

City Commission meetings are broadcast live on TV Fargo Channel 56 and online at 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.

- A. Pledge of Allegiance.
- B. Roll Call.
- C. Approve Order of Agenda.
- D. Minutes (Regular Meeting, November 5, 2018).

CONSENT AGENDA – APPROVE THE FOLLOWING:

- 1. Receive and file an Ordinance Amending Section 10-0318 of Article 10-03 of Chapter 10 of the Fargo Municipal Code Relating to Public Safety, Morals and Welfare.
- 2. Waiver of requirement for receipt of an Ordinance one week prior to 1st reading and 1st reading of the following Ordinances:
 - a. Amending Section 1-0305.A of Article 1-03 of Chapter 1 of the Fargo Municipal Code Relating to Classifications of Ordinance Violations – Tattoos, Body Art and Body Piercing Violations as Class B Misdemeanors.
 - b. Amending Sections 25-3301 through 25-3307 of Article 25-33 of Chapter 25 and Enacting Sections 25-3301.1 and 25-3301.2 of Article 25-33 of Chapter 25 of the Fargo Municipal Code Relating to Tattoos, Body Art and Body Piercing.
- 3. 2nd reading and final adoption of the following Ordinances; 1st reading 11/5/18:
 - a. Rezoning Certain Parcels of Land Lying in Gardenia Addition.
 - b. Amending Sections 20-0212, 20-0216, 20-0302, 20-0402, 20-0403, 20-0502, 20-0612, 20-0701, 20-0704, 20-0705, 20-0901, 20-0907 and 20-0914 of Articles 20-02 thru 20-07 and 20-09 of Chapter 20 of the Fargo Municipal Code Relating to the Land Development Code of the City of Fargo.
- 4. Direct the City Attorney to prepare amendments to the Fargo Municipal Code relating to Driving without a License in Possession.
- 5. Applications for property tax exemptions for improvements made to buildings:
 - a. Christine C. and Thomas D. Dowdell, 3107 Par Street North (3 year).
 - b. Keith G. and Shelley A. Lesteberg, 2844 28th Avenue South (3 year).
 - c. Ann C. Schmidt, 2315 32nd Street South (3 year).
 - d. Martin R. Aas, 1418 20th Street South (5 year).
 - e. David A. and Shanon Gregor, 1014 24th Avenue South (5 year).
 - f. Craig and Kaia Ehrmantraut, 2819 Longfellow Road North (5 year).
 - g. Nicholas L. and Rachel R. Kjonaas, 3720 Fairway Road North (5 year).
 - h. Amy and Andrew Herian, 2849 Hickory Street North (5 year).
 - i. Karen Timm, 3245 17th Avenue South, Unit 102 (5 year).
 - j. Mitchell H. and Michelle EY Cunningham, 1526 9th Street North (5 year).

- k. Darian L. Hanson, 814-816 32nd Street North (5 year).
 - l. Richard A. and Trudy M. Huschka T/O/D, 2105 2nd Street North (5 year).
 - m. Dmitry Kovalyov and Kari A. Losee, 1601 6th Street South (5 year).
 - n. Lora J. Wallgren T/O/D, 1725 14th Street South (5 year).
 - o. Tammy and Jeffrey Osborn, 1625 14th Avenue South (5 year).
 - p. Teresa L. Ash, 1209 15th Street South (5 year).
6. Applications for Games of Chance:
- a. Fargo Angels Hockey Club for a calendar raffle on 12/2/18.
 - b. Knights of Columbus Council 11930 for a raffle on 5/23/19.
 - c. Cancer Benefit for Travis Anderson for a raffle and raffle board on 12/2/18; Public Spirited Resolution.
 - d. NDSU Judging Club for a calendar raffle from 4/8/19 to 4/12/19.
 - e. NDSU Judging Club for a raffle on 2/20/19.
7. Receive and file General Fund – Budget to Actual through October 30, 2018 (unaudited).
8. Direct the City Attorney to review and revise Article 13-11, Child Care Centers.
9. Contract Agreement with AE2S Communications for breastfeeding campaign initiatives (RFP17362).
10. Developer and Road Use Agreement with 404 Place, LLC.
11. Negative Final Balancing Change Order No. 2 in the amount of -\$4,880.27 for Project No. UR-17-C1.
12. Final Balancing Change Order No. 1 in the amount of \$0.00 for Project No. TP-16-A1.
13. Community Development Block Grant Storefront Rehab project 16 8th Street South.
14. Sole Source Procurement with Bishop Land Design, LLC to perform programming services for the Civic Plaza Block in the amount of \$150,000.00.
15. Bid awards for purchase of one crawler dozer (RFP18310) and one excavator (RFP18309).
16. Bid award for winter pruning operations (RFP18314).
17. Developer Waiver of Protest Agreement with Dakota Beach Capital, LLC.
18. Bid award for the 2018/2019 sidewalk snow and ice removal code enforcement (RFP18267).
19. Extension of the sidewalk snow and ice removal contract with Polar Snow & Ice Management for the 2018/2019 snow season (RFP17285).
20. Amendment No. 3 with First Transit to revise the fees for the period of January 1, 2019 through December 31, 2019.
21. Amendment to Software Support Agreement with SPX Corporation (Genfare).
22. Bid award for Project No. WW1701 Phase II A Improvements (Central Generation Station).
23. Memorandum of Offer to Landowner and Permanent Easement (Street and Utility) with Elwood Jay Brand (Project No. WW1705).

- Page 3
24. Resolution Prescribing Rates and Charges for Hauled Liquid Waste at the Wastewater Treatment Facility.
 25. Bills.
 26. Change Order No. 1 for an increase of \$30,054.22 and time extension to 10/26/18 for Improvement District No. BR-18-F1.
 27. Change Order No. 2 for an increase of \$36,312.00 for Improvement District No. AN-17-G1.
 28. Change Order No. 1 for an increase of \$33,887.90 for Improvement District No. TM-18-A1.
 29. Memorandum of Offer to Landowner for a Permanent Easement with Plecity Kowalski Construction Inc. in association with Improvement District No. BN-16-H1.
 30. Memorandum of Offer to Landowner for Temporary Easements (construction) for Improvement District No. BN-19-A1:
 - a. Clark and Sherri D. Erickson.
 - b. Minnkota Power Cooperative, Inc.
 - c. Fred M. Hector, Jr. Revocable Trust.
 - d. Bradley A. Anderson and Yuki Anderson.

REGULAR AGENDA:

31. Update on winter sheltering.
32. Development Agreement with Dakota Beach Capital, LLC.
33. Public Hearings - 5:15 pm:
 - a. Plat of Fitzsimonds Addition on a portion of the Southeast Quarter of Section 34, Township 139 North, Range 49 West of the 5th Principal Meridian (5080 38th Street South and 3805 52nd Avenue South); approval recommended by the Planning Commission on 8/7/18.
 - b. Hearing on a dangerous building located at 826 10th Street North; continued from the 11/5/18 Regular Meeting.
 - c. Hearing on a dangerous building located at 1101 7th Street North; continued from the 9/24/18 and 10/22/18 Regular Meetings.
34. Recommendation to reappoint Chuck Hoge to the Growth Initiative Fund Board.
35. The City Attorney will provide a status report regarding the Municipal Airport Authority.

****The Board will meet in Executive Session to discuss negotiating strategy and to provide negotiating instruction to its negotiator and to consult with its attorneys regarding a possible Agreement between the City and the Fargo Municipal Airport Authority as authorized by NDCC, Section 44-04-19.1 subsections 2 and 9.

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.

(31)

MEMORANDUM

TO: BOARD OF CITY COMMISSIONERS

FROM: NICOLE CRUTCHFIELD, PLANNING DIRECTOR *NC*

DATE: NOVEMBER 15, 2018

RE: COMMUNITY DEVELOPMENT – UPDATE ON WINTER SHELTERING

Community leaders and staff will provide a brief update on winter sheltering in response to the onset of cold temperatures as well as to summarize Commissioner Strand's request for information on the topic.



32

MEMORANDUM

TO: BOARD OF CITY COMMISSIONERS

FROM: JIM GILMOUR, DIRECTOR OF STRATEGIC PLANNING AND RESEARCH

DATE: OCTOBER 30, 2018

SUBJECT: DAKOTA BEACH CAPITAL

In September, the City Commission approved a PILOT incentive for Dakota Beach Capital and directed the City Attorney to prepare a development agreement for adoption by the City Commission. That agreement is attached for your approval.

The project is located at 914 and 918 15th Street North near North Dakota State University. It will be the removal of two older homes and the construction of a new 16-unit apartment building with interior and exterior parking. The project conforms to the existing UMU, University Mixed-Use zoning.

Property taxes will remain at the current level for the first 5 years, and be based on 50% of the increased property in years 6 through 10.

RECOMMENDED MOTION: To approve the Development Agreement with Dakota Beach Capital for the development of a 16-unit apartment building at 914 and 918 15th Street North.

Attachments

cc: Ben Hushka
Erik Johnson

AGREEMENT

THIS AGREEMENT, Made and entered into this ____ day of _____, 2018, by and between **DAKOTA BEACH CAPITAL, LLC**, a North Dakota limited liability company, of Fargo, North Dakota , ("Developer"), and the **CITY OF FARGO** a North Dakota municipal corporation ("City"),

WHEREAS, Developer owns certain real property and has submitted a proposal to the City for development of said property, which is situate in the City of Fargo, County of Cass and State of North Dakota, more fully described as:

North Ten (10) feet of Lot Three (3), Lot Four (4), and the South Forty (40) feet of Lot Five (5), Block Three (3), Wm G Johnson Addition.

WHEREAS, Developer seeks to utilize payment in lieu of taxes to finance and provide for amortization of the costs of certain portions of the eligible expenses for said improvements, as provided in §40-57-1-03, N.D.C.C.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Representations, Warranties and Covenants by Developer. The Developer represents and warrants that as of the date of execution of this Agreement by Developer, and throughout the period that this Agreement is in effect:

(a) The Developer is a corporation duly organized and in good standing under the laws of the State of North Dakota, and is not in violation of any provisions of its Operating Agreement or the laws of the State of North Dakota and is authorized to enter into and perform its obligations under this Agreement.

(b) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented or limited by and will not conflict with or result in a breach of any provision or requirement applicable to the Developer or of any provision of any evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound.

(c) The Developer, with respect to its construction, operation and maintenance of the Improvements upon the Developer's Property, will cause the same to occur in accordance in all material respects with this Agreement and all local, state and federal laws and regulations (including without limitation environmental, zoning, building code and public health laws and regulations).

(d) The Developer has received no notice or communication from any local, state or federal official or body that any activities of the Developer respecting the Developer's Property contemplated by this Agreement, including the construction of the Improvements on the Developer's Property, may be or will be in violation of any law or regulation.

(e) The Developer will use its reasonable efforts to obtain, in a timely manner, all required permits, licenses and approvals, and to meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Improvements may be lawfully constructed and completed.

(f) To the best knowledge and belief of the Developer, the construction of the Improvements on the Developer's Property within the reasonably foreseeable future is conditioned on the assistance and benefit to the Developer provided for in this Agreement. The Developer would not undertake the Project without the financing provided by the City pursuant to this Agreement.

(g) The Developer represents and covenants that throughout the term of this Agreement the payment in lieu of taxes assistance provided under this Agreement will be used by the Developer solely to finance costs that are eligible as set forth in the City PILOT Policy, including expenses of the clearance, development, redevelopment, rehabilitation, and conservation of the area.

(h) The Developer will cooperate fully with the City and City with respect to any litigation commenced by third parties or by the City or City or both against third parties with respect to the Project.

(i) The Developer has not received any notice from any local, state or federal official that the activities of the Developer with respect to the Project may or will be in violation of any Environmental Law or regulation, and the Developer, without any duty of inquiry, is not aware of any state or federal claim filed or planned to be filed by any party relating to any violation of any Environmental Law.

(j) The Developer understands that the City will or may subsidize or encourage the development of other properties in the City, including properties that compete with the Developer's Property and any improvements thereon, and that such subsidies or encouragements may be more favorable than the terms of this Agreement, and that the City has not represented that development of the Developer's Property will be favored over the development of other properties.

(m) As of the date of execution of this Agreement by Developer, the Developer has arrangements for all the equity and loan financing necessary to complete the improvements as described herein.

(n) The written disclosure to City by Developer of the names and addresses of each of Developer's members is true and correct, including, in the case of any members of Developer that are partnerships, corporations or limited liability companies, the names and addresses of partners, stockholders or members thereof.

(o) No relocation payments shall be made to Developer nor to any shareholder of Developer.

(p) Developer has disclosed all relevant information that might have a negative impact on this transaction.

2. Payment in Lieu of Taxes Exemption. The City has taken the necessary steps to establish a payment in lieu of taxes exemption for Developer's project, pursuant to the provision of Chapter 40-57.1-03, N.D.C.C. Such exemption shall apply in accordance with the terms of this agreement.

3. Public Assistance. The parties hereto agree that the amount of public assistance which shall be expended for the improvements and other expenses eligible to be off set against the exemption granted by the City shall be a maximum amount of \$175,875 plus interest as set forth herein, which improvements are described as follows:

Expenses eligible to be recouped through PILOT:	Maximum Expenditure
a. Costs of acquisition, capped at	\$80,000
b. Demolition and site work costs, capped at	\$90,000
c. City fee to cover administrative, legal and other costs	\$ 5,875
TOTAL	\$175,875

It is understood and agreed that the present value of the said \$175,875 is deemed to be the sum of \$175,875 which is, therefore the maximum amount of public assistance which will be provided through the PILOT tax exemption described herein. Developer has provided detailed estimates reflecting the amount and nature of expenses that are expected to be incurred in amounts equal to, or exceeding, the capped amounts set forth in subparagraphs (a) through (c). Said detailed estimates shall be used by the City to verify the expenditures, as described in paragraph 3.3, below.

The said public assistance shall be a One Hundred Percent (100%) property tax exemption in years one (1) through five (5) and a Fifty Percent (50%) property tax exemption for years six (6) through

ten (10), which exemption is applicable to, and established upon the incremental difference between the property's unimproved value and the improved value--it being understood and acknowledged that Developer shall be responsible for payment of *ad valorem* property taxes on the assessed value of the Subject Property prior to the commencement of the project as the same has been determined by the City Assessor, The exemption shall start the year following completion of the project.

In addition to said \$175,875, costs may be incurred by the Developer for interest paid on notes, or other obligations issued by the Developer to provide funds for the payment of eligible public costs of development. Said approved eligible costs shall include additional interest on those costs at the rate of FIVE PERCENT (5%), simple interest. Such costs shall be recovered from the payment in lieu of taxes exemption.

Section 3.3 Approval of Eligible Costs by Developer. Developer shall submit requests for approval of eligible costs identified herein upon such forms as the City may require, and shall provide such documentation as may be required by the City. It is understood and agreed that \$175,875 (plus interest) is the maximum amount of public assistance to be provided for this project and that the City's approval of such eligible expenses will be limited to actual expenses incurred, as approved by the City, that are equal to, or less than, the maximum amounts set forth herein.

4. Development of Property. Developer plans to have at a minimum sixteen (16) student-oriented housing units. Said project shall be constructed to comply with applicable building codes of the City of Fargo.

5. Release and Indemnification Covenants.

(a) The Developer releases the City and the governing body members, officers, agents, including independent contractors, consultants and legal counsel and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") from, covenants and agrees that the Indemnified Parties shall not be liable for, and agrees

to indemnify and hold harmless the Indemnified Parties against, any loss or damage to property or any injury to or death of any person occurring at, about or in connection with the Developer's Property and/or Improvements, or the Developer's undertaking and completion thereof, or resulting from any defect therein, except to the extent such loss, damage or death is caused by the negligence or other wrongful acts of the Indemnified Parties.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Improvements, provided that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement.

(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the project due to any act of negligence of any person, other than any act of negligence on the part of any such indemnified party or its officers, agents, servants or employees.

(d) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City.

(e) This Agreement shall not create nor be construed to create any partnership, joint venture, agency, or employment relationship between the Parties.

6. Hazardous Substance Indemnity by Developer.

(a) The Developer hereby agrees to defend, indemnify and hold harmless the City, their officers, employees, agents, successors and assigns (hereinafter collectively referred to as the "Indemnitees") from and against, and shall reimburse each such Indemnitee for, any and all loss, claim, liability, damage, judgment, penalty, injunctive relief, injury to person, property or natural resources (including all costs associated therewith), cost, expense, action or cause of action arising as a direct result of any past, present or future existence, use, handling, storage, transportation, manufacture, release or disposal (collectively the "Occurrence") of any Hazardous Substance in, on or under the Developer's Property whether the Occurrence is foreseeable or unforeseeable, regardless of the source (provided that the source must have been later in time than the conveyance of the Developer's Property to the Developer), the time of the Occurrence or the time of discovery (hereafter collectively referred to as "Loss"). The foregoing indemnification against Loss includes, without limitation, indemnification against all costs at law or in equity of removal, response, investigation, or remediation of any kind, and disposal of such Hazardous Substances, all costs of determining whether the Developer's Property is in compliance with, and of causing the Developer's Property to be in compliance with, all applicable Environmental Laws, and the Indemnitees' reasonable attorneys' and consultants' fees, court costs and expenses incurred in connection with any thereof.

The obligations of the Developer to indemnify the Indemnitees shall survive termination of this Agreement. The rights of the Indemnitees hereunder shall be in addition to any other rights or remedies which the Indemnitees may have against the Developer's

Property and Developer under this Agreement or any other document or at law or in equity.

Notwithstanding anything in this Agreement to the contrary, this indemnity shall not apply to:

- (1) Any Loss incurred by any of the Indemnitees as a direct result of affirmative actions or inactions of any of the Indemnitees or their respective agents, employees and contractors as owner and operator of the Developer's Property if and to the extent such affirmative actions or inactions of the Indemnitee are a direct cause of the introduction and initial release of a Hazardous Substance in, on or under the Developer's Property.
- (2) Anything which is the subject matter of an indemnity given by the City to the Developer, whether such indemnity arises under an agreement or by operation of law; and
- (3) Any Occurrences which arise from property owned by the City or with respect to which the City has an obligation to cause compliance with all applicable Environmental Laws.

7. Assignability. It is understood and agreed by the parties that the Developer will retain an interest in the Developer's Property until completion of the project as proposed by Developer unless City shall otherwise agree with Developer in writing. City's approval shall not be unreasonably withheld.

8. Design Requirements. Developer's construction shall meet the design requirements below:

- (a) A minimum of 16 student-oriented dwelling units.
- (b) A minimum of One Million Two Hundred Thousand Dollars (\$1,200,000)

in building improvements

(c) The building design shall meet the University Mixed Use zoning district standards.

Should Developer fail to meet these minimum requirements the City may revoke the PILOT Project described herein.

9. Execution of Documents. The parties agree to execute such instruments as necessary to effect the terms of this agreement, including a Memorandum of Agreement prepared in such form as to be acceptable for recording in the Cass County Recorder's office containing the essential terms hereof necessary to place subsequent owners, lienholders and mortgagees on notice as to the existence of this agreement and the essential terms hereof.

10. Entire Agreement. This agreement contains all of the terms of the agreement between City and Developer and supersedes all oral negotiations. The provisions hereof shall be binding upon the successors and assigns of the parties hereto. Developer agrees to apprise any buyers or intended assigns of the existence and content of this agreement.

11. Pre-Performance Compliance Conference. The City shall have no obligation under this Agreement unless Developer establishes prior to September 30, 2020, that it has complied with all its obligations set forth herein, including establishing compliance with all of the representations, warranties and covenants and that the contingencies set forth in this Agreement have been satisfied or, in the alternative, have been waived in writing by the City. The establishment by Developer of such compliance shall occur at a conference for the purpose of exchanging any documentation, written assurances or other representations as required herein [hereinafter the "Pre-Performance Compliance Conference" or "PPC Conference"] between the City and Developer at a place to be mutually agreed upon on September 30, 2020, or such earlier time as the parties may agree. At or before the PPC Conference, Developer shall provide to City a written statement from

Developer, in a form acceptable to the City, establishing and affirming the covenants, warranties and representations in paragraph 1, above, are true and correct, and assuring the City of Developer's intention and commitment to be bound by same throughout the term of this Agreement, as required herein. Upon compliance by Developer as set forth in this paragraph, City shall issue a written statement acknowledging that Developer has sufficiently made the disclosures and representations as required herein and that the contingencies set forth in this Agreement have either been satisfied or have been waived by the City.

12. Contingencies for Benefit of City. This section intentionally omitted.

13. Amendments. This Agreement may be amended, modified, superceded, or canceled, and any of the terms, covenants, representations, warranties, or conditions hereof may be waived, only by a written instrument executed by the parties hereto or, in the case of a waiver, by the party waiving compliance.

14. Binding Agreement. All of the terms, covenants, representations, warranties and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors, but this Agreement and the rights and obligations hereunder shall not be assignable by any party hereto without the express written consent of the other party.

15. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed and enforced as so limited.

16. Non-waiver of contractual right. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

17. Applicable law, jurisdiction and venue. This agreement shall be governed by the laws of the State of North Dakota and any dispute resulting in a lawsuit shall be heard in the Cass

County District Court, State of North Dakota. The parties hereby submit to the personal jurisdiction of said Court.

DATED the day and year first above written.

DAKOTA BEACH CAPITAL, LLC

By _____

Its _____

CITY OF FARGO
A North Dakota municipal corporation

By _____
Timothy J. Mahoney, M.D., Mayor

ATTEST:

Steven Sprague, City Auditor

33a

City of Fargo Staff Report			
Title:	Fitzsimonds Addition	Date:	8/1/2018
		Updated:	11/13/2018
Location:	5080 38th Street South and 3805 52nd Avenue South	Staff Contact:	Donald Kress, planning coordinator
Legal Description:	Portion of the Southeast Quarter of Section 34, Township 139 North, Range 49 West of the 5th Principal Meridian, Cass County, North Dakota		
Owner(s)/Applicant:	Fred M Hector Jr Revocable Trust/ Keith Ernst	Engineer:	Ulteig Engineering
Entitlements Requested:	Major Subdivision (Portion of the Southeast Quarter of Section 34, Township 139 North, Range 49 West of the 5th Principal Meridian, Cass County, North Dakota)		
Status:	City Commission Public Hearing: November 19, 2018		

Existing	Proposed
Land Use: Undeveloped	Land Use: Commercial
Zoning: GC, General Commercial with a C-O, Conditional Overlay (Ordinance 4636)	Zoning: No change
Uses Allowed: GC – General Commercial. Allows colleges, community service, daycare centers of unlimited size, detention facilities, health care facilities, parks and open space, religious institutions, safety services, adult entertainment centers, offices, off-premise advertising, commercial parking, outdoor recreation and entertainment, retail sales and service, self storage, vehicle repair, limited vehicle service, aviation, surface transportation, and major entertainment events. With a C-O, Conditional Overlay, Ord. 4636	Uses Allowed: No change
Maximum Building Coverage: 85%	Maximum Building Coverage: 85%

Proposal:

The applicant requests one entitlement:

A major subdivision, entitled **Fitzsimonds Addition**, a one block, seven lot subdivision, which is a plat of a portion of the Southeast Quarter of Section 34, Township 139 North, Range 49 West of the 5th Principal Meridian, Cass County, North Dakota.

This project was reviewed by the City's Planning and Development, Engineering, Public Works, and Fire Departments ("staff"), whose comments are included in this report.

Surrounding Land Uses and Zoning Districts:

- North: GC, undeveloped (the remaining part of this parcel)
- East: North Dakota Department of Transportation right of way. No zoning designation. Interstate 29 highway use
- South: LC, Limited Commercial with a C-O, Conditional Overlay with three commercial establishments
- West: GC, with a C-O, with a credit union and a bank

The 2003 Southwest Future Land Use Plan designates the area of this project as "Either office or Commercial" land use. The existing GC, General Commercial zoning is consistent with this land use designation. No zone change is proposed.

- Commercial
- Commercial or Medium/High Density
- Commercial or Medium/High or Park/Open Space
- Commercial or Park/Open Space
- Either Industrial or Commercial
- Either Office or Commercial
- Either Office or Medium/High Density Residential
- Industrial
- Low/Medium Density Residential
- Low/Medium Density or Medium/High Density
- Medium/High Density Residential
- Medium/High Density or Park/Open Space
- Office
- Office or Commercial or Medium/High Density
- Park/Open Space
- Public
- Public or Commercial
- Public or Low/Medium Density
- Public or Office
- Storm Water



Context:

Schools: The subject property is located within the Fargo School District and is served by Kennedy Elementary, Discovery Middle and Davies High schools.

