make this information valid for our market.

The number of subcontractor and supplier bids PKG received for most divisions of work were down by an average of 12-15%. This does not necessarily mean that we did not receive the lowest bids; rather we received fewer bids than anticipated for a project this size.

In addition, we have been hearing concerns from subcontractors and suppliers regarding material procurement as well as shipping concerns due to COVID-19 shutdowns.

There is really no way of quantifying how these points may have affected the bid in actual dollars. However, in my professional opinion, I believe today the COVID-19 pandemic impacted the overall project cost by an extra 5-6%. We have had ongoing discussions with subcontractors and suppliers in the region and continue to gather information that should allow us to further quantify and paint a clearer picture of the economic impact.

Regards,

*PKG Contracting, Inc.*

A handwritten signature in black ink, appearing to read "Darin E. Pfingsten", is written over the printed name.

Darin E. Pfingsten  
President

Office: 701-232-3878  
Fax: 701-232-3935

4301 S University Drive  
Fargo, ND 58104

[www.pkg-inc.com](http://www.pkg-inc.com)



REPORT OF ACTIONUTILITY COMMITTEE

(3/6)

Project No. WW1701

Type: Apex Engineering Group Task Order #23

Location: Wastewater Treatment Facility Phase IIB Expansion

Date of Hearing: 4-23-2020

| <u>Routing</u>  | <u>Date</u> |
|-----------------|-------------|
| City Commission | 5-4-2020    |
| Project File    |             |

Jim Hausauer, Wastewater Utility Director, presented the attached Task Order #23 from Apex Engineering for project management, construction administration, startup and warranty phase services for the Wastewater Treatment Plant Phase IIB Expansion. The City of Fargo completed a Wastewater Treatment Plant (WWTP) Facility Plan to review the existing facilities condition & capacity. The facility plan assessed all process equipment and structural components of the WWTP, as well as deficiencies associated with capacity, condition, and future regulations. The Facility Plan recommendations were prioritized via a phased approach based on immediate needs and deficiencies, with a goal to adequately treat projected hydraulic and organic loading over the next 20-plus years. The Phase II recommendations in the Facility Plan focused on expansion needs to meet the 20 year capacity requirements for Fargo growth and regionalization. A Preliminary Engineering Report (PER) in 2017 identified the basis of design for the facility improvements, recommended treatment technologies and opinions of probable costs. To meet the schedule outlined in the Wastewater Sewer Agreement with West Fargo, portions of the expansion project need to be completed in late 2022-(Phase IIB). Certain areas of the WWTP are currently under construction (Phase IIA) and will be completed in the coming months. Once operational the facility will double its capacity to treat 29 million gallons per day, serving a regional population of 270,700.

The Wastewater Utility has a placeholder in the 20 year CIP for the Phase II Expansion. The project will be funded with a 30 year/2% Clean Water State Revolving Fund (SRF) loan, and programmed to be repaid with rate funds.

Task Order #23 is for project management, construction administration, startup and warranty phase services for the Phase II B expansion. Note: \$197,500 of Task Order #23 was for design & surveying of the effluent force main as a bid alternate. This amount will not be included in the CWSRF loan as this alternate was not selected for the project. This portion will be paid with Fund 521 3065. Although not selected, this completed work will allow the City to proceed quickly on any future rehabilitation of the force main.

Apex Engineering Group was selected through a competitive proposal process in the fall of 2017 for this project. Task Order #23 is 6.5% of the bid amount of the project, well below industry standards.

**MOTION:**

On a motion by Kent Costin, seconded by Terry Ludlum, the Utility Committee voted to approve Task Order #23 from Apex Engineering Group in the amount of \$8,047,500 for Project Management, Construction Administration, Startup and Warranty Phase Services for Project WW1701 (Phase II B Expansion)

|            |         |     |    |           |              |
|------------|---------|-----|----|-----------|--------------|
| COMMITTEE: | Present | Yes | No | Unanimous | X            |
|            |         |     |    |           | <u>X</u>     |
|            |         |     |    |           | <u>Proxy</u> |

|  |          |
|--|----------|
| Anthony Gehrig, City Commissioner          |          |
| Kent Costin, Director of Finance           | <u>X</u> |
| Brian Ward, Water Plant Superintendent     | <u>X</u> |
| Mark Miller, Wastewater Plant Supt.        | <u>X</u> |
| Bruce Grubb, City Administrator            | <u>X</u> |
| Scott Liudahl, City Forester               | <u>X</u> |
| Terry Ludlum, Solid Waste Utility Director | <u>X</u> |
| Jim Hausauer, Wastewater Utility Director  | <u>X</u> |
| Troy Hall, Water Utility Director          | <u>X</u> |
| Ben Dow, Public Works Operations Director  | <u>X</u> |
| Brenda Derrig, City Engineer               | <u>X</u> |
| Jason Halsne, Enterprise I/C Coordinator   |          |

ATTEST:



Jim Hausauer  
Wastewater Utility Director

C: Mayor Mahoney  
Commissioner Strand  
Commissioner Piepkorn  
Commissioner Grindberg

## MEMORANDUM

April 23, 2020

---

**To:** Utility Committee  
**From:** Jim Hausauer, Wastewater Utility Director *JA*  
**Re:** Task Order #23 – Apex Engineering Group  
Project Mgt. & Construction Administration (Project WW1701 – Phase II B Expansion)

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### Background

The City of Fargo completed a Wastewater Treatment Plant (WWTP) Facility Plan to review the existing facilities condition & capacity. The facility plan assessed all process equipment and structural components of the WWTP, as well as deficiencies associated with capacity, condition, and future regulations. The Facility Plan recommendations were prioritized via a phased approach based on immediate needs and deficiencies, with a goal to adequately treat projected hydraulic and organic loading over the next 20-plus years. The Phase II recommendations in the Facility Plan focused on expansion needs to meet the 20 year capacity requirements for Fargo growth and regionalization. A Preliminary Engineering Report (PER) in 2017 identified the basis of design for the facility improvements, recommended treatment technologies and opinions of probable costs.

To meet the schedule outlined in the Wastewater Sewer Agreement with West Fargo, portions of the expansion project need to be completed in late 2022-(Phase IIB). Certain areas of the WWTP are currently under construction (Phase IIA) and will be completed in the coming months.

### Phase II B Improvements

Components of the Phase IIB design include a combined head works building, hybrid IFAS for biological treatment, final clarifiers, blower building, return and waste activated sludge (RAS/WAS) pump station, thickening building, primary digester, odor control, and ancillary pumps, vaults and piping. Once operational the facility will double its capacity to treat 29 million gallons per day, serving a regional population of 270,700.

The Hybrid Integrated Fixed Film Activated Sludge (IFAS) technology utilizes three stages

1. An anaerobic zone to reduce biological phosphorus
2. An anoxic zone for denitrification
3. An oxygen/aerobic zone w/media to reduce biochemical oxygen demand (BOD) and ammonia.

The Phase II Expansion was proposed to be completed as follows:

- Phase II A (2018-2020) – Important for the initial West Fargo connection
  - Centrifuge, UV Disinfection, Yard, Process & Discharge Piping, Storm Water LS Repairs, Digester Covers, Clarifier Equipment, Site Security.
- Phase II B (2020-2024) – Double capacity and improved treatment
  - Procurement Equipment for full expansion (Pumps, Controls, Mechanisms)
  - Excavation, Bricks, Mortar, Installation of Equipment

**Funding**

The Wastewater Utility has a placeholder in the 20 year CIP for the Phase II Expansion. The project will be funded with a 30 year/2% Clean Water State Revolving Fund (SRF) loan, and programmed to be repaid with rate funds.

**Task Order #23**

Task Order #23 is for project management, construction administration, startup and warranty phase services for the Phase II B expansion. Note: \$197,500 of Task Order #23 was for design & surveying of the effluent force main as a bid alternate. This amount will not be included in the CWSRF loan as this alternate was not selected for the project. This portion will be paid with Fund 521 3065. Although not selected, this completed work will allow the City to proceed quickly on any future rehabilitation of the force main.

Apex Engineering Group was selected through a competitive proposal process in the fall of 2017 for this project. Task Order #23 is 6.5% of the bid amount of the project, well below industry standards.

**Recommended Motion**

Approve attached Task Order #23 from the Apex Engineering Group in the amount of \$8,047,500 for Project Management, Construction Administration, Startup and Warranty Phase Services for Project WW1701 (Wastewater Treatment Plant Phase II B Improvements).



April 16, 2020

Mr. James Hausauer  
City of Fargo  
3400 North Broadway  
Fargo, ND 58102

RE: Fargo Wastewater Treatment Facility  
Task Order 23 – WWTF Phase IIB Expansion  
Apex Project No. 18.102.0114

Dear Mr. Hausauer,

Thank you for the opportunity to provide the enclosed Task Order 23 regarding construction engineering services for the Fargo Wastewater Treatment Facility (WWTF) Phase IIB Expansion project. The capacity of the WWTF will be reached in the near future based on current City of Fargo planning numbers and regionalization with surrounding communities. As a result, a wastewater treatment expansion is necessary due to the facility's current capacity limitations.

A Preliminary Engineering Report (PER) identified the facility updates necessary to meet future capacity requirements. Updates must be completed to provide capacity for Fargo growth and regionalization with West Fargo. The first phase of expansion (Phase IIA) included items necessary to bridge the existing facility capacity in the short term and process components in the north area of the existing plant. Phase IIA expansion construction is nearing completion. The next phase of the expansion (Phase IIB) includes a combined headworks building, IFAS for biological treatment and nutrient reduction, final clarifiers, blower building, RAS/WAS pump station, thickening building, primary digester, filtrate equalization, Storm Lift Station 24, odor control, rehabilitation of various facility components, ancillary pumps, structures, vaults, manholes, piping, paving and landscaping. Once the expansion is operational, the facility will have capacity to treat 29 million gallons per day, serving a regional population of 270,700. To meet the required deadline for providing wastewater service to West Fargo in December of 2022, Phase IIB was recently advertised and bid. After award by City Commission, construction will begin.

The project will be funded through the Clean Water State Revolving Fund (SRF) loan program. The SRF loan will provide an immediate funding source for the Phase II construction contract and engineering services at a low interest rate of 2% for 30 years.

Task Order 23 for Engineering Services includes project management, design for the effluent forcemain and construction services for Phase IIB as outlined herein. Should you have any questions, please do not hesitate to contact me.

Sincerely,



Karla Olson, PE  
Project Manager

CC: Bruce Grubb, PE – City of Fargo

This is Task Order No.  
23, consisting of 12  
pages.

## Task Order

---

In accordance with Paragraph 1.01 of the Agreement between Owner and Engineer for Professional Services – Task Order Edition, dated January 1, 2018 ("Agreement"), Owner and Engineer agree as follows:

1. Specific Project Data

- A. Title: Construction Administration Services for WWTF Improvements – Phase IIB Expansion
- B. Description: Design of Effluent Forcemain, Construction Administration, Observation and Startup services for Phase IIB Expansion at the Fargo Wastewater Treatment Facility.
- C. Number of Construction Contracts

The Specific Project is anticipated to be constructed under 1 Construction Contracts.

2. Services of Engineer

- ☐ Study and Report Services
- ☒ Design Services
- ☐ Bidding or Negotiating Services
- ☒ Construction and Commissioning Services
- ☒ Resident Project Representative Services  
Engineer will provide Resident Project Representative services pursuant to Part 4 of Exhibit A; Exhibit D of the main agreement is expressly incorporated by reference.
- ☐ Other Services
- ☐ Additional Services Requiring an Amendment to Task Order

Part 6 of Exhibit A is incorporated by reference unless otherwise noted.

## 3. Owner's Responsibilities

Owner shall have those responsibilities set forth in Article 2 and in Exhibit B, subject to the following: No exceptions.