Neighborhood: The subject property is located within the Woodhaven Neighborhood.

Parks: Cottagewood Park is located approximately 700 feet northwest of the project site and provides the amenities of playgrounds for ages 2-5 and 5-12 and a shelter.

Pedestrian / Bicycle: There are off-road bike facilities along 52nd Avenue South that are a component of the metro area bikeways system.

Staff Analysis:

PLAT: The plat will create seven lots in one block for commercial development. The applicant's conceptual site plan showing general proposed uses is attached for reference.

ZONING: The property is zoned GC, General Commercial, with conditional overlay ordinance 4636 (Approved October 22, 2007). This overlay addresses architectural design and materials, screening, pedestrian and vehicular circulation, and signage. The applicant does not propose to modify this overlay at this time.

ACCESS: Lots 2, 3, and 5 will be accessed by reciprocal access easements. Lots 1, 4, 6, and 7 will be accessed by reciprocal access easements and 51st Avenue South, a dedicated public right of way. No direct access to Lots 1 and 2 will be permitted from 38th Street South.

Page 18
EXTENSION OF 51ST STREET SOUTH: The developer has provided for extension of 51st Avenue South to the western property line of Lot 7.

PARKS AND TRAILS: There will be no trails within the subdivision, and no additional trail on the 38th Street right of way. The developer has worked with the Fargo Park District on a cash in lieu park development agreement.

MASTER PLAN: The applicant has developed a conceptual master plan for the remaining area of this property that is not being platted at this time. This plan shows one potential development option. A copy of this plan is attached.

Subdivision

The LDC stipulates that the following criteria are met before a major plat can be approved

1. Section 20-0907(C)(1)(Development Review Procedures—Subdivisions—Major Subdivisions) of the LDC stipulates that no major subdivision plat application will be accepted for land that is not consistent with an approved Growth Plan or zoned to accommodate the proposed development.

The property is zoned GC, General Commercial, which is consistent with the 2003 Southwest Future Land Use Plan designation of "either office or commercial." The GC zoning will accommodate the proposed commercial development. No zone change or modification of the Conditional Overlay is proposed. In accordance with Section 20-0901.F 3 of the LDC, notices of the proposed plat have been sent out to property owners within 300 feet of the subject property. To date, staff has received one phone inquiry about the project and has met with the property owner to the south.

(Criteria Satisfied)

2. Section 20-0907.4 of the LDC further stipulates that the Planning Commission shall recommend approval or denial of the application and the City Commission shall act to approve or deny, based on whether it is located in a zoning district that allows the proposed development, complies with the adopted Area Plan, the standards of Article 20-06 and all other applicable requirements of the Land Development Code.

The property is zoned GC, General Commercial, which is consistent with the 2003 Southwest Future Land Use Plan designation of "either office or commercial." The GC zoning will accommodate the proposed commercial development. No zone change or modification of the Conditional Overlay is proposed. The project has been reviewed by the city's Planning, Engineering, Public Works, Inspections, and Fire Departments and found to meet the standards of Article 20-06 and other applicable requirements of the Land Development Code.

(Criteria Satisfied)

3. Section 20-0907.C.4.f of the LDC stipulates that in taking action on a Final Plat, the Board of City Commissioners shall specify the terms for securing installation of public improvements to serve the subdivision.

The applicant has provided an amenities plan that specifies the terms or securing installation of public improvements to serve the subdivision. This amenities plan has been reviewed by the Public Works Project Evaluation Committee (PWPEC). The City's standard policy is that any improvements associated with the project (both existing and proposed) are subject to special assessments. Special assessments associated with the costs of the public infrastructure improvements are proposed to be spread by the front footage basis and storm sewer by the square footage basis as is typical with the City of Fargo assessment principles.

(Criteria Satisfied)

Staff Recommendation:

Suggested Motion: "To accept the findings and recommendations of the Planning Commission and staff, and move to approve the proposed **Fitzsimonds Addition** subdivision plat as presented; as the proposal complies with the 2003 Southwest Future Land Use Plan, Standards of Article 20-06, and all other applicable requirements of the LDC."

Planning Commission Recommendation: August 7, 2018

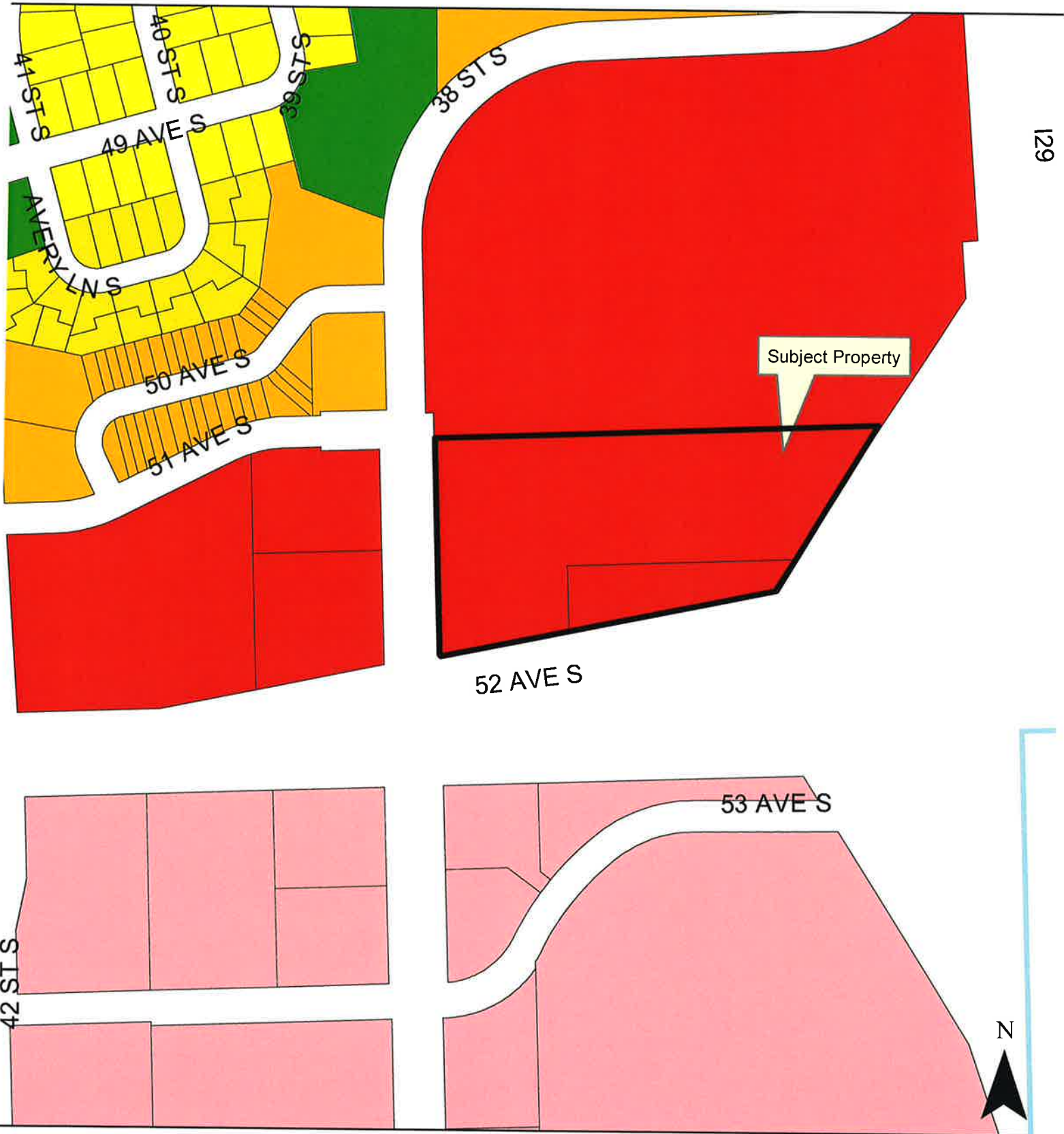
At the August 7th, 2018 Planning Commission hearing, by a vote of 8-0 with two Commissioners absent, the Planning Commission moved to accept the findings and recommendations of staff and recommended approval to the City Commission of the proposed **Fitzsimonds Addition** subdivision plat as presented; as the proposal complies with the 2003 Southwest Future Land Use Plan, Standards of Article 20-06, and all other applicable requirements of the LDC."

Attachments:

1. Zoning Map
2. Location Map
3. Preliminary Plat
4. Conceptual Site Plan
5. Conceptual Master Plan
6. Draft Amenities Plan

Fitzsimonds Addition

5080 38th Street South &
3805 52nd Avenue South



Legend

AG	LC	MHP	SR-2
DDMU	MLC	NO	SR-3
GC	MR-1	P/I	SR-4
GO	MR-2	UML	SR-5
GO	MR-3		City Limits

300
Feet

Fargo Planning Commission
August 7, 2018

Fitzsimonds Addition

5080 38th Street South &
3805 52nd Avenue South



FITZSIMONDS ADDITION

TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA,
AN UNPLATTED PORTION OF THE SOUTHEAST QUARTER, SECTION 34, TOWNSHIP 139 NORTH, RANGE 49 WEST
(A MAJOR SUBDIVISION)

OWNERS DESCRIPTION AND DEDICATION

KNOW ALL MEN BY THESE PRESENTS, That FRED M. HECTOR JR., KEITH A. EMMETT and RANDOLF P. VOGL, as Trustees of the Fred M. Hector Jr., Novacable Trust (under agreement dated September 27, 2017), whose address is Fargo, North Dakota, the owners of a parcel of land located in the Southeast Quarter of Section 34, Township 139 North, Range 49 West of the Fifth Principal Meridian, Cass County, North Dakota, and more particularly described as follows:

(Being a portion of the Southeast Quarter of Section 34, Township 138 North, Range 49 West, Cass County, North Dakota, lying West of Interstate 29, North of 52 Avenue South, and East of 36th Street South, and being more particularly described as follows:

[illegible]

The above described parcel contains 11.71 acres or 510110.37 square feet more or less.

Said owners have caused the above described parcel of land to be surveyed and plotted as "TIZMONDS ADDITION" to the City of Fargo, Cass County, North Dakota, and does hereby dedicate to the public for public use, the interest and utility concerns as shown on this plat.

Jack M. Hartigan
Fred M. Hartigan, Jr., as Trustee of the Fred M. Hartigan Jr. Revocable
Trust under agreement dated September 27, 2017

State of North Dakota } ss
County of Cass

on this 5th day of October 2018, before me personally appeared Fred M. Heston, Jr., Trustee of the Fred M. Heston, Jr. Irrevocable Trust under Agreement Dated September 27, 2017, described in and who executed the within and foregoing instrument and acknowledged that he executed the same as the free act and deed of said Trust.

Lavonne Dickey
History Teacher

[Signature]
 I, A. Ernst, as Trustee of the Fred M. Hecler Jr. Revocable Trust
 acknowledge that I signed the foregoing instrument dated September 27, 2017.

County of Cass } ss
City of North Dakota }

his 5th day of October, 2018, before me personally and Keith A. Ernst, Trustee of the Fred M. Heppner Jr. Removable Trust under instrument dated September 27, 2117, described in and who executed the within and to whom I am referring in the foregoing instrument and acknowledged that he executed the above as the true act and deed of said trust.

Joane Picklay
my name

PREPARED BY
Ulteip

PROJECT NO. 13-000000
SHEET 1 OF 11

ARCO RESURGE DETROIT LANCES ST PAUL SOUX FALLS DENVER CONGR RAPIDS WILLISTON

SURVEYOR'S CERTIFICATE AND ACKNOWLEDGMENT

1. **Mr. M. Klash, Registered Professional Land Surveyor**
under the laws of the State of North Dakota hereby certifies that this plot is a true and correct representation of the survey of said addition, that all distances shown on said plot are correct and the measurements for the guidance of future surveys have been located as shown on the ground as shown.

[Signature]
Kurt M. Kisch, Professional Land Surveyor

State of North Dakota }
County of Cass }

This date is of October 2018
 There was a rotary picnic with over 3000 people, personally
 in my area. It is known to be the picnic described in and
 during the time as a free set and about
 appeared who

A. H. Rief
Story Clerk

STEFAN H. CLANSON
 Board of North Carolina
 Society of Public
 My Commission Expires July 21, 2008

CITY OF FARGO ENGINEERING DEPARTMENT APPROVAL

Approved by City Engineer this _____ day of _____

Brenda E. Derrig, City Engineer
 City of North Dakota } SS
 County of Cass

I this day of 2018, before a notary public with and the said County, personally appeared Brandon E. Derrig, City Engineer, to me known to be the person described in and who executed the same as a free and valid.

Library Publication

CITY OF FARGO PLANNING COMMISSION APPROVAL

Shirley Fischer, Planning Commission Chair
 Fargo Planning Commission

State of North Dakota } SS
 County of Cass

_____ day of _____, 2013, before me, a notary public with and for said County, personally appeared _____, known to me to be the person described in and who called the same as a free oct and said

Colon Public

FARGO CITY COMMISSION APPROVAL:

Approved by the Board of City Commissioners and ordered
and this _____ day of _____ 2018

Timothy J. Mahoney, M.D.

Test: Steven Springue, City Auditor

State of North Dakota } SS
County of Cass

This _____ day of _____, 2018, before me with and for said County, personally appeared Timothy J. Mahoney, Mayor, and Steven Sprague, City Auditor, to me known to be the persons named in and who executed the same as a true act and deed.

New Page

FITZSIMONDS ADDITION

TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA,
AN UNPLATTED PORTION OF THE SOUTHEAST QUARTER, SECTION 34, TOWNSHIP 139 NORTH, RANGE 49 WEST
(A MAJOR SUBDIVISION)

UNPLATTED
FRED W. HECTOR, JR.

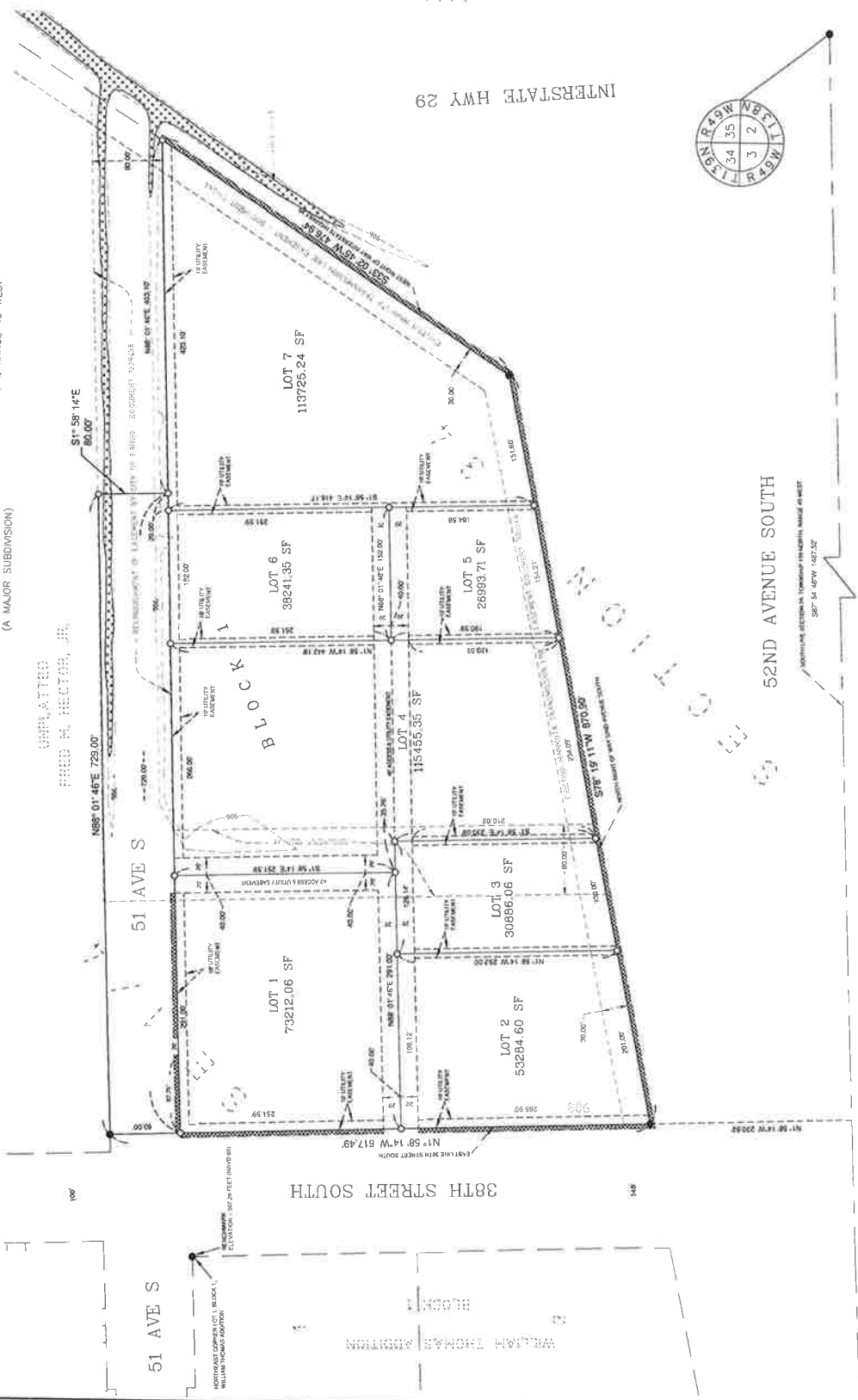
51 AVE S

51 AVE S

38TH STREET SOUTH

52ND AVENUE SOUTH

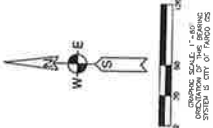
INTERSTATE HWY 29



PREPARED BY

Ulteig

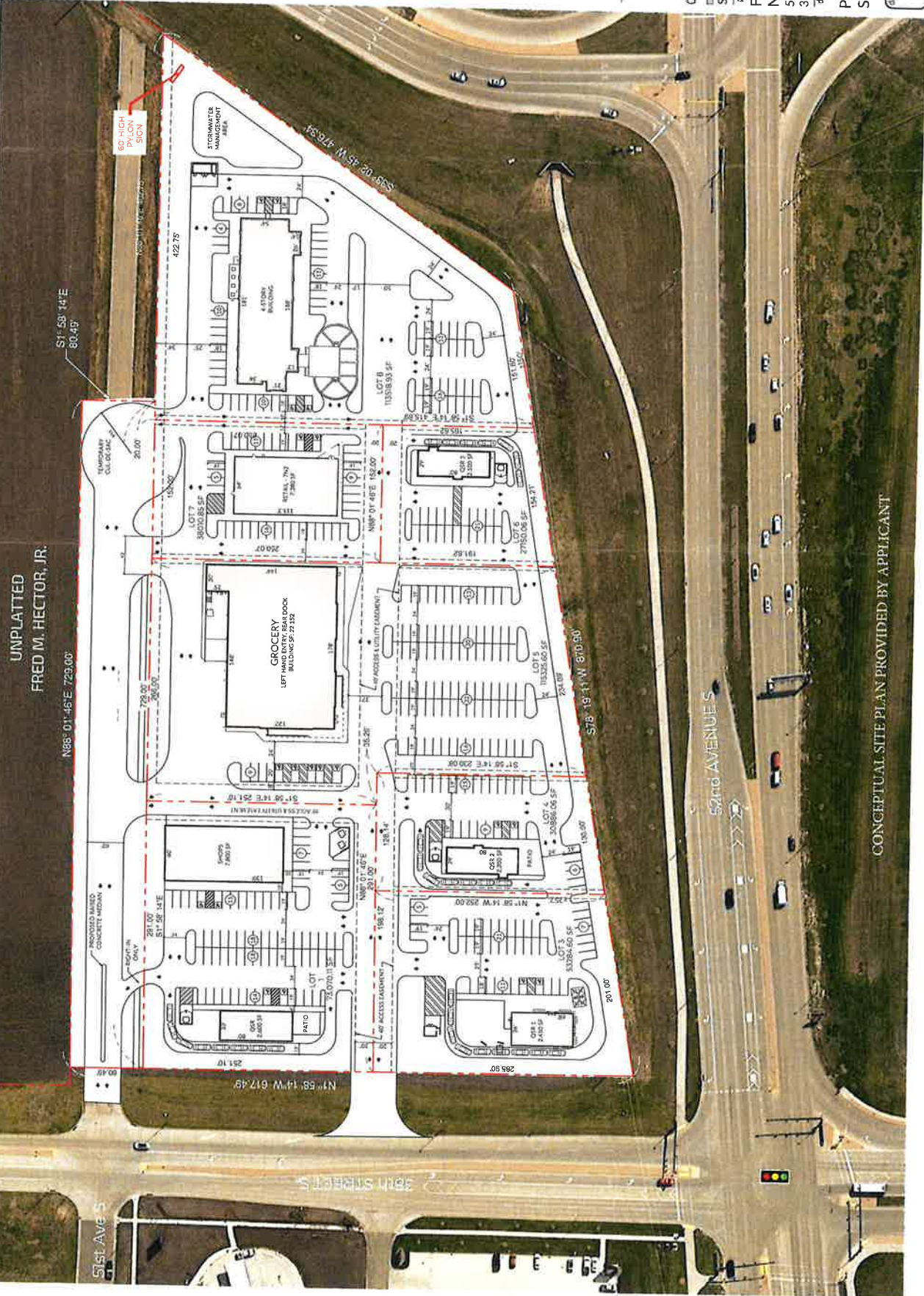
PROJECT NO. 100000
SHEET 1 OF 1
FARGO, MINNAPOLIS, DETROIT, LANSING, ST. PAUL, MOBILE, JACKSONVILLE, MIAMI, ORLANDO, TAMPA, WASHINGTON, D.C.



LEGEND
○ MONUMENT
○ MONUMENT SET 5/4\"

FROM 1/2\"

DATE 1/15/2014 10:00:00 AM



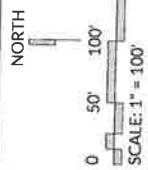
UNPLATTED
FRED M. HECTOR, JR.
N86° 01' 46" E 723.00'

S1° 58' 14" E
80.49'

60' HIGH
PYLON
SIGN

SITE DATA

LOT 1	73,070.11 SF
LOT AREA	2,600 SF - SR
BUILDING	7,600 SF - SHOPS
PARKING	77 SPACES
LOT 2	53,284.66 SF
LOT AREA	2,450 SF - QSR 1
BUILDING	2,450 SF - QSR 1
PARKING	44 SPACES
LOT 3	30,884.04 SF
LOT AREA	2,200 SF - QSR 2
BUILDING	2,200 SF - QSR 2
PARKING	30 SPACES
LOT 4	115,325.40 SF
LOT AREA	22,152 SF - GROCERY
BUILDING	22,152 SF - GROCERY
PARKING	100 SPACES
LOT 5	27,450.06 SF
LOT AREA	2,100 SF - QSR 3
BUILDING	2,100 SF - QSR 3
PARKING	21 SPACES
LOT 6	38,010.85 SF
LOT AREA	7,380 SF - RETAIL
BUILDING	7,380 SF - RETAIL
PARKING	41 SPACES
LOT 7	113,618.99 SF
LOT AREA	113,618.99 SF
BUILDING	113,618.99 SF
PARKING	72 SPACES



Project:
FARGO,
NORTH DAKOTA
52ND AVENUE SOUTH AND
38TH STREET SOUTH
drawing title

PROPOSED
SITE PLAN

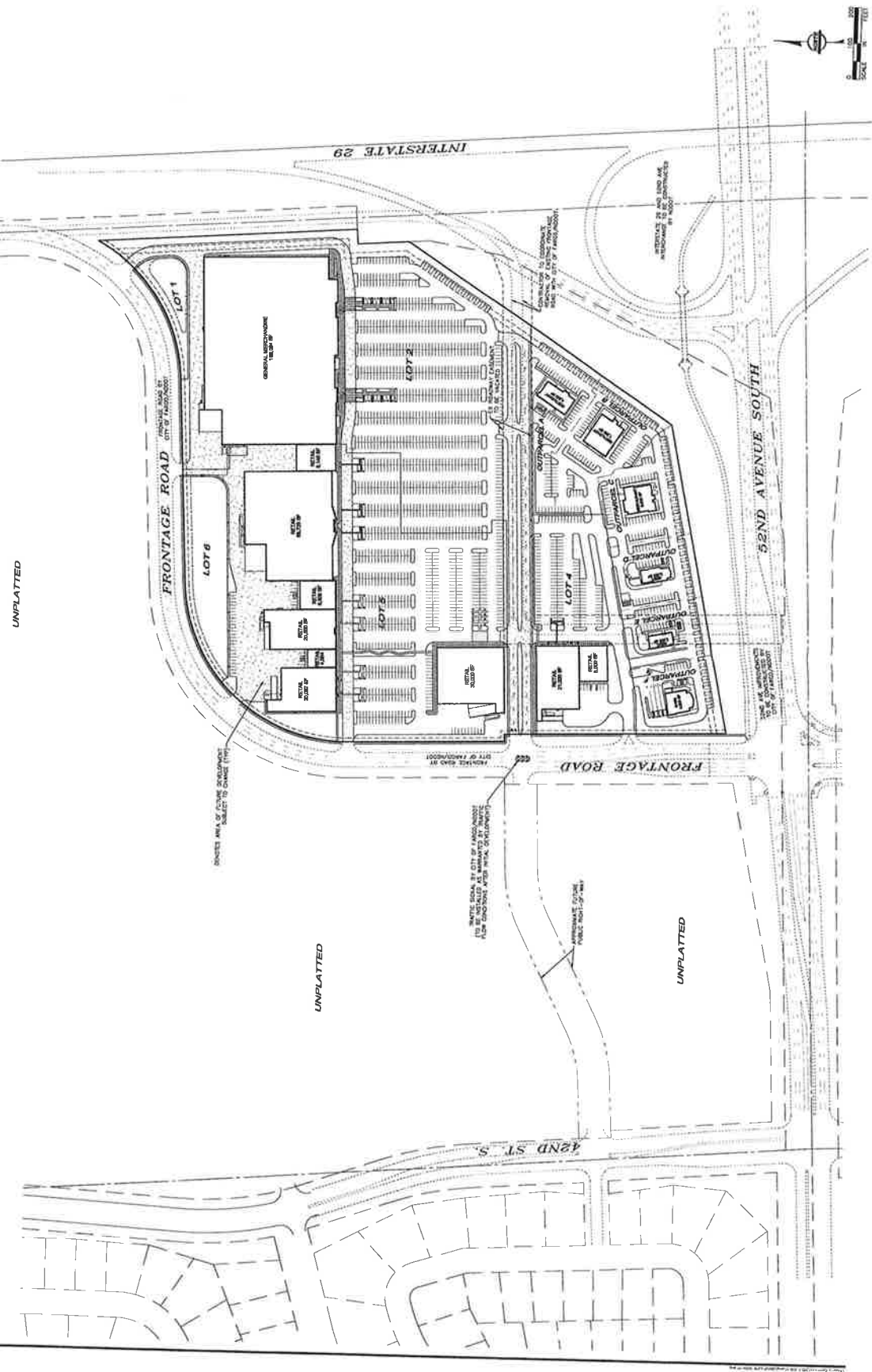
DATE
08.01.2018
DRAWING NO.
1.1

CONCEPTUAL SITE PLAN PROVIDED BY APPLICANT

SITE NOTES

OVERALL SITE ACREAGE = 40.19 ACRES

SITE DATA

[illegible]

Owner: Fred M. Hector Jr. Revocable Trust

Developer: Robert C. Hardy and/or his assigns

Location: The subject property is a portion of the Southeast Quarter of Section 34, Township 139 North, Range 49 West, Cass County ND.

Details: The project includes 7 lots on one (1) block, and certain right of way dedications, collectively covering approximately 11.71 acres located in the NW quadrant of Interstate 29, north of 52nd Avenue South and east of 38th Street South. (see attached legal description and preliminary plat map) (the "Fitzsimonds Addition").

Once approved by City, the plat of Fitzsimonds Addition should not be recorded until authorized by Owner. After Owner has authorized recording and the plat is recorded, the 7 lots of Fitzsimonds Addition will be sold by Owner to Developer pursuant to a purchase agreement between Owner and Developer (all anticipated to occur in January 2019). Following recording of the plat and sale of the 7 platted lots to Developer, Developer will be responsible for developing the Fitzsimonds Addition in compliance with the terms set forth herein in this Amenities Plan.

Right of Way (ROW): The project accommodates right of way dedications for public roadways and utilities along with a private access and utility easements as follows:

51st Avenue South:

- ROW dedication for this road shall be 80' wide, from 38th Street south extending approximately 729 feet +/- east of 38th Street.
- This 729 feet +/- will be designed and constructed to city specifications and privately financed by the Developer (or may be constructed and financed pursuant to special improvements and special assessments applied for by the Developer, *See Special Assessment below*).
- Street lighting shall be determined by the City Engineering Department and installed by the Developer per city standards
- Private access from 38th Street South will be right in and right out only
- Private utility easements will be provided to service remaining lots

Storm Water Management: Storm water retention / detention shall be provided by the Developer on each individual lot.

Flood Protection: Fitzsimonds Addition will be protected from flooding with the following measures by Developer:

- 1.) Storm sewer systems designed and installed to city standards
- 2.) Individual lot retention/detention.

- 3.) Building foundation elevations shall be determined by City Engineering.

Utilities: Tapping of public utilities is available in 38th Street South.

Engineering and Construction of improvements: Developer shall collaborate with City of Fargo as necessary for the construction of utilities and public right of way and private access drive.

Parks: Developer agrees to work with the Fargo Park District to establish a cash-in-lieu fee.

Special Assessments:

a. *Special Improvements for 729 feet +/- of 80' wide ROW road and utilities.* Developer may apply for special improvement districts and special assessments to finance and construct the 729 feet of 80' wide ROW road and associated utilities pursuant to this Amenities Plan, in which case, to the extent such improvements benefit both the Fitzsimonds Addition and the Owner's remaining approximately 30 acres (located adjacent and to the North of Fitzsimonds Addition), the special assessments for such improvements shall be allocated as follows:

- i. all costs and special assessments that in any way pertain to the construction of the initial 311 feet of the 80' wide ROW road and utilities (said 311 feet extending easterly from 38th Street) shall be assessed solely to the Fitzsimonds Addition and its 7 lots (being purchased by the Developer), and
- ii. costs and special assessments pertaining to the construction of that portion of the 80' wide ROW road and utilities extending easterly beyond the initial 311' of the ROW road shall be spread/allocated between the Fitzsimonds Addition (and its 7 lots) and the Owner's remaining approx. 30 unplatted acres, in accordance with the City's Special Assessment Department's customary/usual allocation practices (per square foot area or per lineal foot of road, as applicable for the particular improvement under the customary allocation practices, to the extent such improvements benefit both the Fitzsimonds Addition and the Owner's remaining approximately 30 unplatted acres).

b. *Existing/Deferred Special Assessments on Owner's 40 Acres*

With respect to the existing/deferred special assessments currently pertaining to the Owner's approximately 41 acre property (including the 11.71 acres subject to the proposed Fitzsimonds Addition), the approximately \$1.8M+ in special assessments shall be spread/allocated between the Fitzsimonds Addition (and its 7 lots) being purchased by the Developer and the Owner's remaining approx. 30 unplatted acres adjacent to the North in accordance with the City's Special Assessment Department's customary/usual allocation practices on a per square foot of area basis.

[SIGNATURE PAGE FOLLOWS]

This Amenity plan is hereby agreed to:

Keith A. Ernst, as Trustee of the Fred M. Hector Jr. Revocable Trust
under agreement dated September 27, 2017
Date: _____

Fred M. Hector, Jr., as Trustee of the Fred M. Hector Jr. Revocable Trust
under agreement dated September 27, 2017
Date: _____

Raymond P. Vogle, as Trustee of the Fred M. Hector Jr. Revocable Trust
under agreement dated September 27, 2017
Date: _____

Robert C. Hardy, Developer
Date: _____

Brenda Derrig, City of Fargo Engineer
Date: _____



Fargo Inspections

City of Fargo
225 Fourth Street North
701-241-1561
fax 701-241-1526

336

Memorandum

DATE: November 15, 2018
TO: Mayor Mahoney and Board of City Commissioners
FROM: Bruce Taralson, Inspections Administrator
SUBJECT: Dangerous Building Notice and Order at 826 10 Street N., Fargo, ND

The property owner of 826 10 Street N., Fargo, ND, the property that is subject of the attached Notice, has failed to comply with my order to remove the heavily damaged structure at that location within the time allowed for that removal. In accordance with Fargo Municipal Code Article 21-0405, it will now be necessary for you to set a date for a hearing for this order at which time the property owner will be able to appear and show cause why the building should not be removed and the costs of that removal assessed against this property.

The recommendation is to **make a motion determining this to be a dangerous building, direct staff and City Attorney to take action, order its removal before December 5, 2018 and direct appropriate staff to secure the removal of this building at that time, should the owner fail to do so.**

Fargo Inspections

City of Fargo
200 Third Street North
701-241-1561
701-476-6779 fax



NOTICE OF DANGEROUS BUILDING

TO: Lee J Allen, DBA ATD Properties, 3508 22nd Street S., Fargo, ND 58104-6520

YOU ARE HEREBY Given Notice of the following:

1. That this Notice is being given to you pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings.
2. That the building with which this Notice is concerned is commonly known as 826 10 Street North, Fargo, North Dakota, and is located on that tract of land in the city of Fargo, more particularly described as follows:

LOT 10 BLK 10 ADDN# 1140 (Harwoods 3rd)

(hereinafter referred to as "the building")

3. That inspections were made of the building on 6/19/2018 and 7/25/2018 by Bill Thompson, Building Inspector, and on 7/25/2018 by Robert Harshberger, Deputy Assessor, of the City of Fargo.
4. That the building inspector for the City of Fargo has found the building, consisting of a multi-story, wood-framed structure, to be a Dangerous Building within the standards set forth in the Fargo Municipal Code, Article 21-04, Dangerous Buildings and IPMC Code 108.1.5 concerning Dangerous Structures.
5. This building has been found to be a dangerous building by the building inspector. This notice is to remain on this building until it is repaired, vacated, or demolished in accordance with the notice which has been given the owner, occupant, lessee, or mortgagee of this building and all other persons having an interest in said building as shown by the records of the register of deeds of the county of Cass. It is unlawful to remove this notice until such notice is complied with. Source: 1952 Rev. Ord. 21-0404.
6. That the owner of the building must demolish the building within 30 (thirty) days from the date of this notice or obtain a permit to repair. To obtain a permit, see 'Conditions Found Statement' below.

7. That the building is unsafe and is a dangerous building in the following respects: See 'Conditions Found Statement' below.

A. Robert Harshberger, Deputy Assessor, of the City of Fargo has deemed that the building has been damaged or deteriorated to the extent of more than fifty (50) percent of its original value prior to the damage or deterioration. Source: Fargo Municipal Code, Article 21-0402 concerning Dangerous Buildings.

8. The building is unsafe and constitutes a public nuisance pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings and Section 116 of the International Building Code as adopted by Article 21-0101 of the Fargo Municipal Code.

9. You are further given Notice that unless the building is demolished within the time period set forth herein, the City of Fargo will take such steps as are necessary to cause said building to be demolished pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings and the International Building Code and the owner will be assessed such costs as are provided for therein.

10. Order for vacation of building. The undersigned building official has determined that the building or structure must be vacated as required by Section 108.2 of the International Property Maintenance Code, 2015 edition. Therefore, it is hereby ordered that the building or structure shall be vacated immediately, and remain vacated, on this 20th day of August, 2018.

11. Order to secure building. The undersigned building official has determined that the building must remain secured. Therefore, it is hereby ordered that all means of entering the building remain secured to prevent unauthorized entrance. **An inspector will continue to verify compliance.** Failure to keep the building secured will result in the City of Fargo hiring an independent contractor to secure the building. All expenses for securing the building will be assessed against the property.

12. This Dangerous Building Notice takes precedence over previous notices regarding this building.

Dated this 20th day of August, 2018.



Bruce Taralson
Inspections Administrator

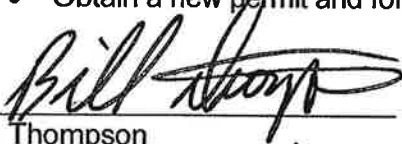
Conditions Found Statement

On 6/19/2018 and 7/25/2018, inspector, Bill Thompson, was present at 826 10 Street N., Fargo, ND 58102 for a complaint inspection. The following violations were found:

- Building is structurally unsound.
- Structure is infested with pigeons.
- Extensive water damage.
- North foundation wall has buckled.

The following actions must be taken:

- Provide engineering on structure, mechanical, plumbing and electrical systems.
- Provide structural plans.
- Provide list of licensed trades with plans.
- Obtain a new permit and follow through will all necessary inspections.



Bill Thompson
Building Inspector
City of Fargo, ND

8-20-18

Date Signed



DANGEROUS BUILDING ORDER TO COMMISSION- Detail and Timeline for 826 10 Street North, Fargo, ND 58102.

The DANGEROUS BUILDING hearing is required under Article 21-0405 for the purpose of allowing any interested parties the opportunity to comment, and to allow the Owner of the property the opportunity to appear and show cause why the City of Fargo should not cause the removal of this building.

The Inspections Department has taken this action due to the amount of damage to the building. This building meets 8 of the 10 criteria which only one might be required. Our report on ordinance requirements-

1. Inspections Department received complaint on property.
2. Inspections Department inspected the property.
3. Inspections placed notice on the building and notified Owner.
4. Inspections secured assessors report.
5. Inspections provided notice to Owner giving 30 days.
6. Inspections report of noncompliance to City Commission.
7. Inspections will appear at the hearing on November 19, 2018 to testify as to the condition of the Dangerous Building.
8. Inspections notice contained specific wording as required in Article 21-0404, Section H.

In your packets, you will find my dangerous building notice. Article 21-0404 requires the Inspections Department give a 30-day notice to the Owner of the property prior to any action by the City Commission or staff. Our time line will show a notice went out on August 20, 2018 and there has been no action taken by the Owner within the next 30 days which expired on September 19, 2018.

Also, in your packets you will find copies of the photos we have taken of the property as well as a copy of the letter of determination of value from Assessors office. Article 21-0401 stipulates that if this building meets the definition of a dangerous building, it must be demolished or repaired. The assessor's letter states that repairs will exceed or are in excess of 50% of the current value. Article 21-0402 stipulates that if costs to repair the building exceed 50% or more of the current value, the building can be ordered demolished or repaired. We have taken the path of demolition due to the amount of repair required.

PROPERTY INFORMATION- Building is currently vacant and is uninhabitable due to condition and current Inspections order. Deterioration is extensive. Building constructed in 1906.

Description of damage: Foundation in poor condition and buckling in three locations. Burst pipe in living room ceiling with deterioration and mold. Infested with pigeons. Exterior in poor condition. Soffit and fascia decayed and missing. Roof and exterior weather barrier needs repair.

Timeline of events-

2002-2013 – Seven notices sent to previous owner regarding yard junk accumulation and junk vehicle removal notices.

4/2/2015 – As per the City of Fargo Water Department, water was shut off on 4/2/2015 due to frozen pipes. The Meter Department verified water was turned off on 4/7/2015. The water has not been turned on since 4/2/2015.

9/6/2016 - Permit BL20161786 was issued to Owner, Lee Allen, to reconstruct or demolish 22x34 detached garage.

12/18/2017 – Notice of expired permit BL20161786 was sent to Owner. Work never started.

12/18/2017 – Junk Vehicle Removal notice was sent to Owner.

6/18/2018 – Inspections Department received anonymous complaint regarding junk accumulation, broken basement windows, rodents, possibility of squatters.

6/19/2018 – Inspector investigated complaint from 6/18/2018. Recorded house as being unsecure and infested with pigeons. Exterior in poor condition. Soffit and fascia decayed and missing. Foundation appeared to be compromised.

7/10/2018 – Building placarded as a Dangerous Building, Notice of Dangerous Building posted on building and mailed to Owner.

7/25/2018 – Building assessed by Rob Harshberger, City of Fargo Assessors Office. Letter to Inspections Department stated that the cost of repair would exceed 50% of the building value. Building Inspector, Bill Thompson, was present and noted that the foundation was in poor condition, large buckle in three locations, and burst pipe in living room ceiling causing deterioration and mold.

8/17/2018 – Inspector spoke with Owner, gave additional 30 days to meet deadline of requirement to obtain a permit or demolish.

8/20/2018 – Inspector posted updated Dangerous Building Notice on building and noted that the original notice was removed without authorization of the building official.

8/21/2018 – Notice of "Re-inspection and Re-posting of Dangerous Building" placard posted on building and mailed to owner. "Tampering with posted notice" fee charged to Owner.

9/11/2018 – Inspector spoke with Owner. Owner stated that Sandman Engineering was onsite to look at foundation. Expecting 10-day turnaround.

9/12/2018 – Notice of City of Fargo Housing Rehabilitation Program Suspension mailed to Owner. Notice sent by Planning Department and Inspections Department.

10/4/2018 – Dangerous Building Hearing “Order to Show Cause” requested through City Commission to set 11/5/2018 as hearing date.

10/18/2018 – Dangerous Building Hearing “Order to Show Cause” requested through City Commission to postpone hearing until 11/19/2018.

10/26/2018 – Notice of Dangerous Building Hearing “Order to Show Cause” postponed to 11/19/2018. Posted on building and mailed via certified mail.

11/9/2018 – As per Xcel Energy, a gas meter was placed in the basement unit in 2005, but services were never utilized. There is current, active electrical services on the main and upstairs levels.

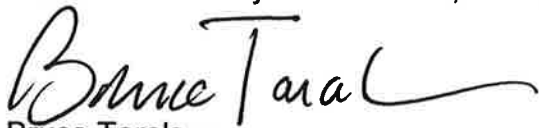
11/19/2018 – Dangerous Building Hearing.

Upon your finding for Owner to comply with this demolition order, you are required by Article 21-04, to notify Owner of your determination, and that if an Owner fails to comply with that order for demolition within 10 days, The City Commission can order city staff to take action on demolition and assess costs back to the property.

I suggest you agree with my notice and find this to be a dangerous building, and direct the City Attorney to prepare findings of fact in this matter. I also ask that you direct staff to proceed with all necessary measures to secure removal of this building should the Owner fail to do so. Commission action requires a 10 day allowance for action per Article 21-0405.E. Article 21-0406 also allows court action if that is the course the commission chooses to take. Article 21-0412 is allowance for Owner appeal to City Commission action.

Thank you,

Respectfully submitted,
Dated this 15th day of November, 2018.

A handwritten signature in black ink, appearing to read "Bruce Taralson", with a stylized flourish at the end.

Bruce Taralson
Inspections Administrator

Fargo Inspections
City of Fargo
225 Fourth Street North
Fargo, North Dakota 58102
Phone: 701-241-1561
Fax: 701-476-6779



Notice of Dangerous Building Hearing – Order to Show Cause

Date:	October 26, 2018
Location:	826 10 Street N., Fargo, ND 58102
Property Owner:	Lee J Allen
Address of Property Owner:	3508 22 Street S., Fargo, ND 58104
Inspector:	Bill Thompson
Date of Posting:	October 26, 2018

Ordinance 21-0405 of the Fargo Municipal Code states:

The board of city commissioners shall:

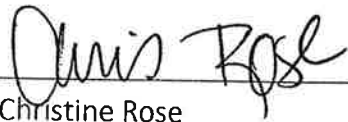
A. Upon receipt of a report of the building inspector as provided for in § 21-0404, subsection (F), give written notice to the owner, occupant, mortgagee, lessee and all other persons having an interest in said building as shown by the records of the register of deeds of the county of Cass to appear before it on the date specified in the notice to show cause why the building or structure reported to be a "dangerous building" should not be repaired, vacated, or demolished in accordance with the statement of particulars set forth in the building inspector(s) notice provided for herein in § 21-0404, subsection (E).

B. Hold a hearing and hear such testimony as the building inspector or the owner, occupant, mortgagee, lessee or any other person having an interest in said building as shown by the records of the register of deeds of the county of Cass shall offer relative to the "dangerous building."

A hearing regarding the dangerous building located at 826 10 Street N., Fargo, ND was scheduled for Monday, November 5, 2018. The hearing has been postponed to Monday, November 19 at 5:15PM. The hearing will take place in the City Commission Chambers, located at 200 3RD Street N., Fargo, ND 58102.

Any interested person or party is encouraged to attend.

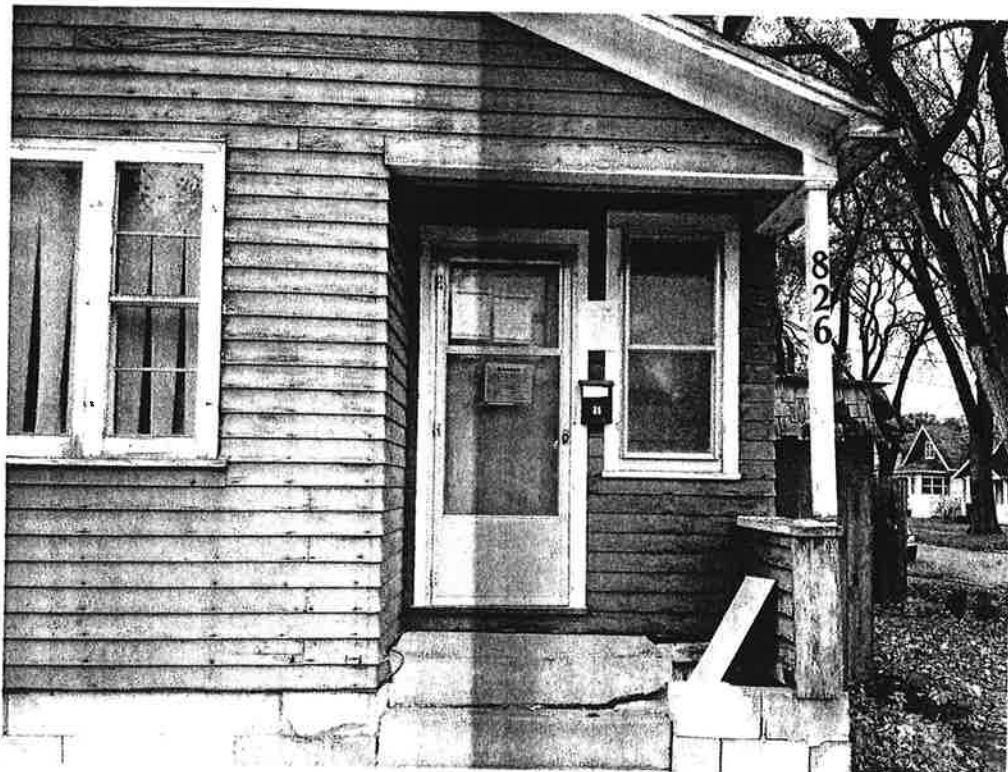
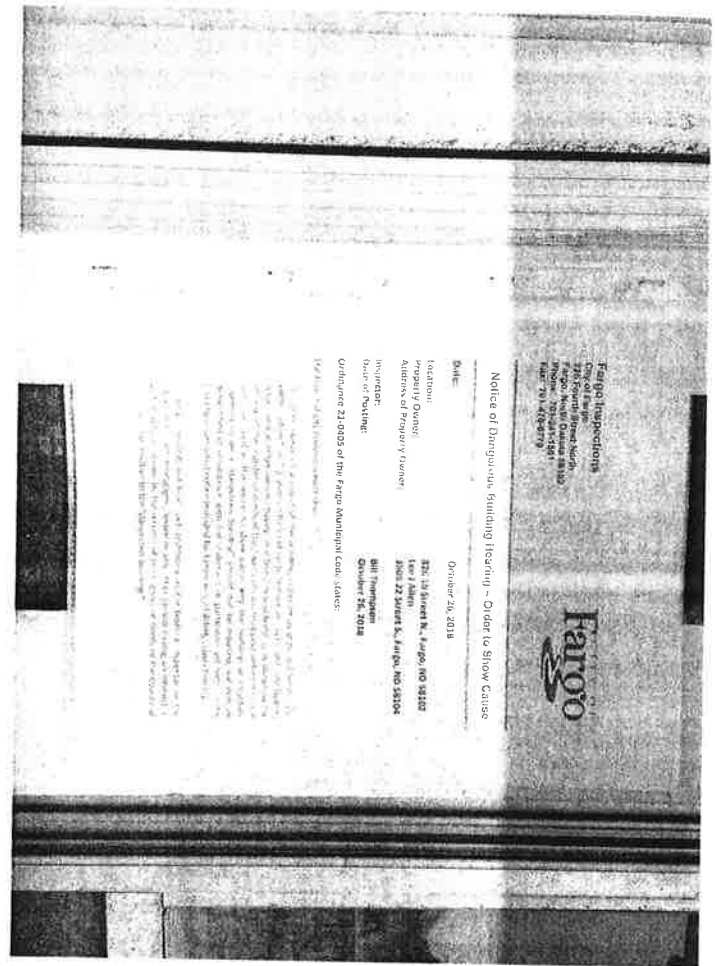
Dated on this 26th day of October, 2018.