## 4. Times for Rendering Services:

| <u>Phase</u>                       | <u>Completion Date (week of)</u> |
|------------------------------------|----------------------------------|
| <u>Execute Eng. Agreement</u>      | <u>May 4, 2020</u>               |
| <u>Begin Construction Services</u> | <u>May 4, 2020</u>               |
| <u>Substantial Completion</u>      | <u>December 31, 2023</u>         |
| <u>Final Completion</u>            | <u>May 31, 2024</u>              |

## 5. Payments to Engineer

A. Owner shall pay Engineer for services rendered as follows:

| <i>Category of Services</i>   | <i>Compensation Method</i> | <i>Lump Sum, or Estimate of Compensation for Services</i> |
|---|----------------------------|---|
| Study/Report Phase  | A. Lump Sum                | N/A   |
| Design and Bidding/Negotiating  | A. Lump Sum                | \$197,500   |
| Construction Administration,<br>Commissioning,<br>Resident Project Representative | B. Standard Hourly Rates   | \$7,850,000   |
| Reimbursables   |                            | Included  |
| <b>Total Project Fee</b>  |                            | <b>\$8,047,500</b>  |

B. The terms of payment are set forth in Article 4 of the Agreement and in Exhibit C.

6. Consultants: **Carollo Engineers, MBN Engineering, Solien & Larson Engineering, TL Stroh Architects**
7. Other Modifications to Agreement: N.A.
8. Attachments: Attachment No.1 – Scope and Schedule
9. Documents Incorporated by Reference: N.A.
10. Terms and Conditions: Execution of this Task Order by Owner and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Task Order signed by Owner.



The Effective Date of this Task Order is May 4, 2020.

**OWNER:**

By: City of Fargo

Name: Dr. Tim Mahoney

Title: Mayor

Date Signed: \_\_\_\_\_

**ENGINEER:**

By: Apex Engineering Group, Inc.

Name:   
Karla Olson, PE

Title: Vice President

Engineer License or  
Firm's Certificate No. COCP #975

State of: North Dakota

Date Signed: April 16, 2020

Address for giving notices:

200 3rd Street North

Fargo, North Dakota 58103

Address for giving notices:

4733 Amber Valley Parkway South

Fargo, North Dakota 58104

**OWNER:**

**DESIGNATED REPRESENTATIVE FOR TASK  
ORDER:**

Name: James Hausauer

Title: Utility Director

Address: 3400 North Broadway  
Fargo, ND 58102

Email  
Address: JHausauer@FargoND.gov

Phone: 701-476-6692

**ENGINEER:**

**DESIGNATED REPRESENTATIVE FOR TASK  
ORDER:**

Name: Karla Olson, PE

Title: Project Manager

Address: 4733 Amber Valley Parkway S.  
Fargo, North Dakota, 58104

Email  
Address: Karla.Olson@apexenggroup.com

Phone: 701-373-7985



Water | Transportation | Municipal | Facilities

## Scope of Services

### **Wastewater Treatment Facility Improvements Phase IIB Expansion – Construction Services**

#### **Fargo, North Dakota**

City of Fargo, ND

*April 16, 2020*

| Task No. | Description                  |
|----------|------------------------------|
| 1        | Project Management           |
| 2        | Preliminary and Final Design |
| 3        | Construction Services        |

## **Project Background**

The City of Fargo completed a Wastewater Treatment Facility (WWTF) Plan in 2014 to review the existing facility's condition and capacity; assess all process equipment and structural components of the WWTF; identify deficiencies regarding capacity, condition, safety and future regulations; and develop strategies to alleviate deficiencies and adequately treat the projected hydraulic and organic requirements of the facility over the next twenty-plus years.

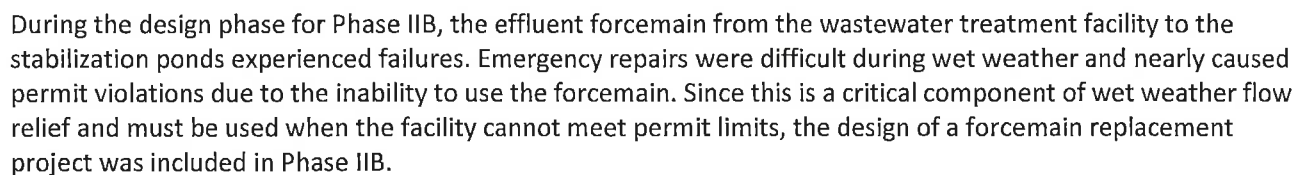
The Facility Plan recommendations were prioritized via a phased approach based on the most immediate needs. Phase I of the Facility Plan included equipment replacement and upgrades to existing facility components due to equipment age, condition, workers' safety and capacity. The Phase I improvement project was completed and addressed age and equipment condition issues necessary for reliable wastewater treatment; however, the improvements did not add additional capacity to the facility. The Phase II recommendations in the Facility Plan focused on the expansion needs for the facility to meet the projected 20-year wastewater capacity requirements for City of Fargo growth and regionalization. A Preliminary Engineering Report (PER) in 2017 identified the basis of design for the facility improvements, recommended treatment technologies to meet projected effluent limits and presented opinions of probable costs. The Phase II expansion was split into two phases, Phase IIA and Phase IIB. Certain components were prioritized into Phase IIA to allow the City of Fargo to receive a limited amount of flow from West Fargo before the entire facility expansion could be completed. The Phase IIA project included a centrifuge process, UV disinfection, effluent pumping, miscellaneous east train equipment replacements and various piping components. The Phase IIA project is currently under construction and nearing completion.

To meet the schedule outlined in the Wastewater Service Agreement with West Fargo and continued growth of Fargo's regional facility, the following items must be completed as part of the Phase IIB Expansion project.

- A new headworks facility with influent pumping, screening, grit removal and odor control
- A new west treatment train including biological nutrient removal
- Two new final clarifiers
- Blower building and associated electrical equipment
- Return activated sludge (RAS) and waste activated sludge (WAS) pumping
- Scum pumping
- RAS/WAS pump station with process control laboratory
- In-plant waste pump station
- Thickening for scum and waste activated sludge
- New primary anaerobic digester
- Digester electrical room
- Primary digester rehabilitation
- Sludge pumping improvements
- Digester gallery heating, pumping, pipe and valve improvements
- Dewatering building improvements
- Dewatering filtrate equalization and pumping
- Odor and corrosion control
- Splitter structures, manholes and vaults
- Underground piping and valves
- Reuse water system pumping and distribution
- Protective coating systems
- Storm sewer improvements including a new Lift Station 24
- Power distribution and communications improvements
- Electrical, instrumentation and control components



- Project components included in Phase IIB will complete the 20-year construction requirements of the WWTF as shown in the following figure. The Phase IIB Expansion will provide capacity for approximately 270,700 people.



A Clean Water State Revolving Fund (SRF) loan application was submitted to the North Dakota Department of Health (NDDH) for funding approval during the PER phase of this project. The SRF program will provide a 30-year 2% interest loan available immediately for the Phase II project, including the construction contract and all engineering services.

## **Task No. 1.0 – Project Management**

### **Objective:**

Management of engineers and technicians through all phases of the project, including contract administration and coordination of quality assurance and quality control. Provide point of contact for City of Fargo.

### **Activities:**

1. Review and execute contract between City of Fargo and Apex Engineering Group (Apex).
2. Oversee Engineers and Technicians assigned to the project.
3. Attend and report at project update meetings, as necessary.
4. Provide communications and coordination between City of Fargo, Sub-consultants, and Apex.
5. Provide quality assurance and quality control.

### **City of Fargo Responsibilities:**

- ✓ Execute contract between City of Fargo and Apex.
- ✓ Provide requested information in a timely manner.
- ✓ Attend construction progress meetings.

### **Apex Responsibilities and Deliverables:**

- ✓ Review and execute contract with City of Fargo in a timely manner.
- ✓ Gather, organize, review and return (if applicable) any necessary information.
- ✓ Schedule and attend project meetings.
- ✓ Communicate with City of Fargo on project updates and schedule.

**Task No. 2.0 – Preliminary and Final Design – Effluent Forcemain****Objective:**

To prepare Contract Document (plans and specifications) for the replacement of the Effluent Forcemain from the WWTF to the Stabilization Ponds. Provide 90% and 100% Contract Documents for milestone review with City of Fargo. Follow all North Dakota Department of Environmental Quality (NDDEQ) and State Revolving Fund (SRF) requirements for Contract Documents.

**Activities:**

1. Provide survey services for the forcemain route.
2. Review site geotechnical information.
3. Review and incorporate City-supplied site information and critical infrastructure.
4. Review site constraints and constructability issues.
5. Review City of Fargo building department standards and requirements.
6. Review City of Fargo Planning department requirements.
7. Design development for Civil, Process and Structural components of the Effluent Forcemain.
8. Prepare 90% plans and specifications.
9. Conduct 90% review meeting with City and Apex.
10. Prepare 100% plans and specifications.
11. Conduct 100% review meeting with City and Apex.
12. Submit final plans and specifications to the NDDEQ.

**City of Fargo Responsibilities:**

- ✓ Provide documents as requested.
- ✓ Provide wastewater sampling equipment and analysis, as needed.
- ✓ Attend scheduled meetings.
- ✓ Review milestone contract documents (90% and 100%) and provide comments.

**Apex Responsibilities and Deliverables:**

- ✓ Secure Subconsultants as needed to aid in design.
- ✓ Review site constraints and constructability issues with City Personnel.
- ✓ Prepare 90% and 100% plans and specifications. Submit requested number of copies (up to 3) to the city for review and comment.
- ✓ Provide City with (4) four copies of final plans and specifications.
- ✓ Provide NDDEQ with (3) three copies of final plans and specifications.

**Task No. 3.0 – Construction Services****Objective:**

Administer construction of Phase IIB improvements including construction observation of all on site activities by various contractors.

**Activities:**

1. Execute Agreement, Notice of Award, and Notice to Proceed documents.
2. Conduct progress meetings at the WWTF between Owner, Engineer and Contractors.
3. Conduct shop drawing review.
4. Conduct operation and maintenance manual review.
5. Provide full time Resident Project Representative from Apex for construction observation.
6. Answer all requests for information (RFIs).
7. Process partial pay applications.
8. Develop preliminary and final punch lists.
9. Determine actual substantial and final completion dates.
10. Provide startup services and coordination.

**City of Fargo Responsibilities:**

- ✓ Attend progress meetings.
- ✓ Execute contract, notice of award and notice to proceed in a timely manner.
- ✓ Approve pay applications in a timely manner.
- ✓ Attend punch list inspections.

**Apex Responsibilities and Deliverables:**

- ✓ Develop Agreement, Notice of Award, and Notice to Proceed documents.
- ✓ Conduct weekly progress meetings at the WWTF.
- ✓ Provide a Resident Project Representative during construction.
- ✓ Review shop drawings.
- ✓ Approve pay applications.
- ✓ Develop punch list for submittal to contractor.
- ✓ Develop substantial and final completion documents.
- ✓ Assist Owner during startup of various facilities and equipment.
- ✓ Final set of record drawings.
- ✓ Final operation & maintenance manuals.

**Project Schedule**

| <b><u>Task/Activity</u></b>                  | <b><u>Date (Week of)</u></b> |
|--|------------------------------|
| - Execute Agreement for Engineering Services | May 4, 2020                  |
| - Begin Construction Services Contract       | May 4, 2020                  |
| - Substantial Completion of West Train       | December 31, 2022            |
| - Substantial Completion of All Improvements | December 31, 2023            |
| - Final Completion/Project Closeout          | May 31, 2024                 |





32a

April 22, 2020

Board of City Commissioners  
City Hall  
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1501 40 Ave S as submitted by Richard Trottier. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for the years 2020, 2021 & 2022.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$415 with the City of Fargo's share being \$70.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Hushka". The signature is fluid and cursive.