A handwritten signature in cursive script, appearing to read "Christine Rose", written over a horizontal line.

Christine Rose

Deputy Inspections Administrator

Bottom



826 10 Street N., Fargo, ND 10/26/18 Posting of Dangerous Building Hearing—Order to Show Cause



Fargo Inspections

City of Fargo
225 Fourth Street North
701-241-1561
fax 701-241-1526

Memorandum

DATE: October 18, 2018
TO: Mayor Mahoney and Board of City Commissioners
FROM: Bruce Taralson, Inspections Administrator
SUBJECT: Dangerous Building Hearing for 826 10 Street N., Fargo, ND 58102

A Dangerous Building Hearing has been scheduled for Monday, November 5, 2018 for the building located at 826 10 Street N., Fargo, ND 58102. This request is for a hearing continuance to the Commission Meeting dated Monday, November 19, 2018.



Memorandum

DATE: October 4, 2018
TO: Mayor Mahoney and Board of City Commissioners
FROM: Bruce Taralson, Inspections Administrator
SUBJECT: Dangerous Building Notice and Order at 826 10 Street North, Fargo, ND.

This is to notify you that the property owner of 826 10 Street N., Fargo, ND, the property that is subject of the attached Notice, has failed to comply with my order to either obtain a permit to repair or remove the heavily damaged structure at that location within the time allowed for that removal. In accordance with Fargo Municipal Code Article 21-0405, it will now be necessary for you to set a date for a hearing of this order at which time the property owner will be able to appear and show cause why the building should not be removed and the costs of that removal assessed against this property.

The recommendation is **to make a motion, in accordance with FMC Article 21-0405, to set November 5, 2018 as the time and date for the hearing regarding the dangerous building order for the structure at 826 10 Street N., Fargo, ND.**



CITY OF FARGO
200 Third Street North
Fargo, North Dakota 58102
Phone (Inspections): (701) 241-1561
Phone (Planning & Development): (701) 241-1474
www.FargoND.gov

September 12, 2018

Lee Allen
Down to Earth Contracting LLC
3508 22nd Street S.
Fargo, ND 58104

Re: City of Fargo Housing Rehabilitation Program Suspension Notice

Dear Mr. Allen:

It has come to the attention of the City of Fargo's Housing Rehabilitation Program staff that two of your properties are in violation of the Fargo Municipal Code. Consequently, the City of Fargo is temporarily suspending your eligibility to bid on Housing Rehabilitation Program projects until code compliance is achieved at your properties:

- 826 10th Street North – Deemed dangerous on 8/20/18
- 823 9th Street North – Deemed sub-standard on 8/20/18

Once code compliance is met at these properties and you are again in good standing with the City of Fargo, you will be eligible to bid on Housing Rehabilitation Program projects.

If you have any questions regarding code compliance at the properties listed above, please contact the City of Fargo Inspections Department at 701.241.1561. If you have any questions regarding the City of Fargo's Home Rehabilitation Program, please contact the City of Fargo Planning & Development Department at 701.241.1474.

We are looking forward to working with you in the future.

Regards,

Bruce Taralson
Inspections Administrator

Nicole Crutchfield
Planning & Development Director

Fargo Inspections
City of Fargo
200 Third Street North
Fargo, North Dakota 58102
Phone: 701-241-1561
Fax: 701-476-6779



Re-Inspection and Re-Posting of a Dangerous Building

Date: 8/21/2018

Location: 826 10 Street N., Fargo, ND 58102
Property Owner: Lee J. Allen
Address of Property Owner: 3508 22 Street S., Fargo, ND 58104

Inspector: Bill Thompson
Date of Inspection: 8/20/2018

The City of Fargo Inspections Department enforces the International Property Maintenance Code (IPMC), 2015 edition. As a courtesy, I have included section 107.4 below. Any person that tampers with a code official's sign may be prosecuted.

- **107.4 Unauthorized tampering. Signs, tags or seals posted or affixed by the code official shall not be mutilated, destroyed or tampered with, or removed without authorization from the code official.**

The property you own at 826 10 Street N., Fargo, ND 58102, was placarded as a Dangerous Building on 7/11/2018. I was re-posting the Dangerous Building Notice on 8/20/2018 as per our conversation and willingness to extend the original deadline, and noticed that someone took down the original placard and Dangerous Building Notice. A violation fee of \$140.00 will be charged to the property owner for the illegal removal of the original placard.

Fargo Inspections

City of Fargo
200 Third Street North
701-241-1561
701-476-6779 fax



NOTICE OF DANGEROUS BUILDING

TO: Lee J Allen, DBA ATD Properties, 3508 22nd Street S., Fargo, ND 58104-6520

YOU ARE HEREBY Given Notice of the following:

1. That this Notice is being given to you pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings.

2. That the building with which this Notice is concerned is commonly known as 826 10 Street North, Fargo, North Dakota, and is located on that tract of land in the city of Fargo, more particularly described as follows:

LOT 10 BLK 10 ADDN# 1140 (Harwoods 3rd)

(hereinafter referred to as "the building")

3. That inspections were made of the building on 6/19/2018 and 7/25/2018 by Bill Thompson, Building Inspector, and on 7/25/2018 by Robert Harshberger, Deputy Assessor, of the City of Fargo.

4. That the building inspector for the City of Fargo has found the building, consisting of a multi-story, wood-framed structure, to be a Dangerous Building within the standards set forth in the Fargo Municipal Code, Article 21-04, Dangerous Buildings and IPMC Code 108.1.5 concerning Dangerous Structures.

5. This building has been found to be a dangerous building by the building inspector. This notice is to remain on this building until it is repaired, vacated, or demolished in accordance with the notice which has been given the owner, occupant, lessee, or mortgagee of this building and all other persons having an interest in said building as shown by the records of the register of deeds of the county of Cass. It is unlawful to remove this notice until such notice is complied with. Source: 1952 Rev. Ord. 21-0404.

6. That the owner of the building must demolish the building within 30 (thirty) days from the date of this notice or obtain a permit to repair. To obtain a permit, see 'Conditions Found Statement' below.

7. That the building is unsafe and is a dangerous building in the following respects: See 'Conditions Found Statement' below.

A. Robert Harshberger, Deputy Assessor, of the City of Fargo has deemed that the building has been damaged or deteriorated to the extent of more than fifty (50) percent of its original value prior to the damage or deterioration. Source: Fargo Municipal Code, Article 21-0402 concerning Dangerous Buildings.

8. The building is unsafe and constitutes a public nuisance pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings and Section 116 of the International Building Code as adopted by Article 21-0101 of the Fargo Municipal Code.

9. You are further given Notice that unless the building is demolished within the time period set forth herein, the City of Fargo will take such steps as are necessary to cause said building to be demolished pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings and the International Building Code and the owner will be assessed such costs as are provided for therein.

10. Order for vacation of building. The undersigned building official has determined that the building or structure must be vacated as required by Section 108.2 of the International Property Maintenance Code, 2015 edition. Therefore, it is hereby ordered that the building or structure shall be vacated immediately, and remain vacated, on this 20th day of August, 2018.

11. Order to secure building. The undersigned building official has determined that the building must remain secured. Therefore, it is hereby ordered that all means of entering the building remain secured to prevent unauthorized entrance. **An inspector will continue to verify compliance.** Failure to keep the building secured will result in the City of Fargo hiring an independent contractor to secure the building. All expenses for securing the building will be assessed against the property.

12. This Dangerous Building Notice takes precedence over previous notices regarding this building.

Dated this 20th day of August, 2018.

A handwritten signature in black ink, appearing to read "Bruce Taralson", with a horizontal line extending to the right.

Bruce Taralson
Inspections Administrator

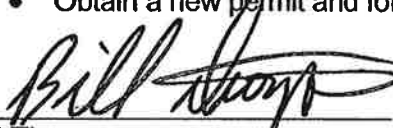
Conditions Found Statement

On 6/19/2018 and 7/25/2018, inspector, Bill Thompson, was present at 826 10 Street N., Fargo, ND 58102 for a complaint inspection. The following violations were found:

- Building is structurally unsound.
- Structure is infested with pigeons.
- Extensive water damage.
- North foundation wall has buckled.

The following actions must be taken:

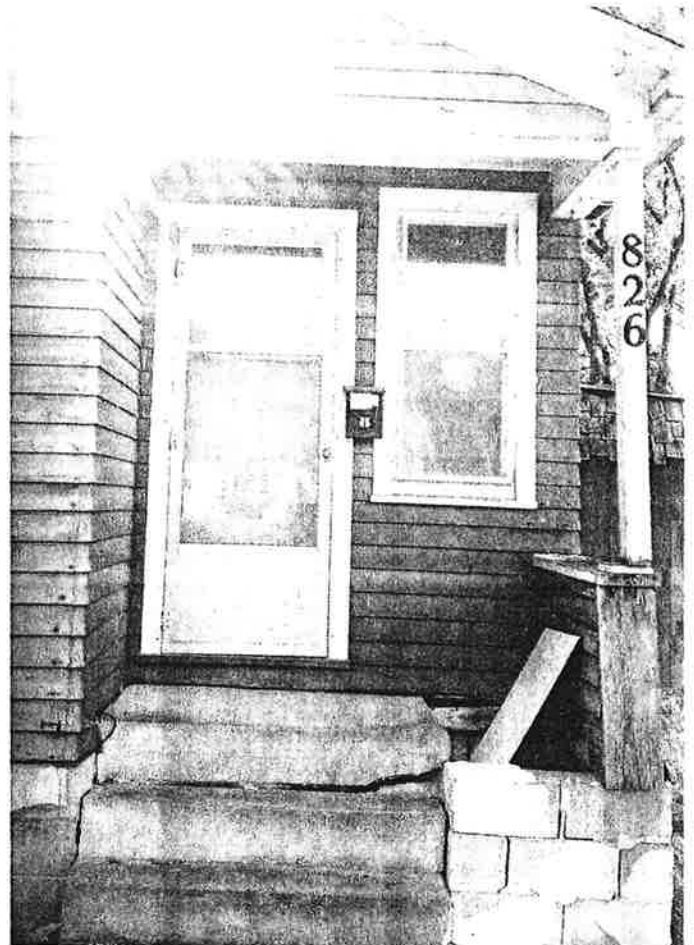
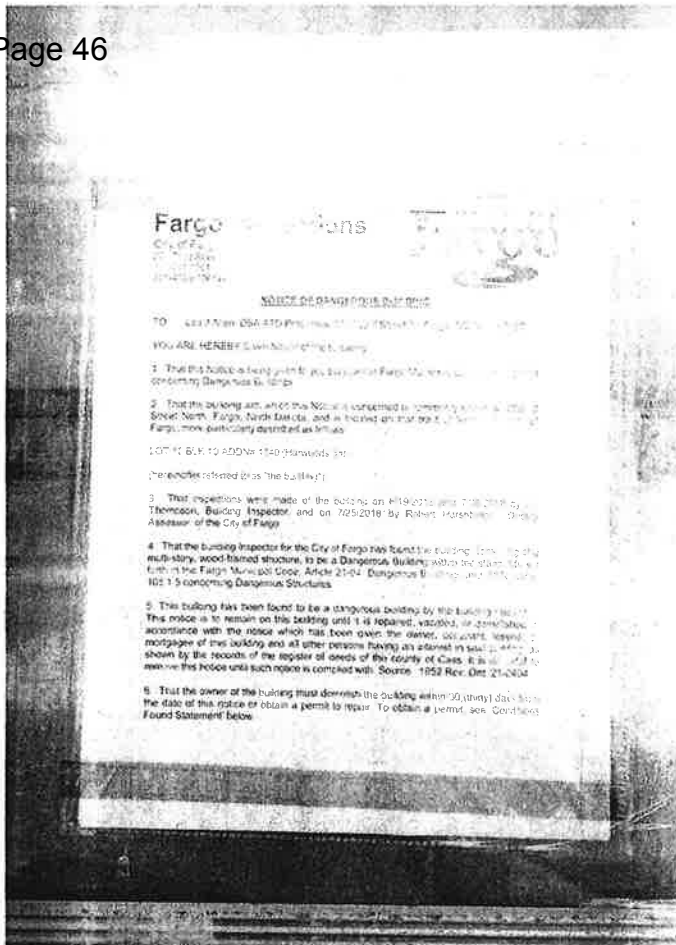
- Provide engineering on structure, mechanical, plumbing and electrical systems.
- Provide structural plans.
- Provide list of licensed trades with plans.
- Obtain a new permit and follow through with all necessary inspections.



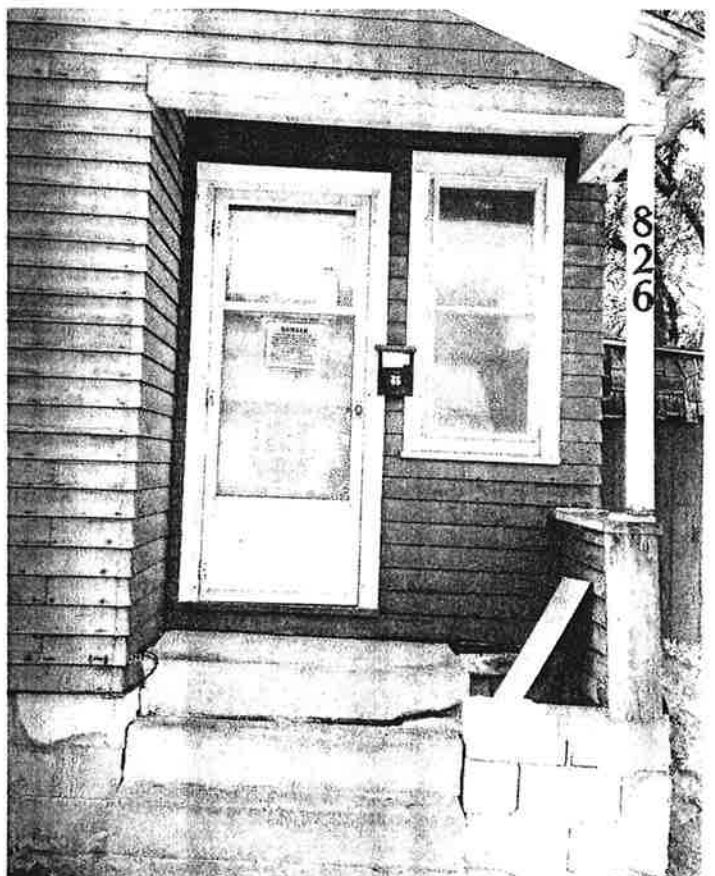
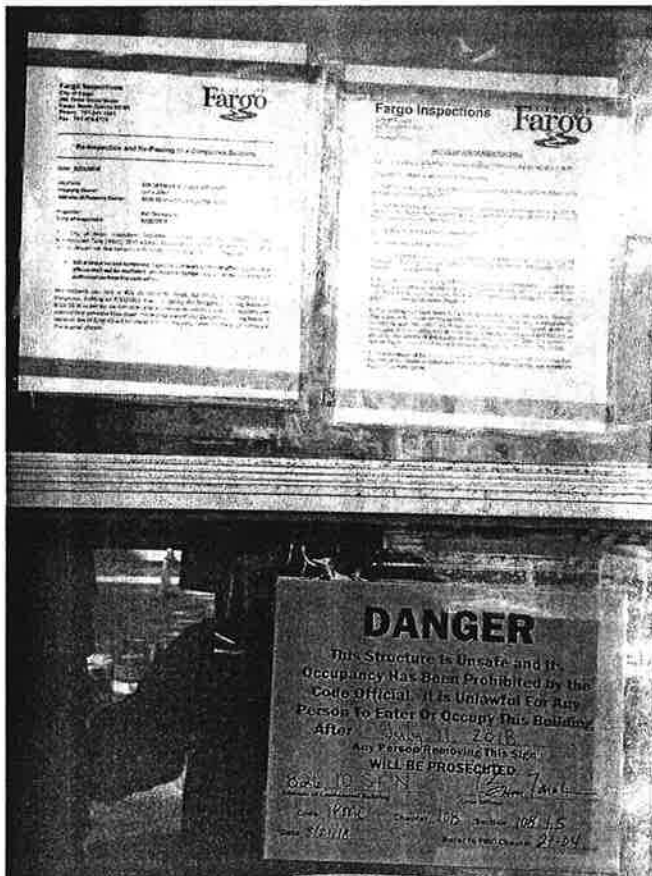
Bill Thompson
Building Inspector
City of Fargo, ND

8-20-18

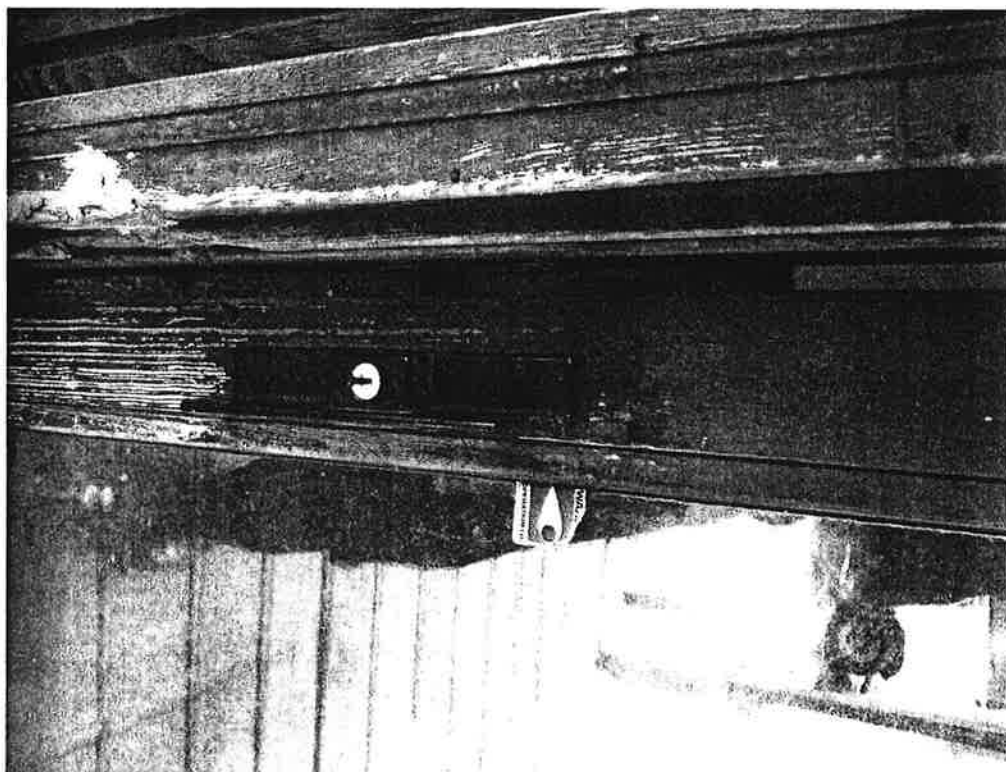
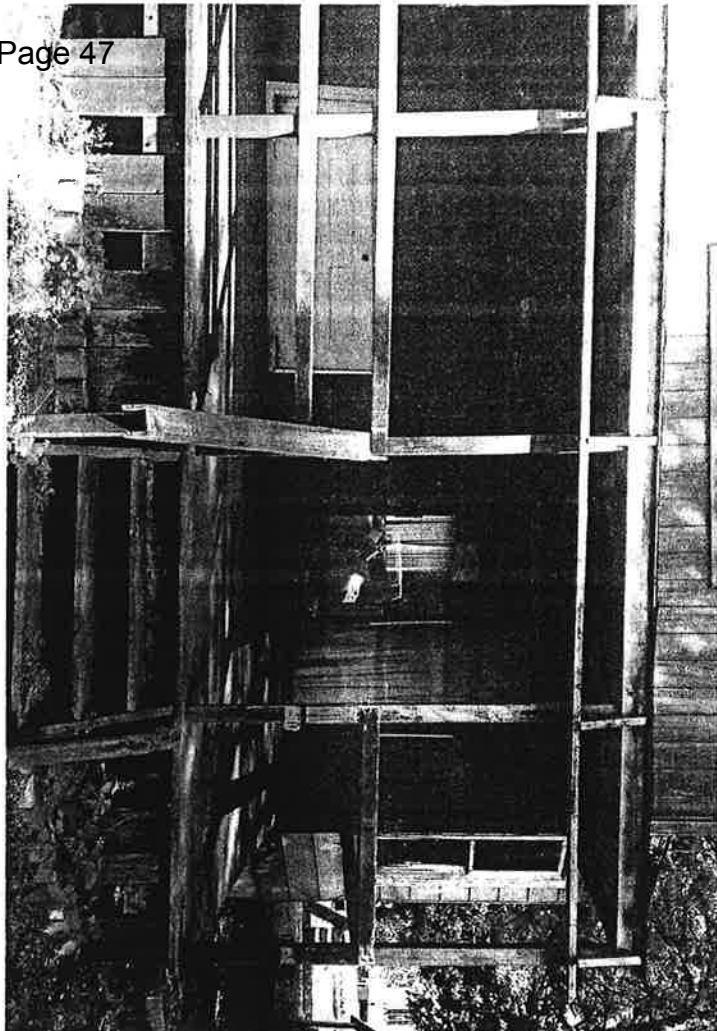
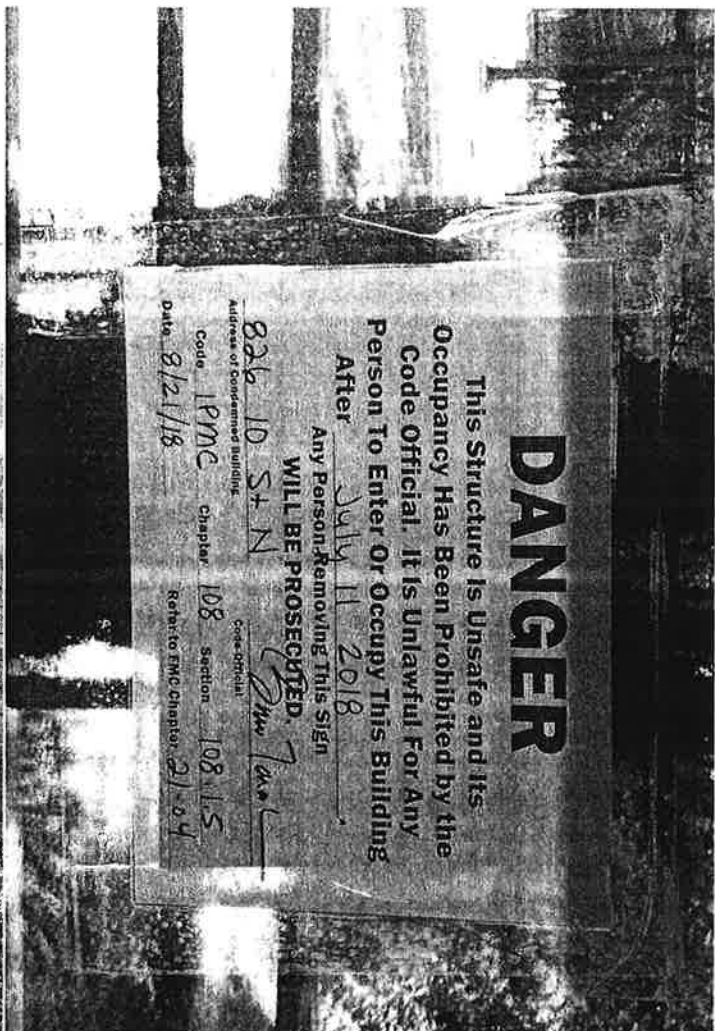
Date Signed



826 10 Street N., Fargo, ND 8/20/18 Posting of Updated Dangerous Building Notice



826 10 Street N., Fargo, ND 8/21/18 Re-posting of Dangerous Building Placard



Back door unsecure

826 10 Street N., Fargo, ND 8/21/18 Re-posting of Dangerous Building Placard (Backdoor)