Ben Hushka  
City Assessor

bsb  
attachment

**Application For Property Tax Exemption For Improvements  
To Commercial And Residential Buildings**  
North Dakota Century Code ch. 57-02.2  
(File with the local city or township assessor)

**Property Identification**

|  |                                  |   |                                     |  |
|--|----------------------------------|---|-------------------------------------|--|
| 1. Name of Property Owner  | TROTTIER, RICHARD C              |   | Phone No.                           | 701-235-6908                                       |
| 2. Address of Property   | 1501 40 AVE S                    |   |                                     |  |
| City   | FARGO                            | State   | ND                                  | Zip Code 58104                                     |
| 3. Legal description of the property for which the exemption is being claimed. | BLOCK 9 LOT 55 RUBY DELL SCHNELL |   |                                     |  |
| 4. Parcel Number   | 01-2705-02020-000                | Residential <input checked="" type="checkbox"/> | Commercial <input type="checkbox"/> | Central Business District <input type="checkbox"/> |
| 5. Mailing Address of Property Owner   | SAME AS ABOVE                    |   |                                     |  |
| City   |                                  | State   |                                     | Zip Code   |

**Description Of Improvements For Exemption**

|   |  |               |      |
|---|--|---------------|------|
| 6. Describe the type of renovating, remodeling or alteration made to the building for which the exemption is being claimed (attach additional sheets if necessary). | <small>Replace existing tub/showers with tile showers. Work includes flooring, fixtures, ventilation, plumbing and electrical</small><br>All interior remodel permits require smoke detectors and carbon monoxide detectors to be installed p-A-20-NCV |               |      |
| 7. Building Permit No.  | 19101083   | 8. Year Built | 1987 |
| 9. Date of Commencement of making the improvement   | Dec 8 to Jan 31  |               |      |
| 10. Estimated market value of property before improvement   | \$ 279,200   |               |      |
| 11. Cost of making the improvement (all labor, material and overhead)   | \$ 31,500  |               |      |
| 12. Estimated market value of property after improvement  | \$   |               |      |

**Applicant's Certification and Signature**

|   |
|---|
| 13. I certify that the above information is correct to the best of my knowledge and I apply for this exemption. |
| Applicant's Signature <u>Richard Trotter</u> Date <u>4-9-2020</u>   |

**Assessor's Determination**

|   |                             |
|---|-----------------------------|
| 14. The local assessor finds that the improvements in this application has <input checked="" type="checkbox"/> has not <input type="checkbox"/> met the qualifications for exemption for the following reason(s): | 3 YEARS FOR QUALIFYING WORK |
| Assessor's Signature <u>Allen Hunsaker</u> Date <u>4/22/20</u>  |                             |

**Action of Governing Body**

|  |
|--|
| 15. Action taken on this application by local governing board of the county or city: Denied <input type="checkbox"/> Approved <input type="checkbox"/> |
| Approval subject to the following conditions:  |
| Chairman of Governing Body _____ Date _____  |



326

April 22, 2020

Board of City Commissioners  
City Hall  
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 2801 Evergreen Rd N as submitted by Simon & Leslie Heitkamp. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for the years 2020, 2021, 2022, 2023 & 2024.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$810 with the City of Fargo's share being \$140.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Hushka". The signature is written in a cursive style with a large, looping initial "B".

Ben Hushka  
City Assessor

bsb  
attachment

## ***Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings***

**North Dakota Century Code ch. 57-02.2**  
(File with the local city or township assessor)

### Property Identification

1. Name of Property Owner Simon & Leslie Heitkamp Phone No. (701) 640-5684

2. Address of Property 2801 Evergreen Rd N

City FARGO State ND Zip Code 58102

3. Legal description of the property for which the exemption is being claimed. Lot 12, Block 3, Elm Tree Park

4. Parcel Number 01-0750-00370-000 Residential ☒ Commercial ☐ Central Business District ☐

5. Mailing Address of Property Owner 2801 Evergreen Rd N

City Fargo State ND Zip Code 58102

### Description Of Improvements For Exemption

6. Describe the type of renovating, remodeling or alteration made to the building for which the exemption is being claimed (attach additional sheets if necessary). Install Egress Window, Rebuild new sunroom, reside dwelling, interior remodel

7. Building Permit No. 181288, 181807 8. Year Built 1968

9. Date of Commencement of making the improvement 08/03/2018

10. Estimated market value of property before improvement \$ 232,500

11. Cost of making the improvement (all labor, material and overhead) \$ \_\_\_\_\_

12. Estimated market value of property after improvement \$ \_\_\_\_\_

### Applicant's Certification and Signature

13. I certify that the above information is correct to the best of my knowledge and I apply for this exemption.

Applicant's Signature *Simon Hettler* Date 04/21/2020

### Assessor's Determination

14. The local assessor finds that the improvements in this application has ☒ has not ☐ met the qualifications for exemption for the following reason(s): 5 YEARS FOR QUALIFYING WORK

Assessor's Signature [Signature] Date 4/22/20

### Action of Governing Body

15. Action taken on this application by local governing board of the county or city: Denied ☐ Approved ☐  
Approval subject to the following conditions: \_\_\_\_\_  
\_\_\_\_\_  
Chairman of Governing Body \_\_\_\_\_ Date \_\_\_\_\_



3461

**TO: BOARD OF CITY COMMISSIONERS**

**FROM: KIM LIPETZKY, PUBLIC HEALTH NUTRITIONIST, FARGO CASS PUBLIC HEALTH** *KL*

**DATE: APRIL 30, 2020**

**SUBJECT: RESOLUTION ESTABLISHING A MORATORIUM TO PERMIT THE KEEPING OF UP TO SIX CHICKENS**

The Cass Clay Food Partners continues to work on food access during this COVID-19 pandemic. As follow up to our presentation at the last City Commission meeting, we have been working on clarification of existing ordinances and codes related to the ability of residents to grow their own food. We are compiling this information in a Frequently Asked Questions format and plan to share some of these findings at the May 4<sup>th</sup> City Commission meeting.

In an effort to support residents in becoming more self-sufficient, a common request has been to increase the number of chickens allowed under the current ordinance. Currently 4 hens are allowed and we would like to request this number be increased to 6; all other provisions in the ordinance will remain in effect. This request would go into effect immediately upon execution with an end date of September 30, 2020. Attached is the Resolution Moratorium for your consideration.

**REQUESTED MOTION:** Approve the Resolution Establishing a Moratorium to Permit the Keeping of Up to Six Chickens - Fargo Municipal Code 12-0306.



Commissioner \_\_\_\_\_ moved for the approval of the following RESOLUTION:

## RESOLUTION

### **[MORATORIUM TO PERMIT THE KEEPING OF UP TO SIX CHICKENS]**

**WHEREAS**, The Mayor has declared a state of emergency as a result of the COVID-19 pandemic, by order and proclamation of March 16, 2020; and

**WHEREAS**, The City of Fargo and its citizens are encouraged to participate in social distancing to curb the spread of the COVID-19 pandemic; and

**WHEREAS**, In order to help reduce the spread of COVID-19, the City of Fargo and its citizens are opting to engage in other means of procuring food, such as eggs, from sources that reduce human contact; and

**WHEREAS**, Section 12-0306 of the Fargo Municipal Code provides that citizens may keep up to four (4) chickens with an approved city permit; and

**WHEREAS**, It is hereby found and declared that the health, safety and welfare of the City of Fargo and its occupants will be benefitted by keeping additional chickens and fosters appropriate social distancing for the curbing of the COVID-19 pandemic; and

**WHEREAS**, This moratorium will extend beyond the City's state of emergency declaration given the high egg laying season of chickens in the spring and summer seasons;

### **NOW, THEREFORE, BE IT HEREBY RESOLVED:**

1. **MORATORIUM ESTABLISHED.** A moratorium is hereby established to increase the permitted number of chickens as set forth in Section 12-0306 of the Fargo Municipal Code from four (4) to six (6) in number.
2. **Mayor Authorized to Implement by Further Order or Orders.** The Mayor of the City is hereby authorized to promulgate and issue one or more executive orders as may be necessary to implement and clarify the terms of this moratorium, under the authority of F.M.C. §10-0318 and hereof, which executive orders may be further ratified or amended by the Board of City Commissioners as may be necessary or appropriate.
3. **Effect of Moratorium – Limitation of Enforcement.** This moratorium as to the enforcement of certain regulations or ordinances of the City shall be serve to instruct, order and limit code enforcement officers or inspectors, police officers, and prosecutors of the City or any other law or code enforcement officers, inspectors or agents to refrain from enforcing City Ordinances contrary to the terms hereof and to refrain from charging or citing persons, firms or other entities accordingly and, furthermore, said instruction,

order and limitation in enforcement shall survive the termination of this moratorium, whether such termination occurs by lapse of time or by affirmative act.

4. **Effective Date and Term.** This moratorium shall take effect immediately upon the adoption hereof [the "Effective Date"] and shall extend until 11:59 p.m. on the 30<sup>th</sup> day of September, 2020, unless it is otherwise terminated or extended by resolution or motion of the Board of City Commissioners of the City of Fargo.

Said motion was seconded by Commissioner \_\_\_\_\_ and, upon call of the roll Commissioners \_\_\_\_\_ voted "aye", Commissioners \_\_\_\_\_ voted "nay" and with Commissioners \_\_\_\_\_ being absent the Resolution was declared as approved and enacted.

Resolution approved the \_\_\_\_ day of May 2020.

\_\_\_\_\_  
Dr. Timothy J. Mahoney, M.D., Mayor

Attest:

\_\_\_\_\_  
Steven Sprague, City Auditor

REPORT OF ACTION**FINANCE COMMITTEE****Description:** Coronavirus Budget Impacts**Type:** 2020 Budget Reviews**Date of Hearing:** 4/27/2020**Routing**

City Commission

**Date**

5/4/2020


**BACKGROUND**

At the April 6, 2020, City Commission meeting, Mayor Mahoney gave an update on the COVID-19 financial impacts to the City of Fargo's 2020 budget. The Mayor indicated that the Finance Committee would be evaluating the potential for declining revenues and, as a result, looking at potential suspensions of spending in the General Fund, Enterprise Funds and Capital Outlay Funds. At the same time, the Mayor wanted the Finance Committee to complete a thorough examination of Federal and State funding programs that might be available to municipalities to replace lost revenues. The budget team was directed to work with Department and Division Heads to review budgets and develop prudent budget reductions with respect to prioritized expenditures and levels of service. The Mayor indicated a list of budget recommendations would be prepared by the budget team and forwarded to the Finance Committee and City Commission.

**2020 REVENUE BUDGET REVIEW**

For the past 3-4 weeks, the budget team has been evaluating the City's 2020 budgets, starting with the revenue budgets in light of potential declines in associated with the coronavirus. If you may recall from the Mayor's 2020 budget presentation, the City currently operates under four major revenue categories that include the General Fund, Utility Funds, Debt Service Funds and Special Revenue Funds. In this exercise, the major focus of the budget team's review were related to revenues and expenditures in the General Fund and Utility Funds.

The first step in the evaluation process was to review the first quarter revenue reports associated with the General Fund and Utility Funds. A detailed first quarter comparison of budgeted versus actual revenues was conducted. The first quarter reports showed that budget revenues were relatively close to budgeted revenues as reflected below:

| <u>Category</u> | <u>Q1 Budget</u> | <u>Q1 Actual</u> | <u>Q1 Percentage</u> |
|-----------------|------------------|------------------|----------------------|
| General Fund    | 38,139,000       | 35,973,000       | (6%)                 |
| Utility Funds   | 12,773,500       | 12,523,000       | (2%)                 |

In looking forward to Q2, Q3 and Q4, there was some concern about extended negative impacts to General Fund revenue sources. Therefore, the budget team spent time reviewing specific line items to try predict where declines were most likely to occur. Those line items included property taxes, fees, highway funds, state aid, sales taxes, etc. The budget team also looked at current available fund balances and researched any stimulus funding that might be available to local governments. By way of example, the recent federal CARES Act provided additional funding to our local transit systems and CDBG programs. When factoring in various revenue line item declines against various increases as a result of stimulus funding, a net reduction in General Fund revenues of about \$3 million was determined to be appropriate at this time. It is further recommended that similar revenue reviews be conducted at the conclusion of Q2, Q3 and Q4. In addition, it is recommended that the budget team conduct similar reviews if additional funding becomes available through future federal or state stimulus programs.