DATE: July 25, 2018

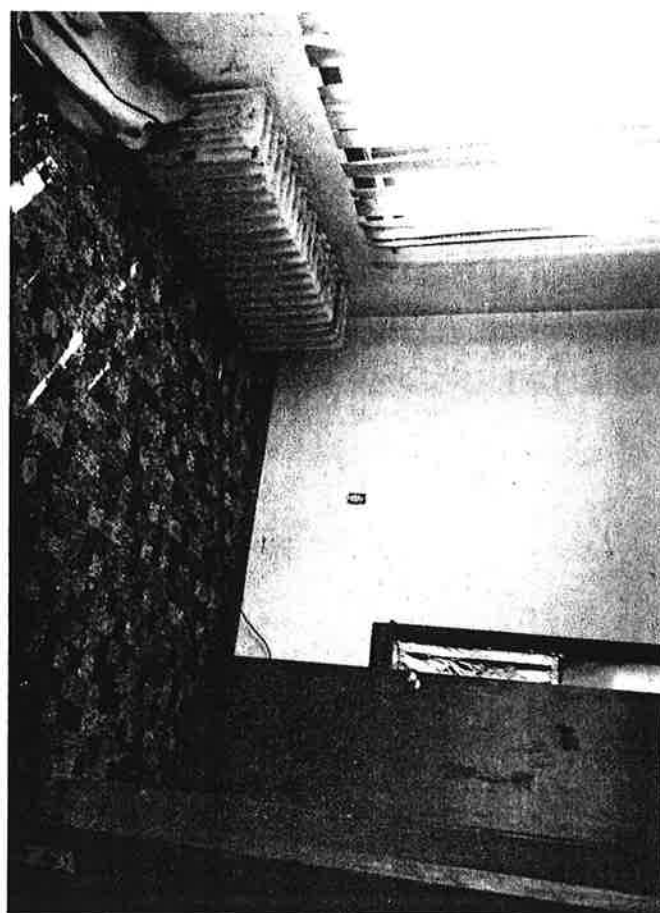
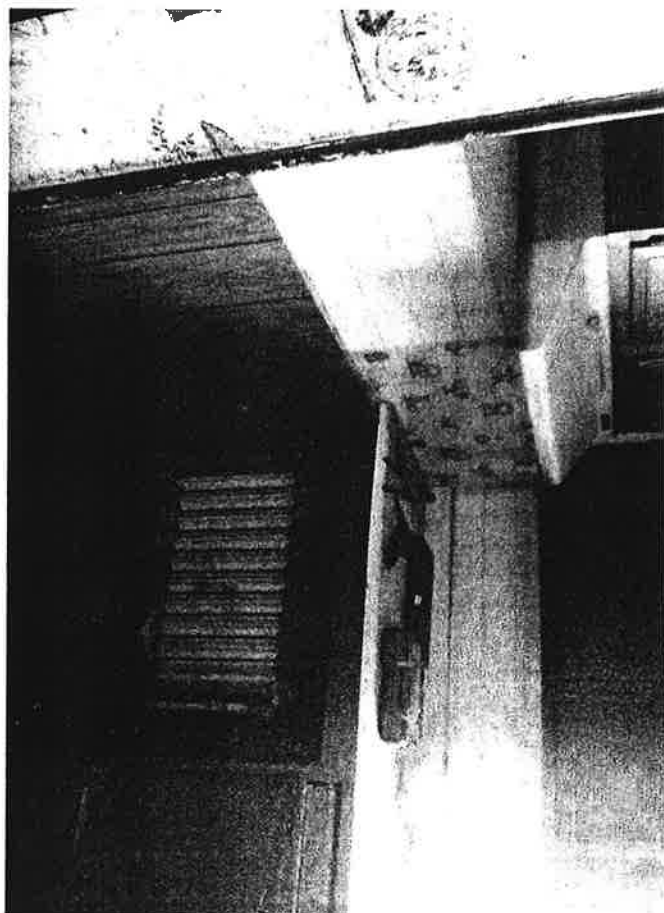
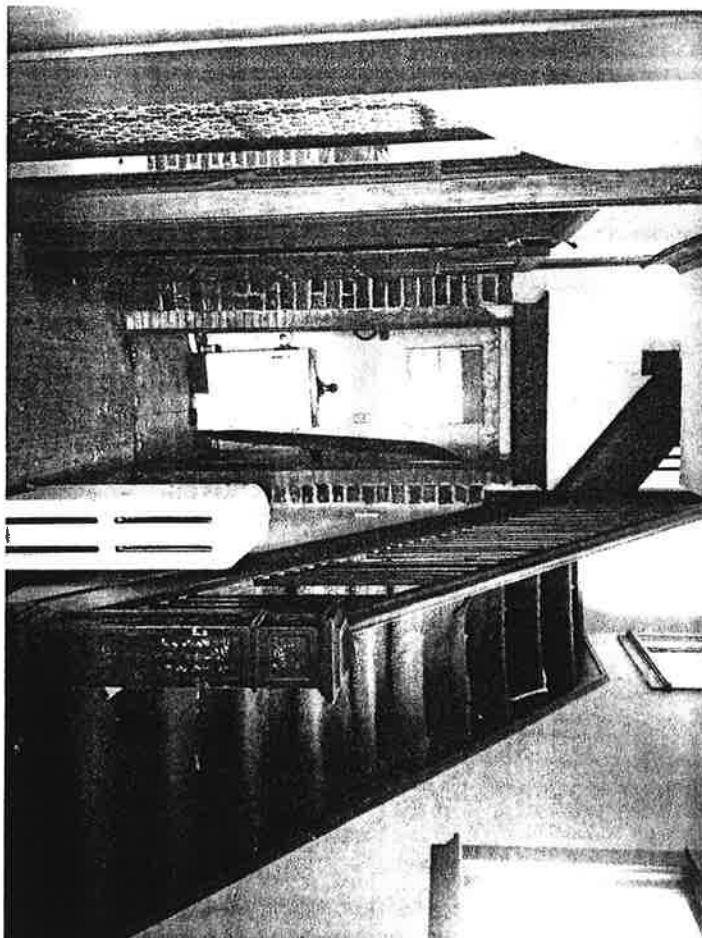
TO: Bill Thompson, Inspections

FROM: Robert E Harshberger, Deputy Assessor

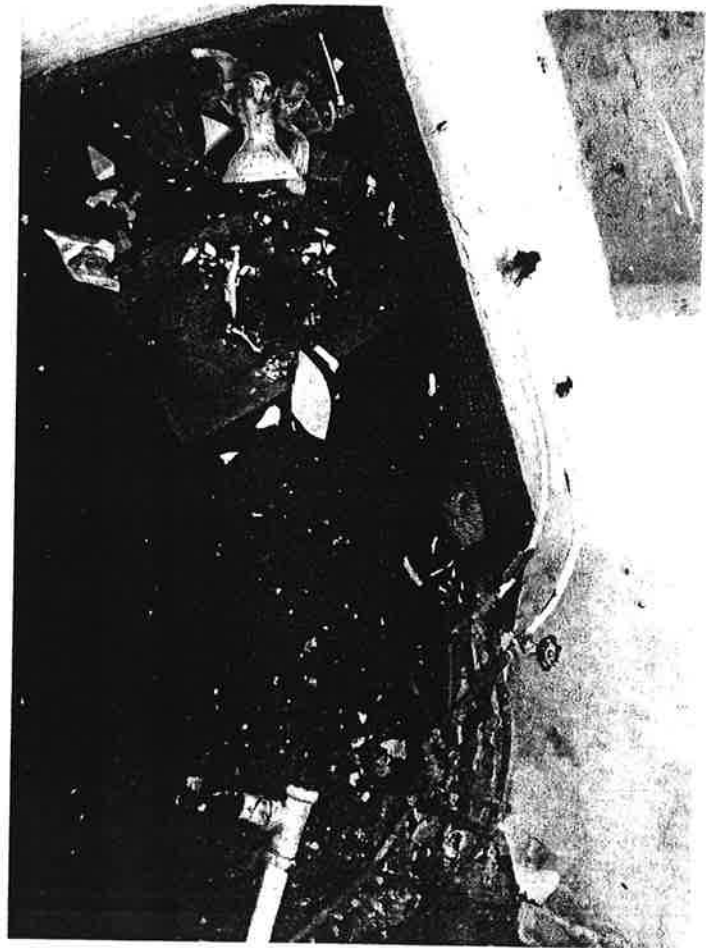
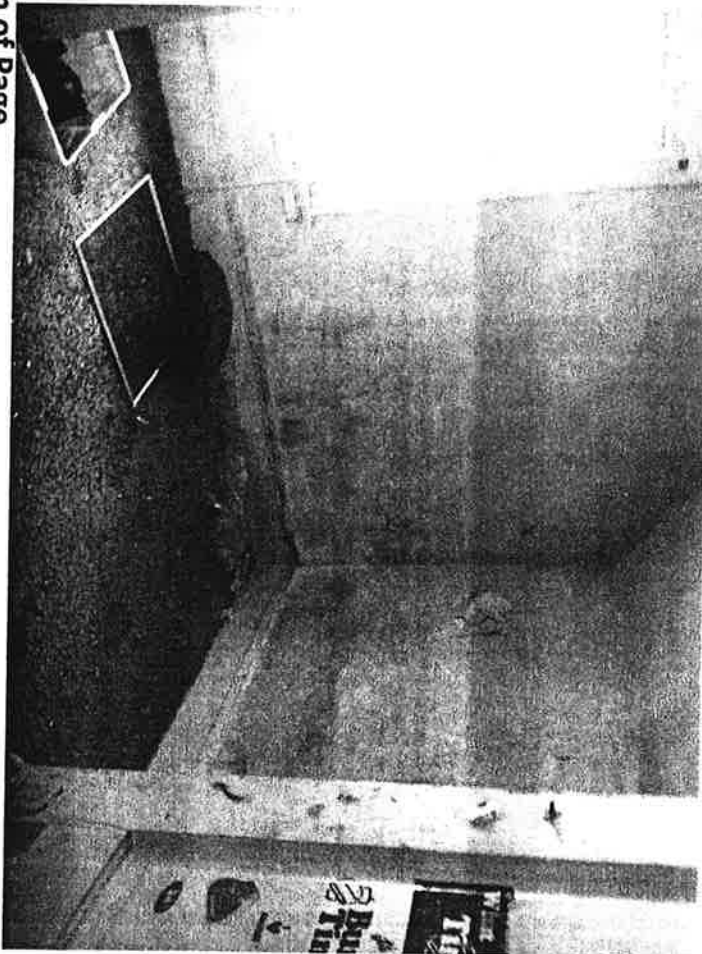
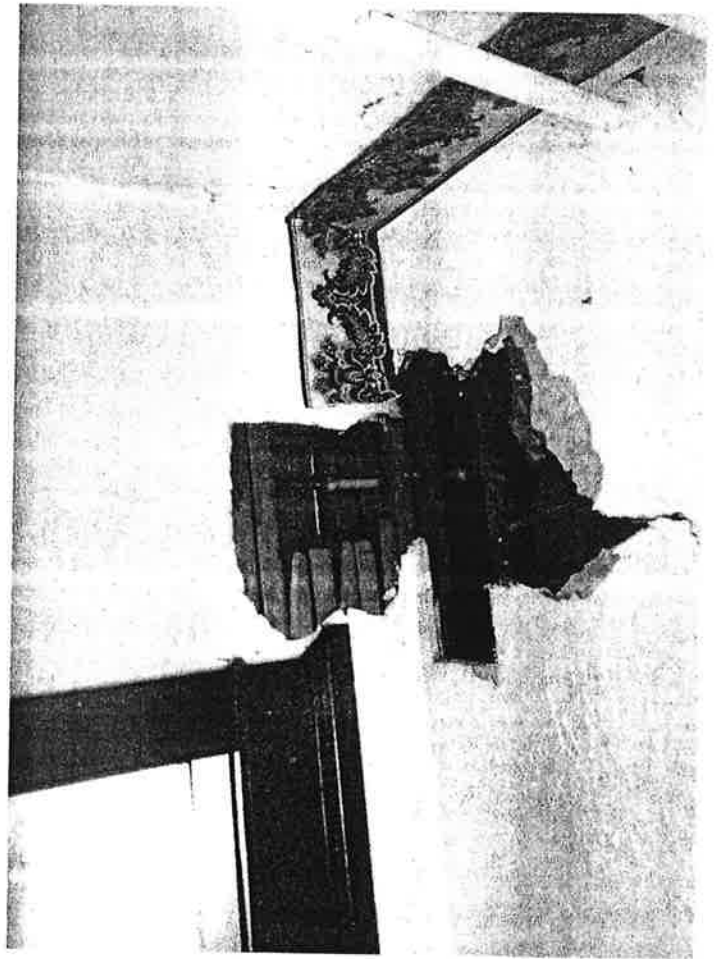
SUBJECT: 01-1140-00290-000
826 10 St N
Allen, Lee J DBA ATD Properties

On July 25, 2018 I inspected the subject residential building to determine if the deterioration of the above structure would qualify it as a dangerous building as defined in city ordinance. One requirement of that classification is that the cost to repair would exceed fifty percent (50%) of the building value as established by the Fargo Assessment Department.

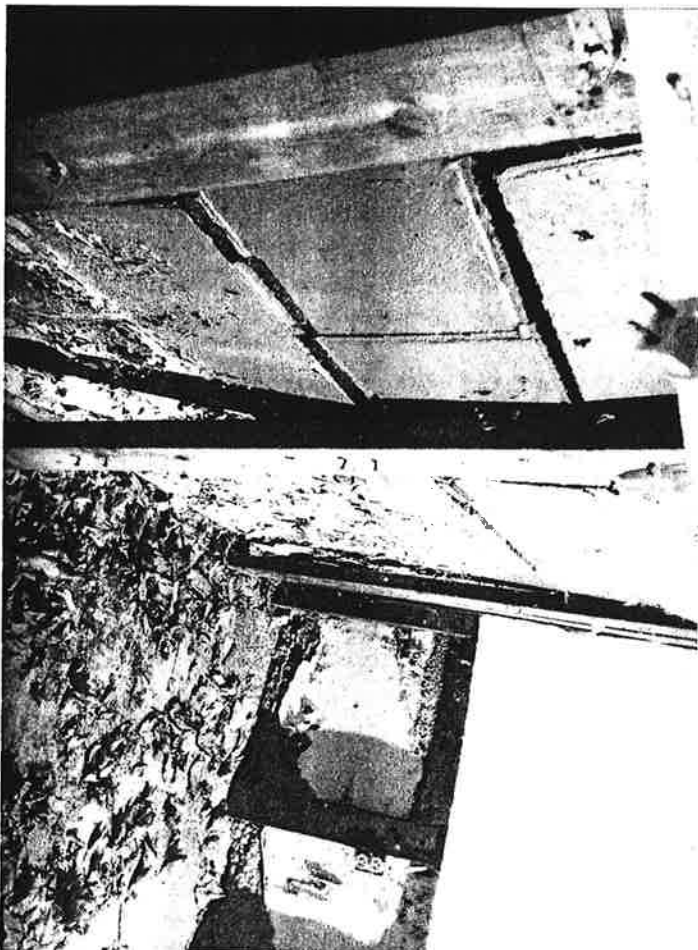
Based on observed component damage and assumptions relative to the condition of other building elements, I have estimated a cost to repair that exceeds the minimum fifty-percent.



826 10 Street N., Fargo, ND 7/25/18 Interior Photos



826 10 Street N., Fargo, ND 7/25/18 Interior Photos



826 10 Street N., Fargo, ND 7/25/18 Interior Photos

NOTICE OF DANGEROUS BUILDING

TO: Lee J Allen DBA ATD Properties, 3508 22 St S Fargo ND 58104

YOU ARE HEREBY Given Notice of the following:

1. That this Notice is being given to you pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings.
2. That the building with which this Notice is concerned is commonly known as 826 10th St N, Fargo, North Dakota, and is located on that tract of land in the city of Fargo, more particularly described as follows:
Lot 10, Block 10, Harwood's 3rd Addition (Here in after referred to as "the building")
3. That an inspection was made of the building on June 19, 2018 by Bill Thompson, Building Inspector and Rental Housing Inspector, of the City of Fargo.
4. That the building inspector for the city of Fargo has found the building, consisting of a multistory, wood-framed structure to be a Dangerous Building within the standards set forth in the Fargo Municipal Code, Article 21-04, Dangerous Buildings and IPMC Code 108.1.5 concerning Dangerous Structures.
5. That the owner of the building must demolish the building within 30 (thirty) days from the date of this notice.
6. That the building is unsafe and is a dangerous building in the following respects: The Structure is damaged, decayed, dilapidated, structurally unsafe. The building is an unsafe structure and dangerous to the people of this city. The building is infested with pigeons and unsecured.

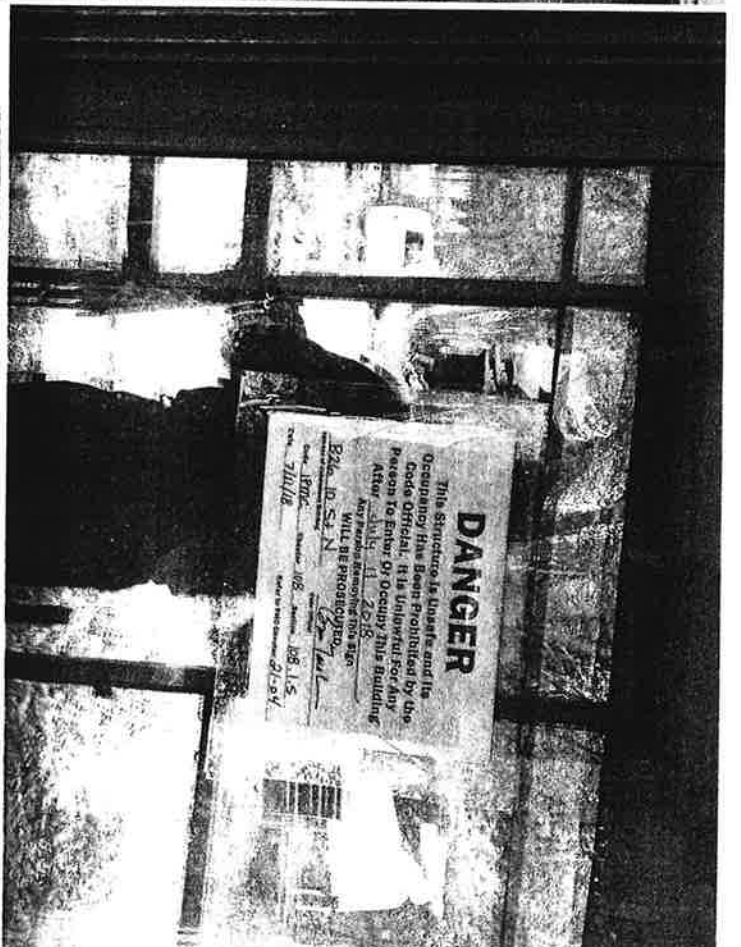
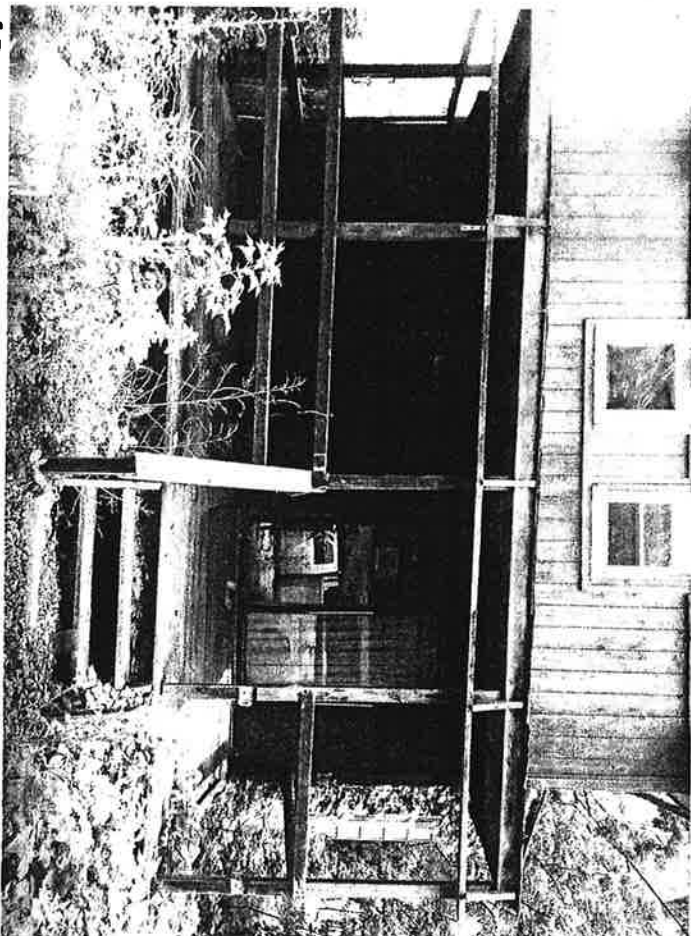
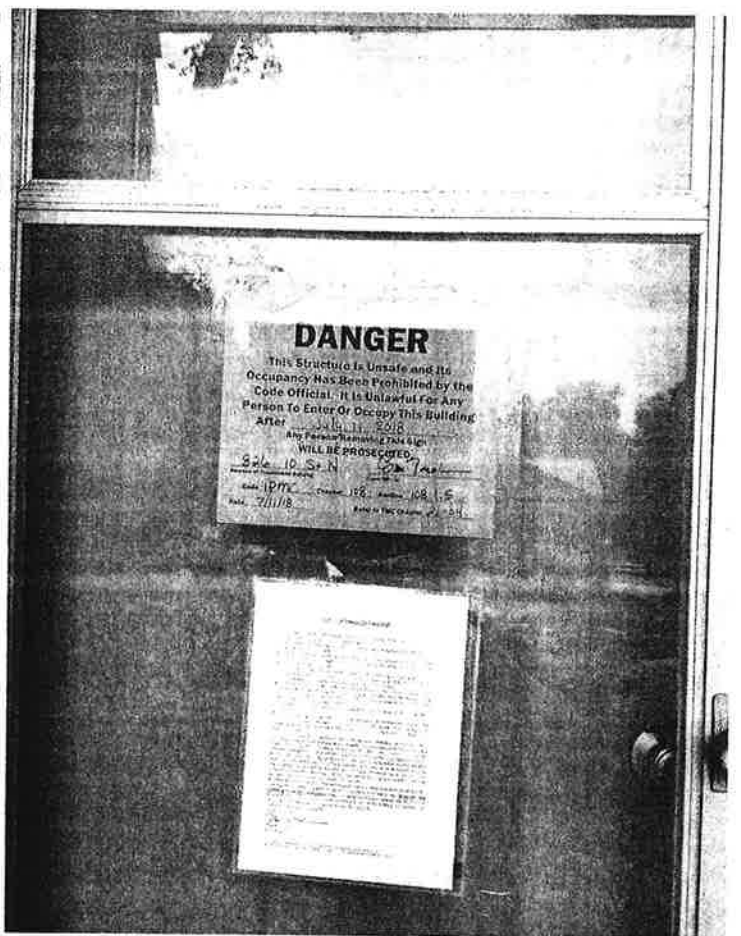
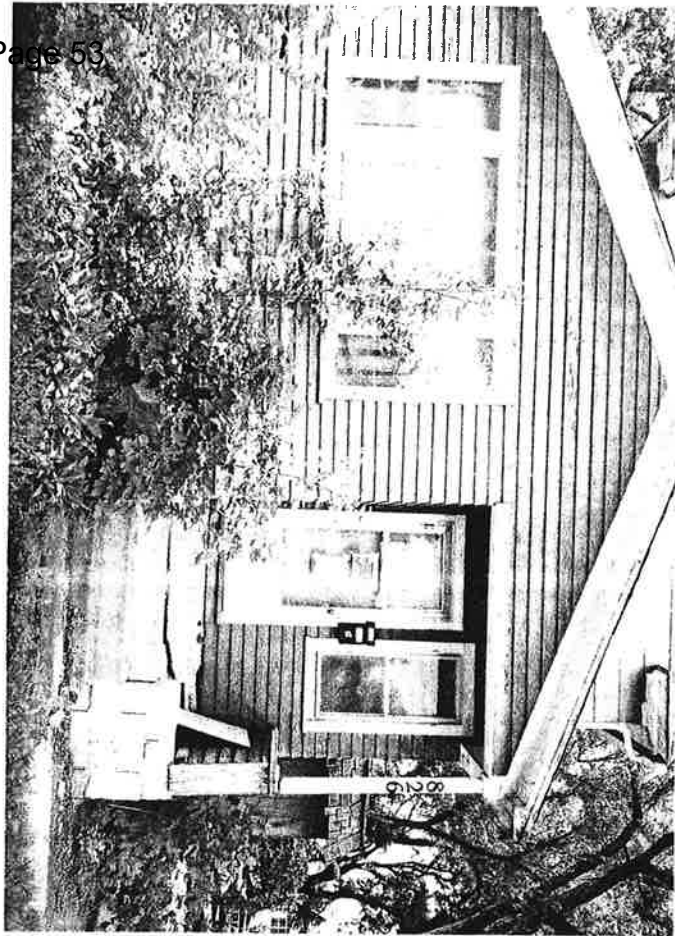
Source: Fargo Municipal Code, Article 21-0403 concerning Dangerous Buildings.