The budget team then reviewed the General Fund Expense budgets in an effort find an adequate amount of spending reductions/suspensions to offset the projected decline in revenues. All three major expense categories were reviewed including personnel, operating and capital. Based on those reviews and discussions with Department and Division heads, the following list of temporary expenditure suspensions was recommended:

| <u>General Fund Category</u>                       |                   | <u>Suspended Amount</u> |
|--|-------------------|-------------------------|
| <b>Personnel</b>                                   |                   | <b>\$980,000</b>        |
| ○ Full-time Vacant Positions                       | \$255,000         |                         |
| ○ Part-time Seasonal                               | \$400,000         |                         |
| ○ Over-time Reductions                             | \$225,000         |                         |
| ○ Workers Compensation                             | \$100,000         |                         |
| <b>Operating</b>                                   |                   | <b>\$472,000</b>        |
| ○ Travel (out- of-state and in-state)              | \$200,000         |                         |
| ○ Training/Conferences (out-of-state and in-state) | \$157,000         |                         |
| ○ General Supplies                                 | \$50,000          |                         |
| ○ Other  | \$65,000          |                         |
| <b>Capital</b>                                     |                   | <b>\$1,584,877</b>      |
| ○ General Fund Capital - Fund 101                  | \$275,000 (40%)   |                         |
| ○ Equipment Fund Capital - Fund 475                | \$1,300,000 (30%) |                         |
| <b>General Fund Temporary Suspension Total</b>     |                   | <b>\$3,036,877</b>      |

**SUGGESTED MOTION:**

Approve a temporary suspension of budgeted expenditures in Personnel, Operating and Capital as detailed above until further notice.

| <u>COMMITTEE:</u>                            | <u>Present</u> | <u>Yes</u> | <u>No</u> | <u>Unanimous</u> |
|--|----------------|------------|-----------|------------------|
|  |                |            |           | <u>X</u>         |
|  |                |            |           | <u>Proxy</u>     |
| Tim Mahoney, Mayor                           | <u>X</u>       |            |           |                  |
| Dave Piepkorn, City Commissioner             | <u>X</u>       |            |           |                  |
| Bruce Grubb, City Administrator              | <u>X</u>       |            |           |                  |
| Mike Redlinger, Assistant City Administrator | <u>X</u>       |            |           |                  |
| Kent Costin, Director of Finance             | <u>X</u>       |            |           |                  |
| Steve Sprague, City Auditor                  | <u>X</u>       |            |           |                  |

  
 Tim Mahoney  
 Finance Committee Chair

REPORT OF ACTION  
**FINANCE COMMITTEE**


**Description:** Coronavirus Budget Impacts**Type:** 2020 Budget Reviews**Date of Hearing:** 4/27/2020

|                 |             |
|-----------------|-------------|
| <b>Routing</b>  | <b>Date</b> |
| City Commission | 5/4/2020    |

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**2020 EXPENSE BUDGET REVIEW**

The budget team then reviewed the General Fund Expense budgets in an effort find an adequate amount of spending reductions/suspensions to offset the projected decline in revenues. All three major expense categories were reviewed including personnel, operating and capital. Based on those reviews and discussions with Department and Division heads, the following list of temporary expenditure suspensions was recommended:

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| ○ Equipment Fund Capital - Fund 475                | \$1,300,000 (30%) |                         |
| <b>General Fund Temporary Suspension Total</b>     |                   | <b>\$3,036,877</b>      |

**SUGGESTED MOTION:**

Approve a temporary suspension of budgeted expenditures in Personnel, Operating and Capital as detailed above until further notice.

| COMMITTEE:                                   | Present | Yes | No | Unanimous |
|--|---------|-----|----|-----------|
|  |         |     |    | X         |
|  |         |     |    | Proxy     |
| Tim Mahoney, Mayor                           | X       |     |    |           |
| Dave Piepkorn, City Commissioner             | X       |     |    |           |
| Bruce Grubb, City Administrator              | X       |     |    |           |
| Mike Redlinger, Assistant City Administrator | X       |     |    |           |
| Kent Costin, Director of Finance             | X       |     |    |           |
| Steve Sprague, City Auditor                  | X       |     |    |           |

  
 Tim Mahoney  
 Finance Committee Chair



REPORT OF ACTION**FINANCE COMMITTEE****Improvement District:****Type:** 2020 Capital Improvement Plan**Location:** Citywide**Date of Hearing:** April 27, 2020

|                 |             |
|-----------------|-------------|
| <u>Routing</u>  | <u>Date</u> |
| City Commission | 5/04/2020   |

|              |                                   |
|--------------|-----------------------------------|
| Project File | <u>Brenda Derrig/Tom Knakmuhs</u> |
|--------------|-----------------------------------|

City Engineer, Brenda Derrig, and Assistant City Engineer, Tom Knakmuhs, presented an amended 2020 Capital Improvement Plan to the Finance Committee. This amendment is a result of the effects of the pandemic along with a reduction in revenue funds. The Committee discussed the impacts of the delayed projects and the possible need to have Public Works asphalt patch some of the locations. While it is not the desire to delay projects, the projects that are being delayed will have a minimal impact on our infrastructure network as long as they are programmed in the near future.

Bruce Grubb moved to approve the amended 2020 Capital Improvement Plan. The motion was seconded by Dave Piepkorn and all voted to approve.