7. The building is unsafe and constitutes a public nuisance pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings and Section 116 of the International Building Code as adopted by Article 21-0101 of the Fargo Municipal Code.
8. You are further given Notice that unless the building is demolished within the time period set forth herein, the City of Fargo will take such steps as are necessary to cause said building to be demolished pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings and the International Building Code and the owner will be assessed such costs as are provided for therein.
9. Order to secure building. The undersigned building official has determined that the building must remain secured to prevent unauthorized entrance. **An inspector will continue to verify compliance.** Failure to keep the building secured will result in the City of Fargo hiring an independent contractor to secure the building. All expenses for securing the building will be assessed against the property.

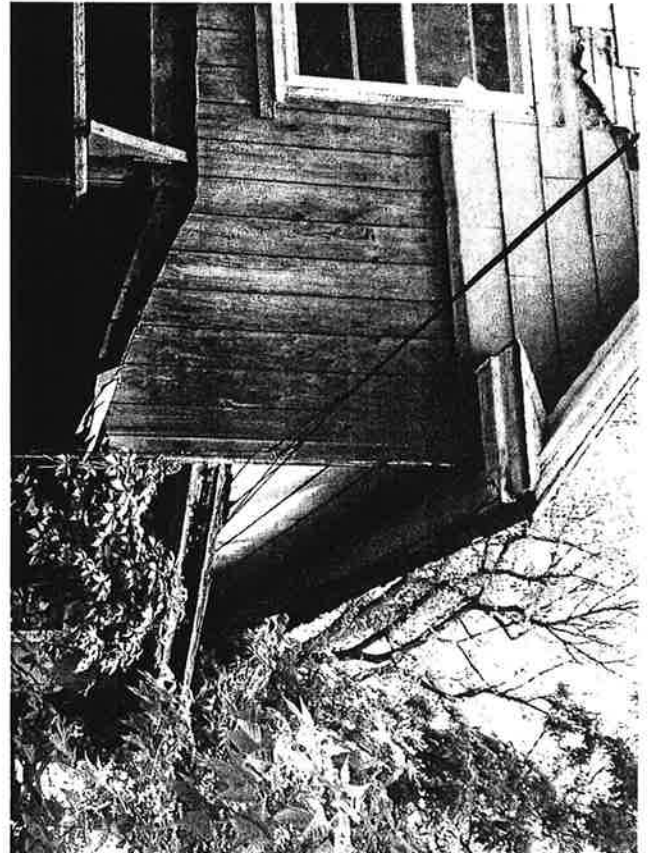
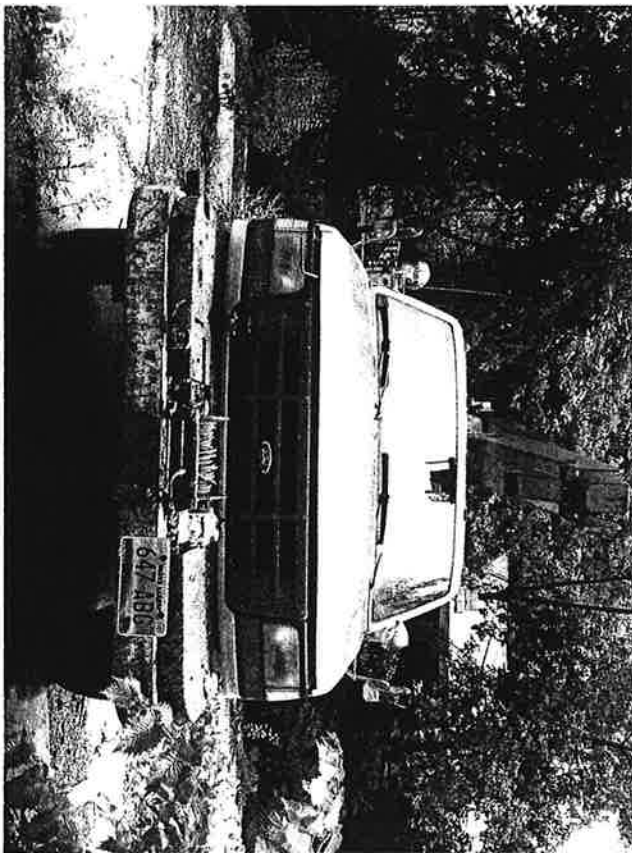
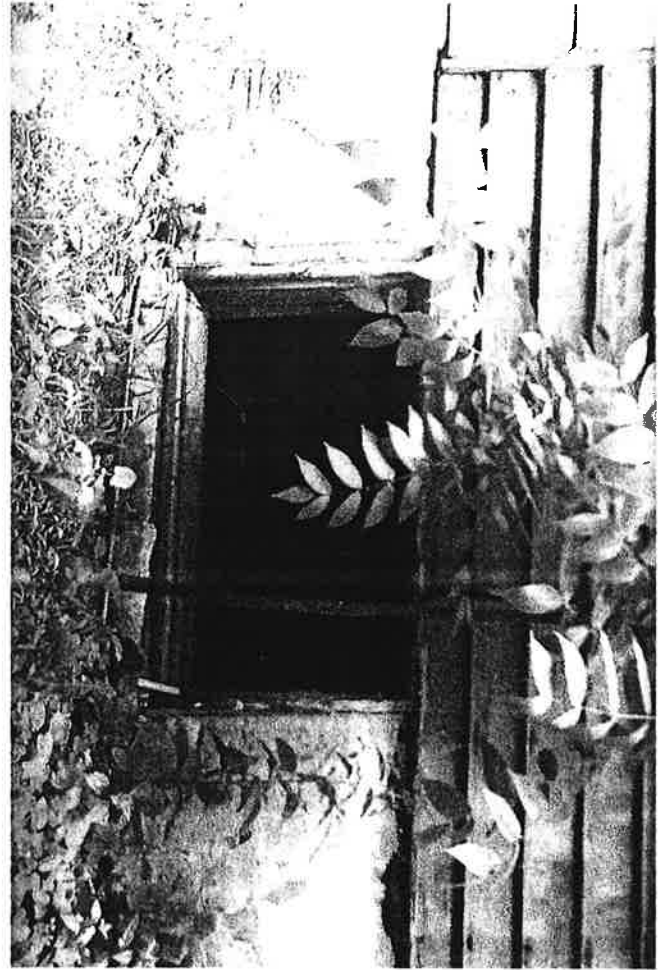
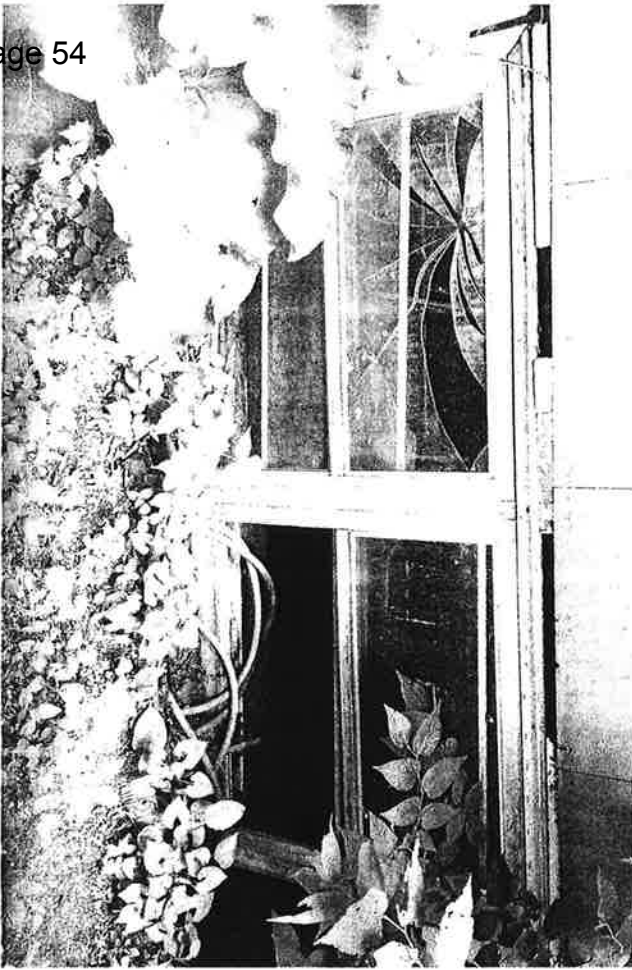
Dated this 10th day of July 2018.



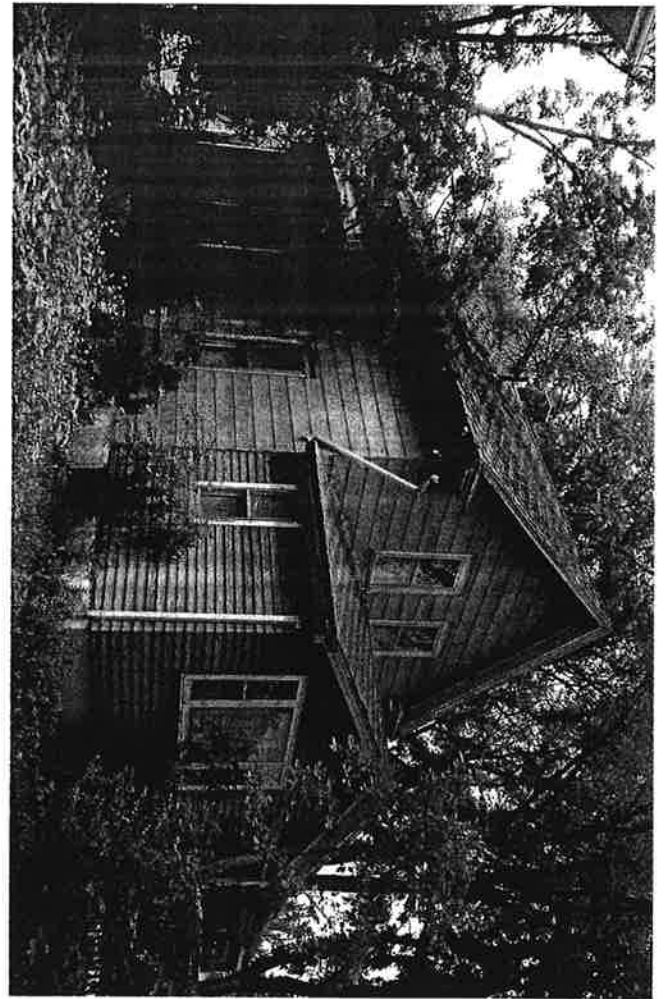
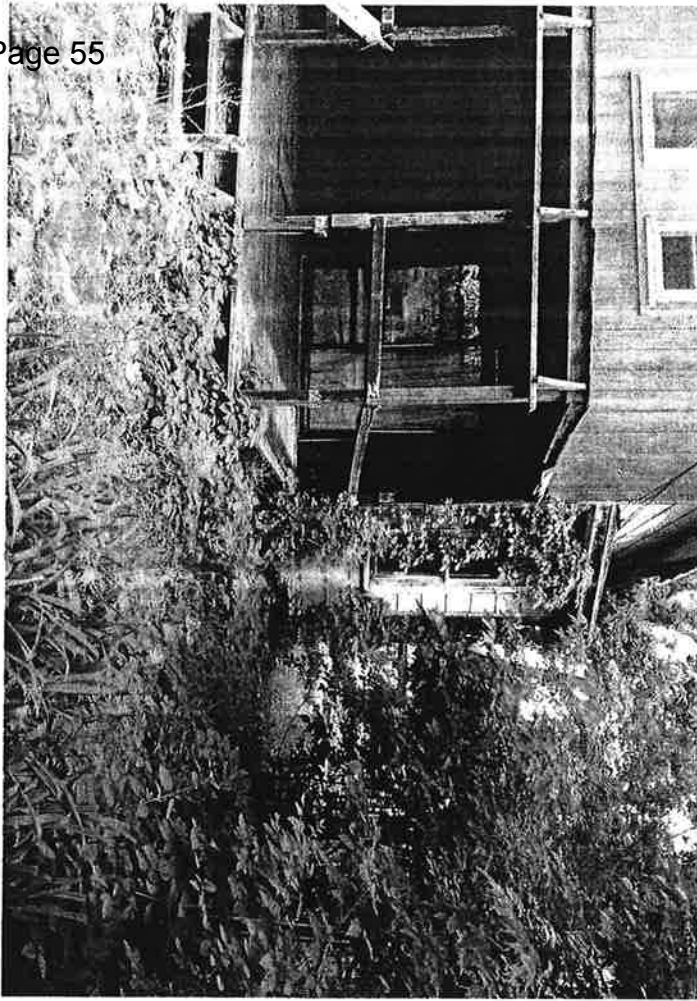
Bruce Taralson
Administrator



826 10 Street N., Fargo, ND 7/11/18 Posting of Dangerous Building Notice



826 10 Street N., Fargo, ND 6/19/18 Complaint Photos



826 10 Street N., Fargo, ND 6/19/18 Complaint Photos

COMPLAINT RECORD & RESPONSE

Date: 6-18-18

Call Taken By: Chn's

Address: 826 10 St N

Property Owner: Lee Allen

Nature of Violation: Drunk - Squatters?

beds in basement.

Broken windows - ~~detritus~~

Complainant Name/Phone (if return call): deteriorated

Rental Property? Yes / No / Unknown Apartment S

Complaint Assigned to: Bill T / John A / Other: not occupied

Observations: 6-19-18 House is unsecure and infested with pigeons. Exterior is in poor condition. Fascia + soffit is decayed + missing. Foundation shows signs of being compromised. I took photos of exterior

7-11-18 Posted as Dangerous with letter

Action Taken: Letter Sent / Phone Call / No Action

Unfounded / Ticketed / Set up in AI Referred to



VEHICLE REMOVAL NOTICE

Administrative Notice of Order to Correct

DATE: 12/18/17

LOCATION OF VEHICLE TO BE REMOVED: 826 10 St N

PROPERTY OWNER: Lee Allen DBA ATD Properties

OWNERS ADDRESS: 3508 22 St S, Fargo ND 58102

INSPECTOR: Bill Thompson

YOU ARE HEREBY ORDERED TO REMOVE THE FOLLOWING IDENTIFIED JUNK VEHICLES IN ACCORDANCE WITH FARGO MUNICIPAL CODE ARTICLE 13-09 BY 1/8/18. The term "junk automobiles" includes, without limitation, any motor vehicle which is not licensed for use upon the highways of the state of North Dakota for a period in excess of sixty days, and shall also include, **whether licensed or not, any motor vehicle which is inoperative for any reason for a period in excess of sixty days.** If any or all of these vehicles remain on the above property after the deadline date shown, they will be removed by the City of Fargo. Junked vehicles removed by the City will be disposed of immediately.

The Fargo Land Development Code 20-0701-5-D states all off-street front and side parking areas shall have an all weather surface. Rear yard parking spaces may be surfaced with gravel. LDC 20-1202 defines of an all weather surface as to not include grass, dirt or gravel. Such surfaces shall include, but not be limited to concrete, asphalt, paving blocks, brick, and other materials intended for outdoor motor vehicle use.

If you fail to correct the violation by the stated deadline may file a Summons and Complaint against you, requiring you to appear in Municipal Court. **This is your notice to correct the violation.**

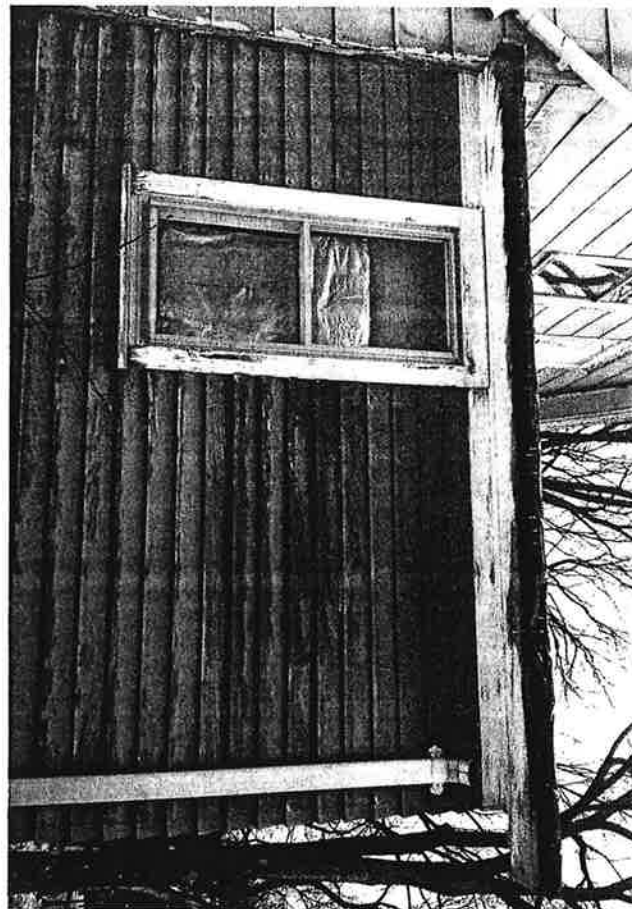
Vehicle Description	License # and Exp. Date	State
Tan Winnebago Motorhome	No Plate	N/A

Registered Owners:

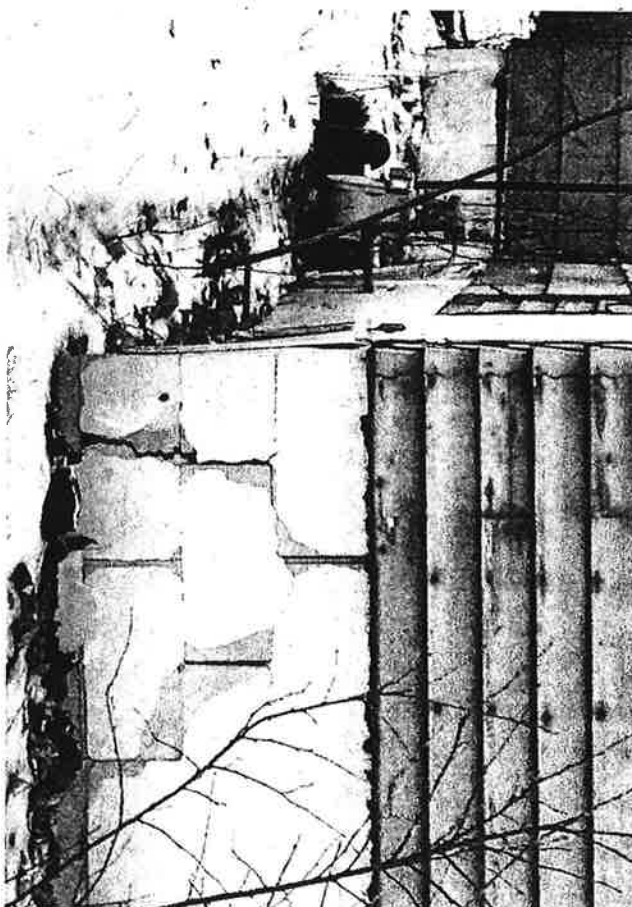
No Plate		

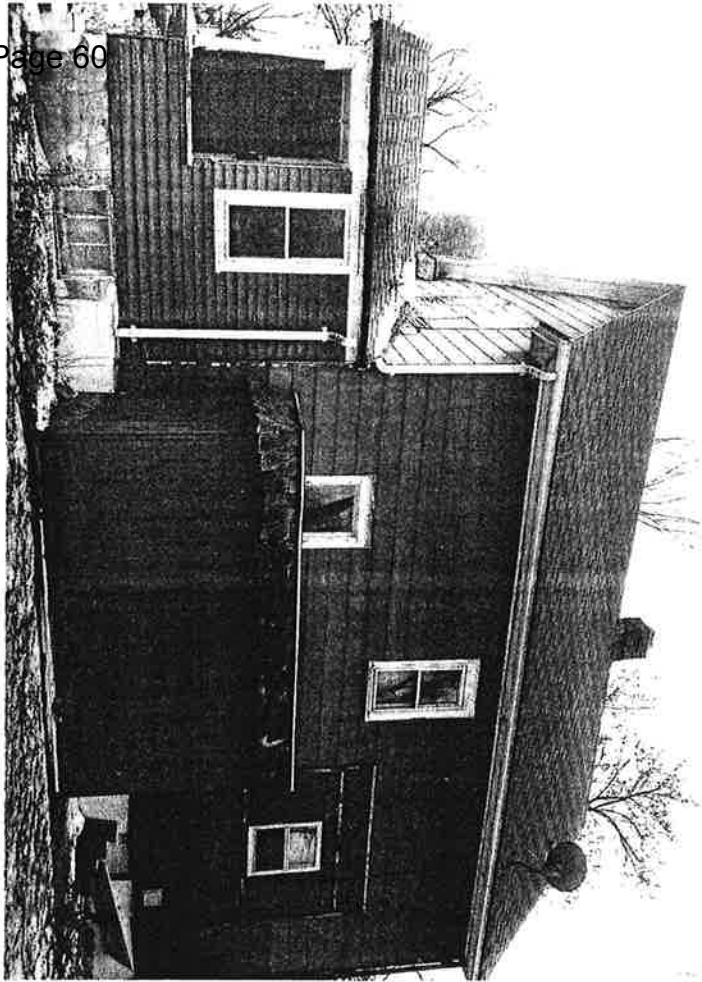


826 10 Street N., Fargo, ND 12/13/17 Junk Vehicle/Unsecured Building



Bottom of Page





826 10 Street N., Fargo, ND 12/13/17 Unsecure/Unsafe Building Photos

Expired Permit Notice

December 18, 2017

Lee Allen DBA ATD Properties
3508 22 St S
Fargo, ND 58102

RE: Building Permit **#BL20161784** (Reconstruct or demolish 22x34 detached garage, if demolished new building will be the same size in the same location.)

Lee Allen,

This is to remind you that Article #21-01 of the City of Fargo Municipal Code adopts the International Residential Code as the city code. Section R105.5 of this code states that any permit issued becomes invalid unless the work authorized by the permit is commenced within 180 days after its issuance or if the work authorized by the permit is suspended or abandoned for a period of 180 days after the time the work is commenced. In addition, section R109.3 states that it is the responsibility of the permit holder to notify the building official when work is ready for inspection.

According to our records, one or more required inspections have not been requested. Therefore, we must assume that the work authorized by this permit has not commenced or has been abandoned. **This permit has been voided and filed as though the work was never completed.**

If you have any questions, please call 241-1561.

Thank You,



Bill Thompson
Building Inspector

CITY OF FARGO
FARGO, NORTH DAKOTA
BUILDING PERMIT

DATE 9/6/2016
PERMIT NO. BL20161784

SPECIAL FLOOD HAZARD ☐ FLOOD PROTECTION ELEVATION _____

SPECIAL FLOOD HAZARD PERMITS SHALL BE CONSTRUCTED IN ACCORDANCE TO THE FLOOD PROOFING CODE OF THE CITY OF FARGO.

PERMIT ADDRESS 826 10 ST N

ADDITION 1140

LEGAL DESCRIPTION

LOT 10 BLK 10 ADDN# 1140 (Harwoods 3rd)

TOWNSHIP _____

OWNER ALLEN, LEE J DBA ATD PROPERTIES PHONE 701-261-7143 VENDOR 12040 LICENSE# 44588D
CONTRACTOR Down to Earth Contracting LLC
ADDITIONAL CONTRACTORS _____

ARCHITECT OR DESIGNER _____
WORK CLASS ING

CONTACT Lee Allen

DESCRIPTION OF WORK

Reconstruct 22'x34' detached garage to replace existing garage. If garage is demolished new building will be the same size and in the same location. Garage to be located completely in the rear yard with a max. height of 15'. Min. separation of 3' clear side yards to interior side property lines and min. set back to prop. lines for street side yards as required by the LDC. All work to comply with all applicable requirements of the City of Fargo including the 2012 Fargo Building Code.

VALUATION \$5,000.00 PLAN FEE \$0.00 PERMIT FEE \$54.20 TOTAL FEE \$54.20
INVESTIGATION FEE \$0.00

BLDG. SQ. FT. _____ HEIGHT _____ NUMBER OF STORIES _____ OCCUP. GROUP U
WIDTH _____ DEPTH _____ NUMBER OF UNITS _____ OCCUP. LOAD _____
TYPE CONSTRUCTION VB

TREATED PLATES _____ FOUNDATION _____
SMOKE DETECTORS _____ ROOF _____
WINDOW AREA _____ HEATING _____
EXITS REQUIRED _____ BASEMENT _____
FIRE SPRINKLERS _____ FIREPLACES _____

ZONE SR-3 LOT SIZE 7000.00
FRONT YARD 20 SIDE YARD 10/10 REAR YARD 15 STREET _____ MAX. LOT COVER 35
Lot Width Front 50 Lot Depth1 140
Lot Width Back _____ Lot Depth2 _____

NOTICE

SEPARATE PERMITS ARE REQUIRED FOR ELECTRICAL, PLUMBING, HEATING, AIR CONDITIONING, PARKING LOTS AND SIGNS.

PLEASE BE SURE TO READ THE DISCLAIMER ON THE REVERSE SIDE OF THIS PERMIT.

Signature of Contractor or Authorized Agent _____

Date 9-6-16

Signature of Owner (If owner builder) _____

Signature of Issuer _____

Date 9/6/16

Date _____

DATE 9/6/2016

PERMIT NO. **BL20161784**

***Note: This permit becomes void if construction is not begun within 180 days or is suspended or abandoned at any time for 180 days after work is commenced.

Building Permit Acknowledgments

1. I understand and certify that issuance or granting of a permit shall not be construed to be a permit for, or an approval of, any violation of any of the provisions of this code or of any other ordinance of the jurisdiction. Permits presuming to give authority to violate or cancel the provisions of this code or other ordinances of the jurisdiction shall not be valid. The issuance of a permit based on construction documents and other data shall not prevent the building official from requiring the correction of errors in the construction, in the construction documents and other data. The building official is also authorized to prevent occupancy or use of a structure where in violation of this code or of any other ordinances of this jurisdiction exist.
2. Through application for and acceptance of this building permit the permit applicant/holder/owner understands and agrees that the City will conduct periodic observations of construction, but that such observation or review of plans and/or construction does not constitute either explicit or implied certification that the plans and/or construction comply with City Codes or any other applicable requirements. The permit applicant/holder/owner at all times remains responsible for ensuring that the construction, plans, and specifications comply with all requirements of all City Codes and other applicable requirements. The City will not provide continuous on-site observation of construction, and disclaims any responsibility for defects in materials or workmanship.
3. The City encourages and recommends the permit applicant/holder/owner hire a private, on-site inspector or other professional as the applicant/holder/owner deems necessary in order to ensure that all aspects of the plans and/or construction comply with applicable codes and all other requirements.

AS PERMIT APPLICANT, I ACKNOWLEDGE THAT I HAVE BEEN MADE AWARE OF THE ABOVE STATEMENTS AND CONDITIONS.

APPLICANT INITIALS: h H DATE: 9-6-16

AS BUILDING OFFICIAL, I ACKNOWLEDGE THAT I HAVE MADE THE PERMIT APPLICANT AWARE OF THE ABOVE STATEMENTS AND CONDITIONS.

BUILDING OFFICIAL INITIALS: MOB DATE: 9/6/16



Fargo Inspections

City of Fargo
225 Fourth Street North
701-241-1561
fax 701-241-1526



Memorandum

DATE: November 15, 2018
TO: Mayor Mahoney and Board of City Commissioners
FROM: Bruce Taralson, Inspections Administrator
SUBJECT: Dangerous Building Notice and Order at 1101 7 Street N., Fargo, ND

The property owner of 1101 7 Street N., Fargo, ND 58102, the property that is subject of the attached Notice, has failed to comply with my order to remove the heavily damaged structure at that location within the time allowed for that removal. In accordance with Fargo Municipal Code Article 21-0405, it will now be necessary for you to hold a hearing for this order at which time the property owner will be able to appear and show cause why the building should not be removed and the costs of that removal assessed against this property. This hearing is scheduled for Monday, November 19, 2018.

The recommendation is to **make a motion determining this to be a dangerous building, direct staff and City Attorney to take action, order its removal before December 5, 2018, and direct appropriate staff to secure the removal of this building at that time, should the owner fail to do so.**

NOTICE OF DANGEROUS BUILDING

TO: MARILYNN L KOHLER 1101 7th St N, Fargo ND 58102

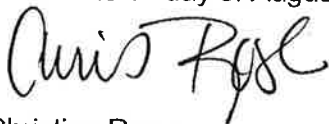
YOU ARE HEREBY Given Notice of the following:

1. That this Notice is being given to you pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings.
2. That the building with which this Notice is concerned is commonly known as 1101 7th St N, Fargo, North Dakota, and is located on that tract of land in the city of Fargo, more particularly described as follows:
Chapins Addition, West 108.7 Ft of lot 1 and 12, Flemings Subdivision
(Hereinafter referred to as "the building")
3. That an inspection was made of the building on July 31, 2018 by Bill Thompson, Building Inspector and Rental Housing Inspector, of the City of Fargo.
4. That the building inspector for the city of Fargo has found the building, consisting of a multistory, wood-framed structure to be a Dangerous Building within the standards set forth in the Fargo Municipal Code, Article 21-04, Dangerous Buildings and IPMC Code 108.1.5 concerning Dangerous Structures.
5. That the owner of the building must demolish the building within 30 (thirty) days from the date of this notice.
6. That the building is unsafe and is a dangerous building in the following respects: There is currently has no water or electricity, foundation and siding are in need of repair, the interior is full of rubbish with signs of rodent infestation, the floors are covered in feces and unsanitary.

Source: Fargo Municipal Code, Article 21-0403 concerning Dangerous Buildings.

7. The building is unsafe and constitutes a public nuisance pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings and Section 116 of the International Building Code as adopted by Article 21-0101 of the Fargo Municipal Code.
8. You are further given Notice that unless the building is demolished within the time period set forth herein, the City of Fargo will take such steps as are necessary to cause said building to be demolished pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings and the International Building Code and the owner will be assessed such costs as are provided for therein.

Dated this 1st day of August, 2018.



Christine Rose
Deputy Inspections Administrator



DANGEROUS BUILDING ORDER TO COMMISSION- Detail and Timeline for 1101 7 Street N., Fargo, ND 58102.

The DANGEROUS BUILDING hearing is required under Article 21-0405 for the purpose of allowing any interested parties the opportunity to comment, and to allow the Owner of the property the opportunity to appear and show cause why the City of Fargo should not cause the removal of this building.

The Inspections Department has taken this action due to the amount of damage to the building. This building meets 7 of the 10 criteria which only one might be required. Our report on ordinance requirements-

1. Inspections Department received complaint on property.
2. Inspections Department inspected the property.
3. Inspections placed notice on the building.
4. Inspections secured assessors report.
5. Inspections provided notice to Owner giving 30 days.
6. Inspections report of noncompliance to City Commission.
7. Inspections will appear at the hearing on November 19, 2018 to testify as to the condition of the Dangerous Building.

In your packets, you will find my dangerous building notice. Article 21-0404 requires the Inspections Department give a 30-day notice to the Owner of the property prior to any action by the City Commission or staff. Our time line will show a notice went out on August 1, 2018, and there has been no action taken by the Owner within the next 30 days which expired on August 31, 2018.

Also, in your packets you will find copies of the photos we have taken of the property as well as a copy of the letter of determination of value from Assessors office. Article 21-0401 stipulates that if this building meets the definition of a dangerous building, it must be demolished or repaired. The assessor's letter states that repairs will exceed or are in excess of 50% of the current value. Article 21-0402 stipulates that if costs to repair the building exceed 50% or more of the current value, the building can be ordered demolished or repaired. We have taken the path of demolition due to the amount of repair required.

PROPERTY INFORMATION- Building is currently vacant and is uninhabitable due to condition and current Inspections order. Building constructed in 1898.

Description: Two-Story, Wood-Framed Structure.

Description of damage: Deterioration is extensive. Broken windows and holes in siding, weather barrier on exterior needs repair, signs of infestation, foundation is cracking and settling, burst pipe caused extensive water damage, trash, rotten food, animal and human waste, unable to find correct fuses to connect to electrical panel.

Timeline for our events-

6/14/2018 – As per City of Fargo Water Department, water was requested shut off by Melody Drayton due to major plumbing issues and extremely high water bills. Water was shut off in 2015, 2016 & 2017 due to high water bills and account considered delinquent.

7/12/2018 – Inspections Department received notice from the City of Fargo Health Department stating that the building is not habitable and water has been shut off. Owner of building stated he/she gets water from neighbors, hard time finding fuses, many broken windows, holes in structure that had allowed animals inside.

7/12/2018 – Inspector investigated complaint. Exterior of house: found holes in siding, foundation is settling, noticeable odor coming out of open windows.

7/31/2018 – Posted Dangerous Building placard on building. Interior inspection found evidence of infestation, trash and rotten food, animal and human waste, floors are saturated with urine, pipe burst and ran continuously filling basement and leading to water damage, foundation blocks beginning to crack and settle, and South side foundation of bump out is pulling away from house.

7/31/2018 - Building assessed by Rob Harshberger, City of Fargo Assessors Office. Letter to Inspections Department dated 8/2/2018 stated that the cost of repair would exceed 50% of the building value.

8/1/2018 –Notice of Dangerous Building mailed to Owner.

8/2/2018 – Notice of Dangerous Building posted on building.

9/17/2018 – Dangerous Building Hearing “Order to Show Cause” requested through City Commission to set 9/24/2018 as hearing date.

9/19/2018 – Dangerous Building Hearing “Order to Show Cause” extension requested through City Commission to move hearing date to 10/22/2018. The Inspections and Planning Departments were working with owner on a solution to come to an agreement prior to demolition.

9/20/2018 – Updated notice of Dangerous Building Hearing “Order to Show Cause” posted on property and mailed via Certified Mail (moved hearing to 10/22/2018).

10/17/2018 – Updated Notice of Dangerous Building Hearing “Order to Show Cause” posted on property and mailed via Certified Mail (moved hearing to 11/19/18).

10/18/2018 - Dangerous Building Hearing “Order to Show Cause” extension requested through City Commission to move hearing date to 11/19/2018.

11/2/2018 – “Unsecured Vacant Building” notice sent to Owner.

11/5/2018 – Inspector verified that basement window was secured.

11/13/2018 – Inspector received call from realtor that was hired by Owner. Realtor was hired without mention of the demolition order.

11/14/2018 – As per Xcel Energy, Electricity was shut off on 9/18/2018. Gas meter is still active.

11/14/2018 – Inspector took photos of realtor signs, took photos of exterior, high arch windows and top portion of picture window is missing. Window on East side of building was open leaving the building unsecure. Front porch door was left open.

Upon your finding for Owner to comply with this demolition order, you are required by Article 21-04, to notify Owner of your determination, and that if an Owner fails to comply with that order for demolition within 10 days, The City Commission can order city staff to take action on demolition and assess costs back to the property.

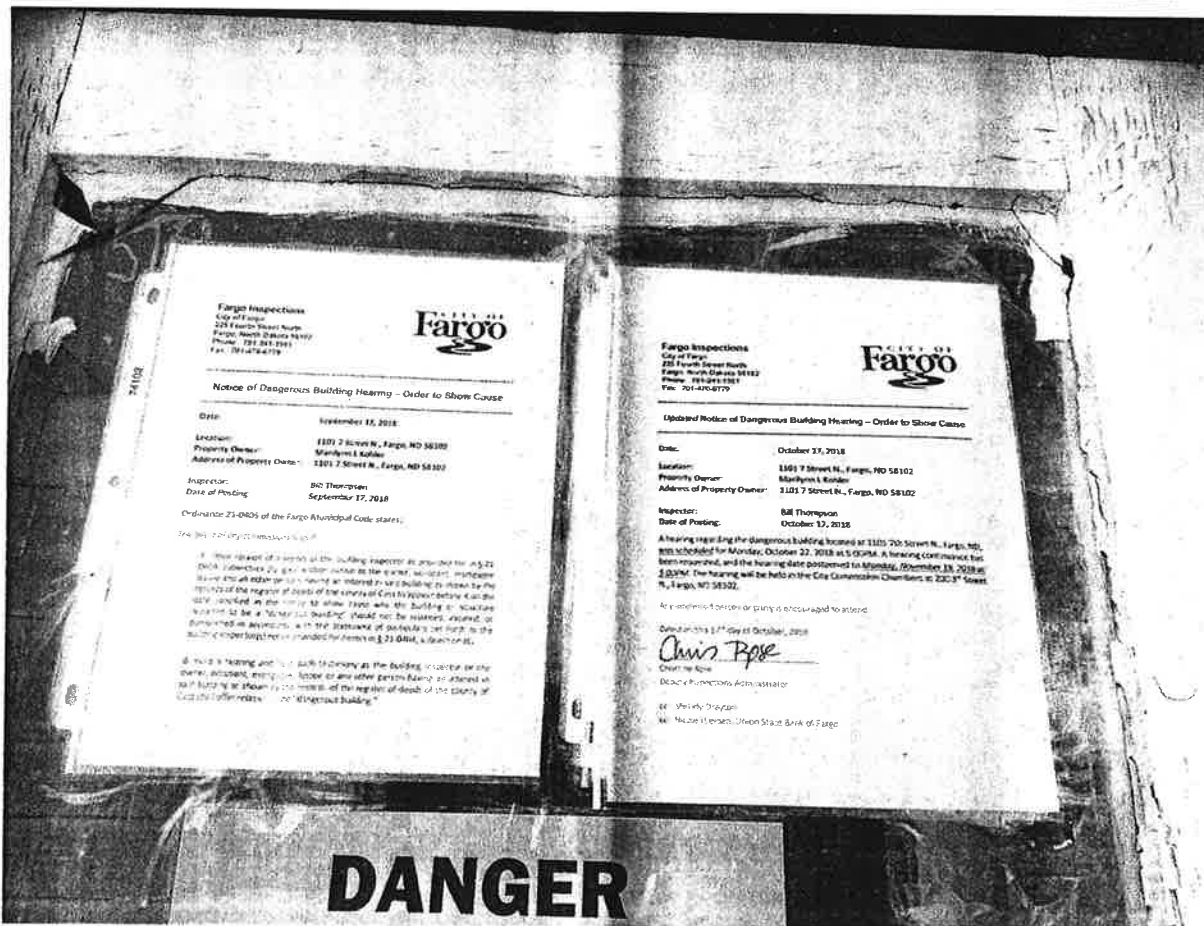
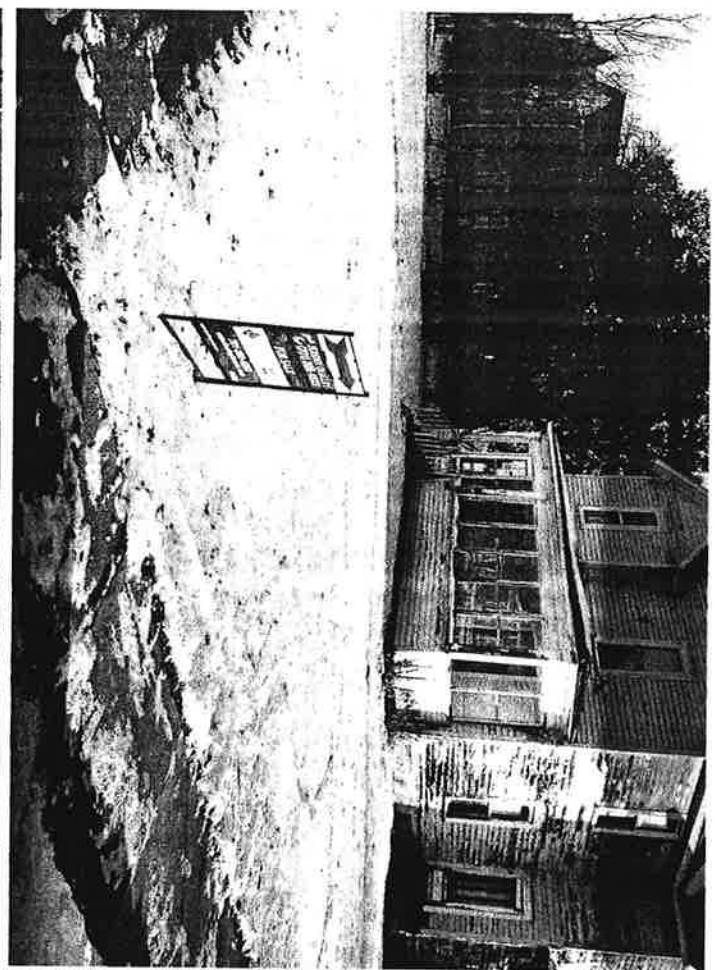
I suggest you agree with my notice and find this to be a dangerous building, and direct the City Attorney to prepare findings of fact in this matter. I also ask that you direct staff to proceed with all necessary measures to secure removal of this building should the Owner fail to do so. Commission action requires a 10 day allowance for action per Article 21-0405.E. Article 21-0406 also allows court action if that is the course the commission chooses to take. Article 21-0412 is allowance for Owner appeal to City Commission action.

Thank you,

Respectfully submitted,
Dated this 15th day of November, 2018.

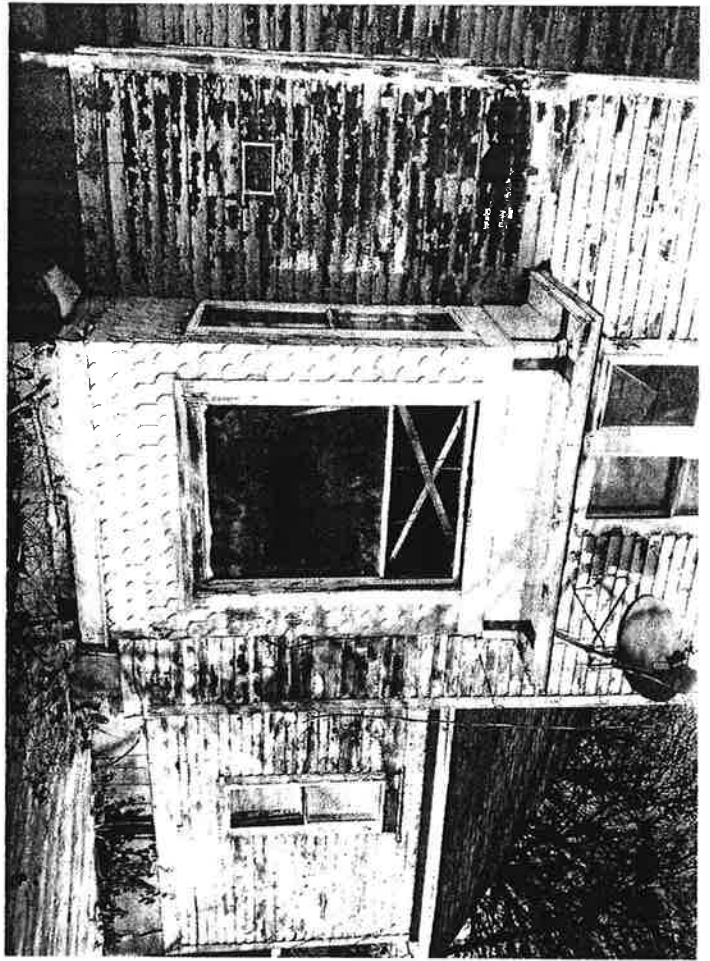
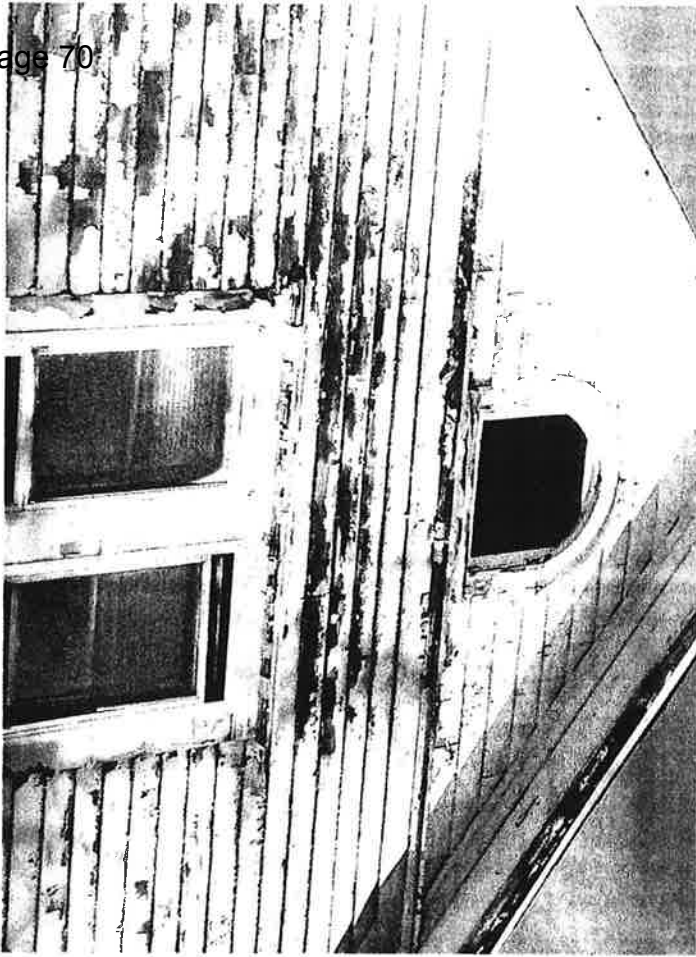
A handwritten signature in black ink, appearing to read "Bruce Taralson", with a long horizontal flourish extending to the right.

Bruce Taralson
Inspections Administrator

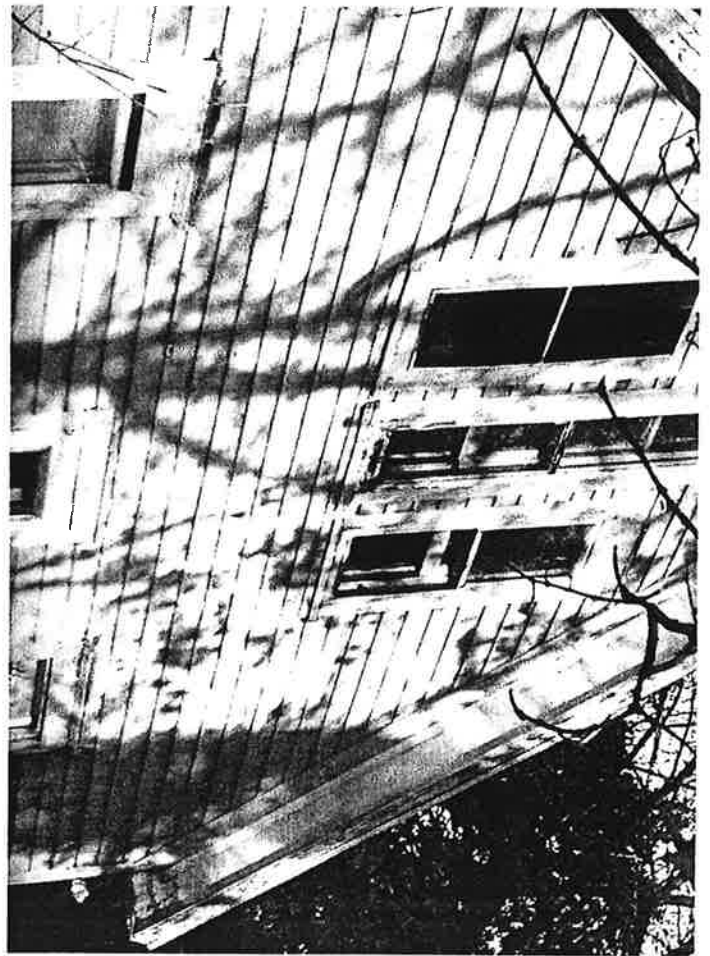
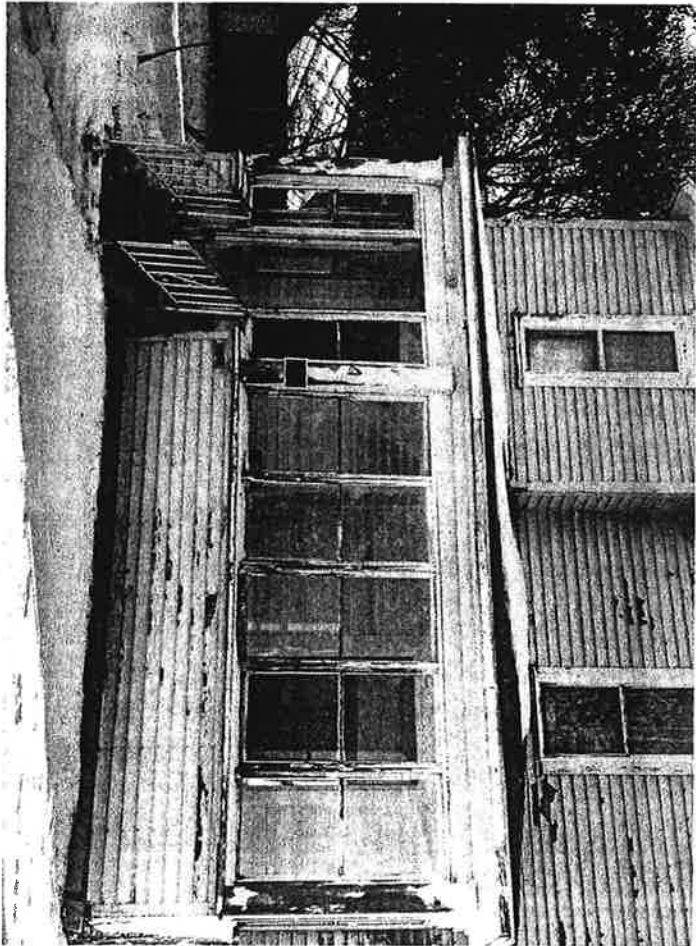


1101 7 Street N., Fargo, ND - 11/14/2018 Realtor Signs and Unsecured Building

Bottom of Page



Front Porch Door Left Open



UNSECURED VACANT BUILDING

November 2, 2018

Marilyn Kohler
1101 7 St N
Fargo ND 58102

RE: IPMC 108.2

Marilyn Kohler,

We have received a squatter complaint on your property at 1101 7th St N. I was able to conduct an inspection on 11/1/18 and noticed the NW basement window is missing. Occupancy of this structure is prohibited. The Structure is required to be secure as to not provide a public nuisance. If the Structure is not secured by **November 5 2018**, I will have an independent contractor secure the structure. The expense for securing the structure will be assessed against the property.