**RECOMMENDED MOTION:**

Concur with the recommendation of Finance Committee and approve the amended 2020 Capital Improvement Plan.

| <u>COMMITTEE:</u>                            | <u>Present</u> | <u>Yes</u> | <u>No</u> | <u>Unanimous</u> |
|--|----------------|------------|-----------|------------------|
|  |                |            |           | <u>X</u>         |
|  |                |            |           | <u>Proxy</u>     |
| Tim Mahoney, Mayor                           | <u>X</u>       | <u>X</u>   |           |                  |
| Dave Piepkorn, City Commissioner             | <u>X</u>       | <u>X</u>   |           |                  |
| Bruce Grubb, City Administrator              | <u>X</u>       | <u>X</u>   |           |                  |
| Mike Redlinger, Assistant City Administrator | <u>X</u>       | <u>X</u>   |           |                  |
| Kent Costin, Director of Finance             | <u>X</u>       | <u>X</u>   |           |                  |
| Steve Sprague, City Auditor                  | <u>X</u>       | <u>X</u>   |           |                  |

  
 Tim Mahoney, Finance Committee Chair



# Memorandum

To: Finance Committee

From: Tom Knakmuhs, Assistant City Engineer, and Brenda Derrig, City Engineer

Date: 4/21/2020

Re: Reduced 2020 CIP

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As we continue to operate through the coronavirus epidemic, it has become apparent that we will not be able to complete all the projects originally approved in the 2020 CIP. There are many factors associated with the recommended reduction of the 2020 CIP, some of which are the decrease in allocation of Prairie Dog Funds and Sales Tax, along with fewer seasonal staffing. While it is never our desire to defer necessary maintenance, preservation, or improvement projects, we certainly understand the need to do so at this time. There are a number of projects that were created, bid, and awarded anticipating the utilization of Prairie Dog Funds and if those funds are not available, we have the ability to use Infrastructure Sales Tax (Fund 420) in lieu of Prairie Dog Funds. In the original approved 2020 CIP, we anticipated the expenditure of \$11,403,678 in Prairie Dog Funds and \$6,166,199 in Sales Tax for a total of \$17,569,877 between the two funds. The reduced 2020 CIP, we anticipate would expend \$10,399,253 between those same two funds, which is a reduction of \$7,170,624 or about 40.8%.

The full extent of the changes between the original approved CIP (\$108,520,575 Total Program) and the reduced CIP (\$81,915,432 Total Program) can be seen by comparing the two attachments. The following color codes will aid in tracking the changes between the two CIPs.

- Projects that have already been bid and awarded. (Green Highlighted)
- Projects that have been created, but not yet bid. (Yellow Highlighted)
- Projects that have been reduced. (Red Text)
- ~~Projects that have been eliminated.~~ (Red Text w/ strike through)

Modifications to the CIP are also summarized below:

Federal Aid Projects:

- No change

Water main and Street Reconstruction Projects:

- No change

Finance Committee  
Reduced 2020 CIP

Arterial Roadway Improvements:

- PN-20-B1 (45<sup>th</sup> Street S from 52<sup>nd</sup> to 64<sup>th</sup> Avenue): We were unsure at the time of the CIP creation as to whether or not this project would be necessary or feasible. At this time, it does not appear likely that this project will advance this year.
- BR-20-B1 (7<sup>th</sup> Avenue North): The project scope was reduced. The original limits of the project was on 7<sup>th</sup> Ave N from Broadway to Elm St and on Oak St from 7<sup>th</sup> Ave N to about 2 blocks to the south. The revised projects limits are on 7<sup>th</sup> Ave N from Broadway to 2<sup>nd</sup> St N.

Flood Control Projects:

- FM-19-C1 (Woodcrest) and FM-19-E1 (Elm Circle) projects have been delayed. This change is due to our inability to have neighborhood meetings due to the social distancing requirements currently in place.

Pavement Preservation Projects:

- PR-20-B1 (Concrete Spot Repair): The project scope was reduced.
- PR-20-E1 (Mill and Overlay): The project scope was reduced. A portion of 44<sup>th</sup> Ave S was eliminated. Work on Elm St was also eliminated.
- PR-20-F1 (Street Reconstruction): This project was eliminated.

Storm Sewer Utility Projects:

- No change

Traffic and Streetlight Improvements:

- SL-20-A1 (Street Light Rehab. /Repair): The project scope was reduced.
- TR-20-A1 (LED Replacement): The project scope was reduced.
- TM-20-A1 (Pavement Marking 2<sup>nd</sup> Ave. N): This project was eliminated.
- TM-20-B1 (Pavement Marking Replacement): This project was eliminated.

New Development Projects:

- No change

Alley Paving Projects:

- No change

Sidewalk Projects:

- SR-20-A1: The project scope was reduced.
- SR-20-B1: This project was eliminated.

Finance Committee  
Reduced 2020 CIP

Miscellaneous Projects:

- TP-20-A1 (Tree Planting): This project was eliminated.
- UR-20-B1 (Water Service Lowering): This project was eliminated.
- UR-20-C1 (Sanitary Sewer Lining/Manhole Rehab.): This project was eliminated.

These changes to the CIP have a significant change to the anticipated expenditures, but also to the fees that are collected:

| <b>Fund</b>                              | <b>Original CIP</b> | <b>Reduced CIP</b> | <b>(Reduction)<br/>/Increase</b> |
|--|---------------------|--------------------|----------------------------------|
| Traffic Control and Street Light Utility | \$ 360,250          | \$ 842,747         | \$ 482,497                       |
| Special Assessments                      | \$ 36,551,548       | \$ 32,766,306      | \$ (3,785,241)                   |
| Storm Utility (FUND 524)                 | \$ 1,074,200        | \$ 1,051,503       | \$ (22,697)                      |
| Prairie Dog Fund                         | \$ 11,403,678       | \$ 4,699,932       | \$ (6,703,746)                   |
| Street Sales Tax (FUND 420)              | \$ 6,166,199        | \$ 5,699,321       | \$ (466,878)                     |
| Flood Sales Tax                          | \$ 23,804,800       | \$ 14,339,000      | \$ (9,465,800)                   |
| Wastewater Utility (FUND 455)            | \$ 4,451,155        | \$ 2,439,222       | \$ (2,011,933)                   |
| Water Utility (FUND 450)                 | \$ 3,965,078        | \$ 2,925,921       | \$ (1,039,157)                   |

| <b>Fees</b>            | <b>Original CIP</b> | <b>Reduced CIP</b> | <b>(Reduction)<br/>/Increase</b> |
|------------------------|---------------------|--------------------|----------------------------------|
| Engineering/Admin Fees | \$ 7,541,009        | \$ 4,881,791       | \$ (2,659,217)                   |

Recommended Motion:

Accept the proposed revisions to the 2020 CIP and recommend approval of the Reduced 2020 CIP to City Commission.