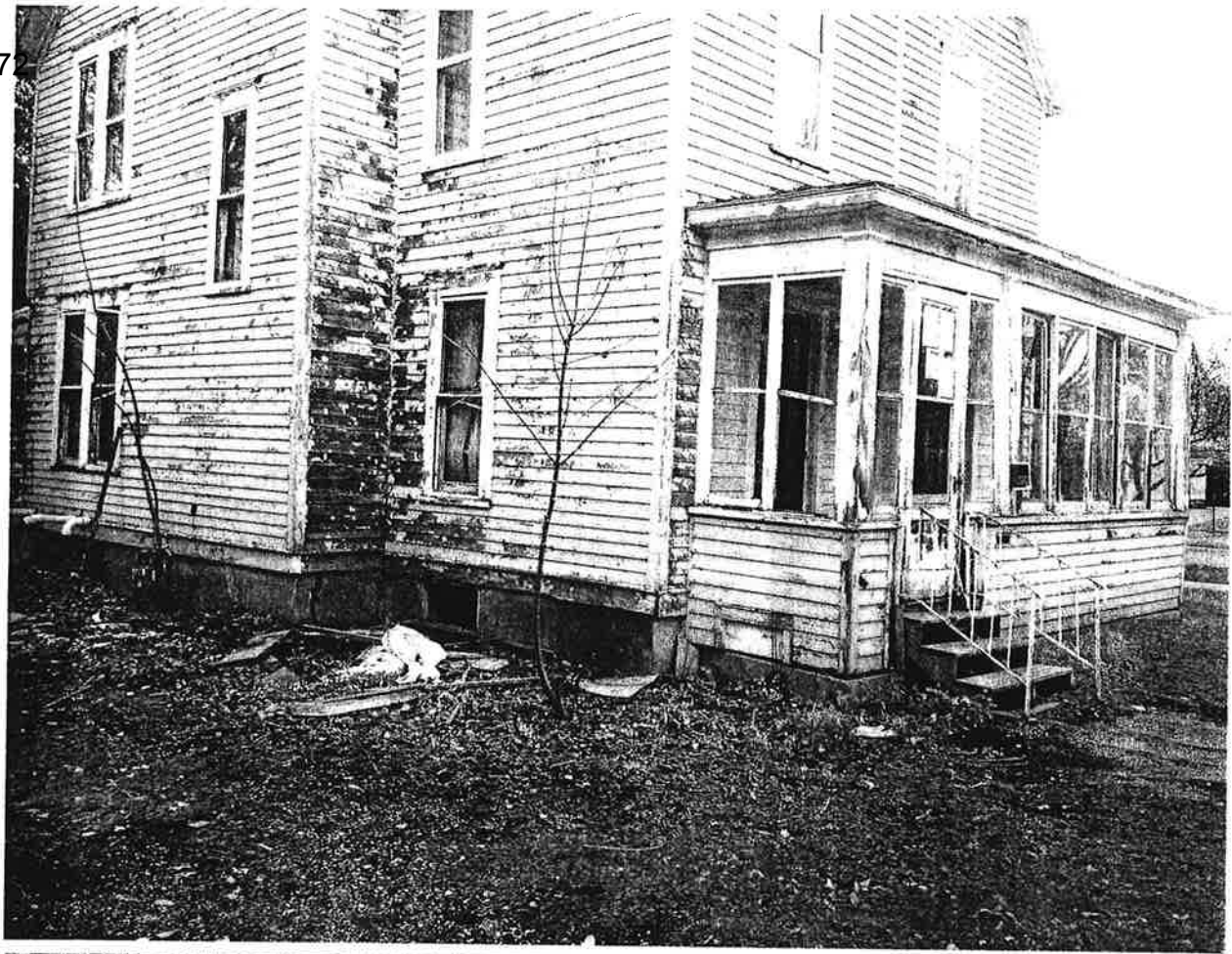
If you have any questions, please call 241-1561.

Thank You,



Bill Thompson
Building Inspector

CC. Melody Drayton
501 5th St Court #102
West Fargo ND 58078



1101 7 Street N., Fargo, ND - 11/1/2018 Unsecured Building



Memorandum

DATE: October 18, 2018
TO: Mayor Mahoney and Board of City Commissioners
FROM: Bruce Taralson, Inspections Administrator
SUBJECT: Dangerous Building Hearing for 1101 7 Street N., Fargo, ND 58102

A Dangerous Building Hearing has been scheduled for Monday, October 22, 2018 for the building located at 1101 7 Street N., Fargo, ND 58102. This request is for a hearing continuance to the Commission Meeting dated Monday, November 19, 2018.

Fargo Inspections
City of Fargo
225 Fourth Street North
Fargo, North Dakota 58102
Phone: 701-241-1561
Fax: 701-476-6779



Updated Notice of Dangerous Building Hearing – Order to Show Cause

Date: October 17, 2018
Location: 1101 7 Street N., Fargo, ND 58102
Property Owner: Marilyn L Kohler
Address of Property Owner: 1101 7 Street N., Fargo, ND 58102
Inspector: Bill Thompson
Date of Posting: October 17, 2018

A hearing regarding the dangerous building located at 1101 7th Street N., Fargo, ND, was scheduled for Monday, October 22, 2018 at 5:00PM. A hearing continuance has been requested, and the hearing date postponed to Monday, November 19, 2018 at 5:00PM. The hearing will be held in the City Commission Chambers at 200 3rd Street N., Fargo, ND 58102.

Any interested person or party is encouraged to attend.

Dated on this 17th day of October, 2018.

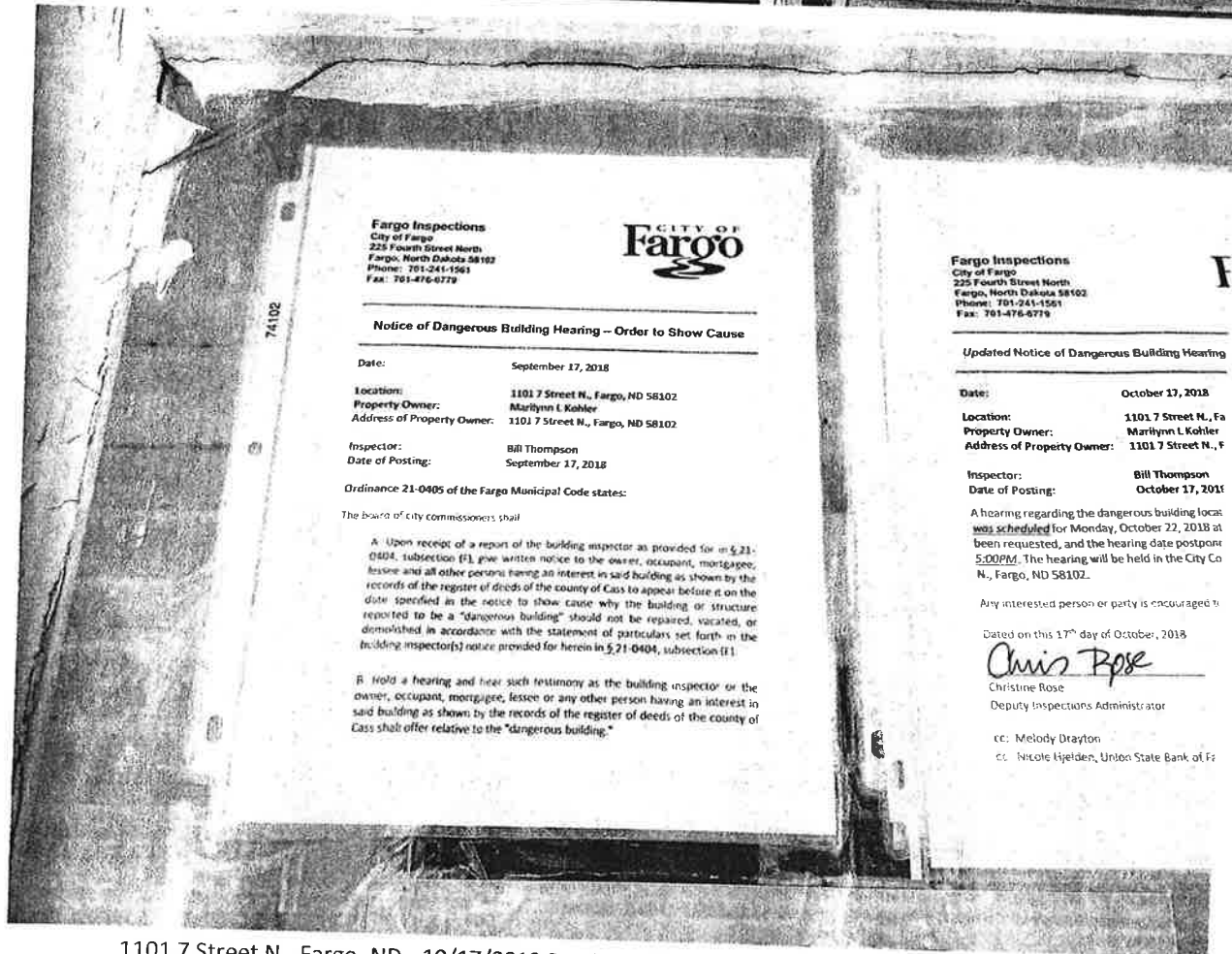
A handwritten signature in cursive script that reads "Chris Rose". The signature is written in black ink and is positioned above a horizontal line.

Christine Rose

Deputy Inspections Administrator

cc: Melody Drayton

cc: Nicole Hjelden, Union State Bank of Fargo



1101 7 Street N., Fargo, ND - 10/17/2018 Posting of Dangerous Building Hearing Notice Update

Fargo Inspections
City of Fargo
225 Fourth Street North
Fargo, North Dakota 58102
Phone: 701-241-1561
Fax: 701-476-6779



Updated Notice of Dangerous Building Hearing – Order to Show Cause

Date: September 20, 2018

Location: 1101 7 Street N., Fargo, ND 58102

Property Owner: Marilynn L Kohler

Address of Property Owner: 1101 7 Street N., Fargo, ND 58102

Inspector: Bill Thompson

Date of Posting: September 20, 2018

Notice Posted By: Joseph Girdner

A hearing regarding the dangerous building located at 1101 7th Street N., Fargo, ND, was scheduled for Monday, September 24, 2018 at 5:00PM. A hearing continuance has been requested, and the hearing date postponed to Monday, October 22, 2018 at 5:00PM. The hearing will be held in the City Commission Chambers at 200 3rd Street N., Fargo, ND 58102.

Any interested person or party is encouraged to attend.

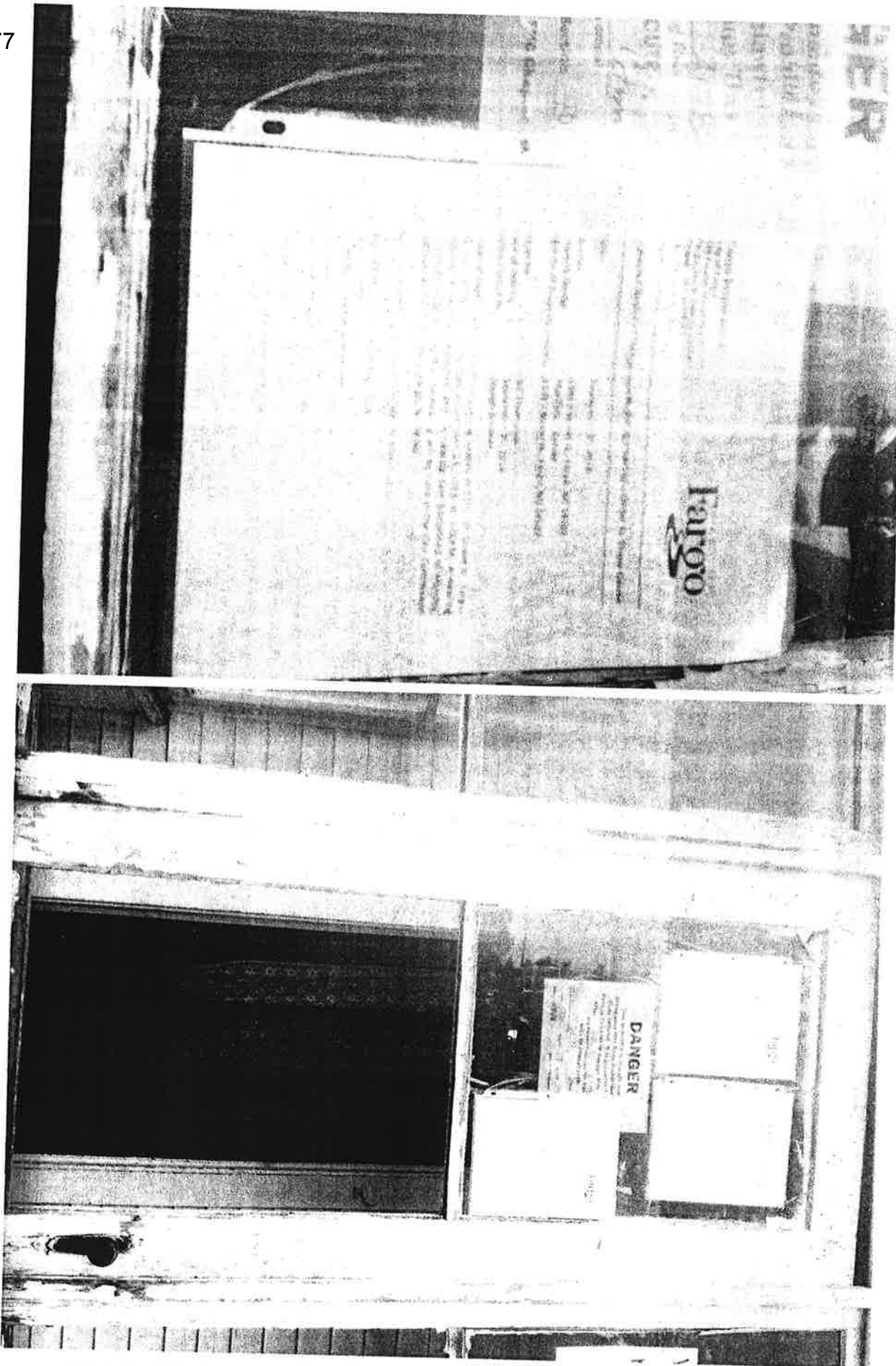
Dated on this 20th day of September, 2018.

A handwritten signature in cursive script, appearing to read "Bruce Taralson", written over a horizontal line.

Bruce Taralson
Inspections Administrator

cc: Melody Drayton
cc: Nicole Hjelden, Union State Bank of Fargo

Bottom of Page



1101 7 Street N., Fargo, ND - 9/20/2018 Posting of Updated Notice of Dangerous Building Hearing.



Memorandum

DATE: September 19, 2018
TO: Mayor Mahoney and Board of City Commissioners
FROM: Bruce Taralson, Inspections Administrator
SUBJECT: Dangerous Building Notice and Order at 1101 7 Street N., Fargo, ND 58102

On September 6, 2018, a Dangerous Building hearing was requested to be scheduled for Monday, September 24, 2018. Please accept this request for a hearing continuance to Monday, October 22, 2018.

Fargo Inspections
City of Fargo
225 Fourth Street North
Fargo, North Dakota 58102
Phone: 701-241-1561
Fax: 701-476-6779



Notice of Dangerous Building Hearing – Order to Show Cause

Date: September 17, 2018

Location: 1101 7 Street N., Fargo, ND 58102

Property Owner: Marilyn L Kohler

Address of Property Owner: 1101 7 Street N., Fargo, ND 58102

Inspector: Bill Thompson

Date of Posting: September 17, 2018

Ordinance 21-0405 of the Fargo Municipal Code states:

The board of city commissioners shall:

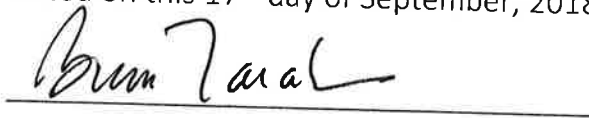
A. Upon receipt of a report of the building inspector as provided for in § 21-0404, subsection (F), give written notice to the owner, occupant, mortgagee, lessee and all other persons having an interest in said building as shown by the records of the register of deeds of the county of Cass to appear before it on the date specified in the notice to show cause why the building or structure reported to be a "dangerous building" should not be repaired, vacated, or demolished in accordance with the statement of particulars set forth in the building inspector(s) notice provided for herein in § 21-0404, subsection (E).

B. Hold a hearing and hear such testimony as the building inspector or the owner, occupant, mortgagee, lessee or any other person having an interest in said building as shown by the records of the register of deeds of the county of Cass shall offer relative to the "dangerous building."

A hearing regarding the dangerous building located at 1101 7th Street N., Fargo, ND, has been scheduled for Monday, September 24, 2018 at 5:00PM. The hearing will take place in the City Commission Chambers, located at 200 3RD Street N., Fargo, ND 58102.

Any interested person or party is encouraged to attend.

Dated on this 17th day of September, 2018.

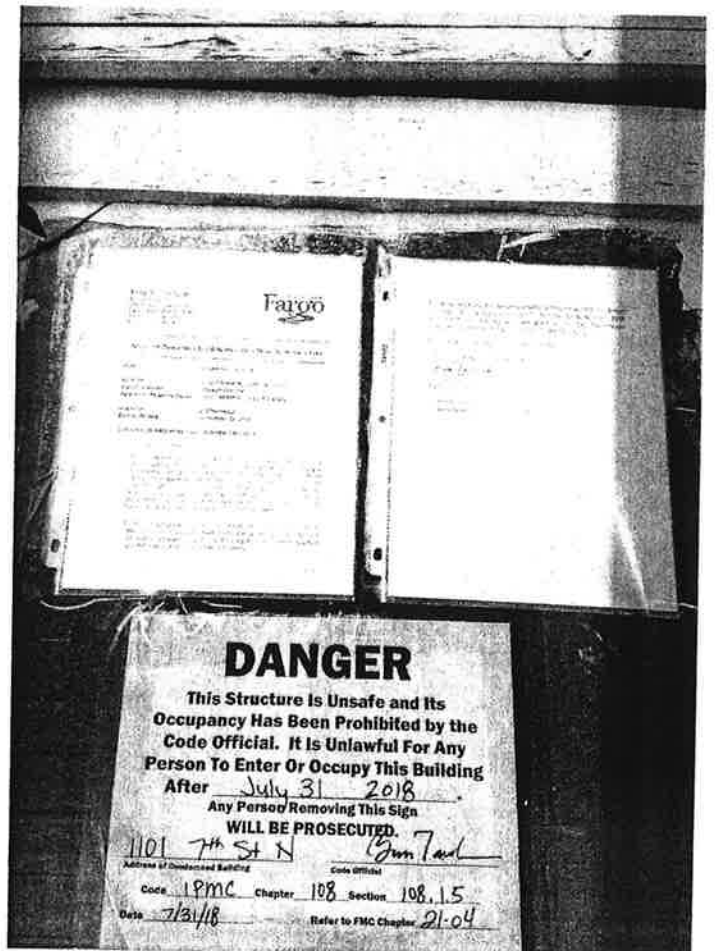
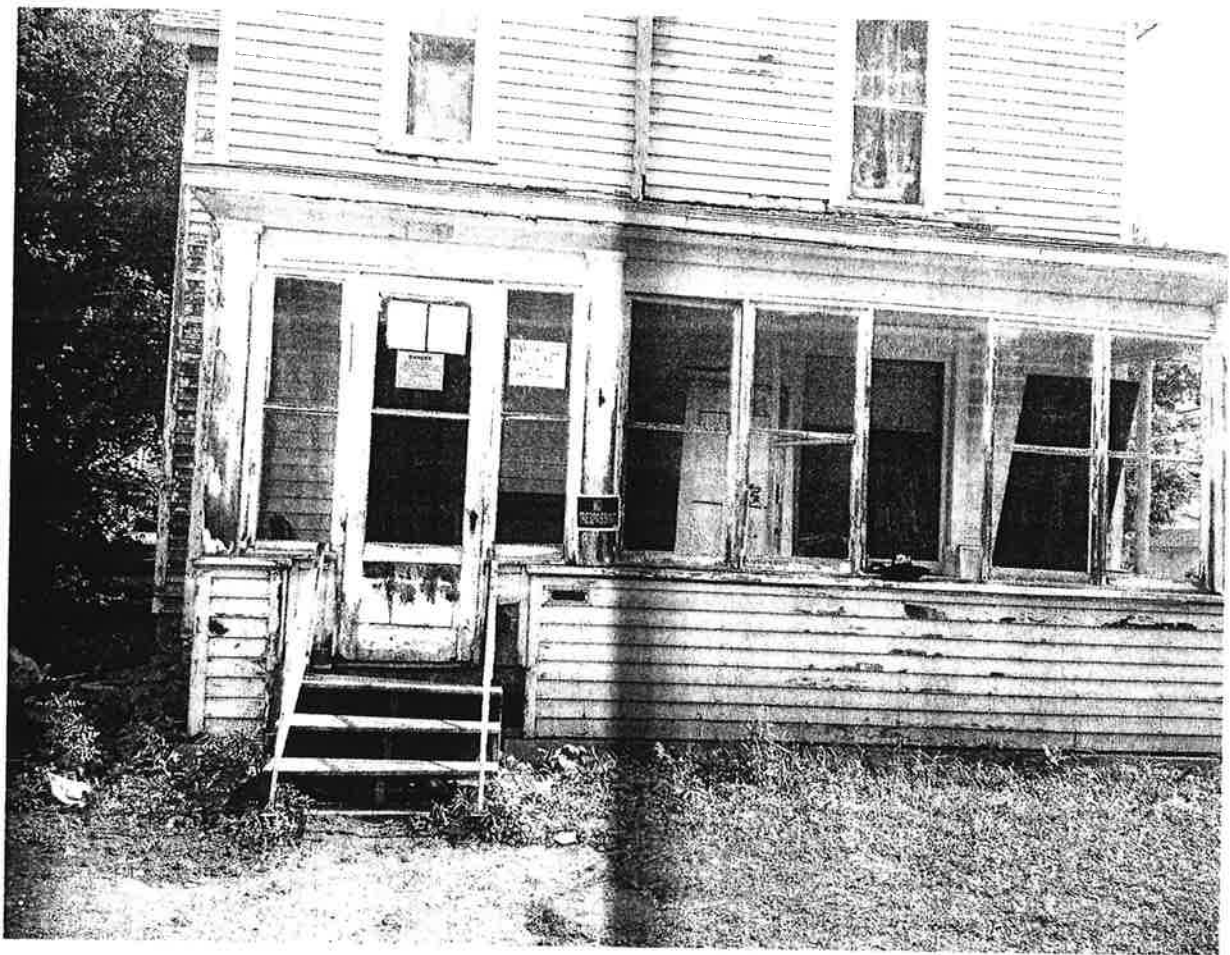
A handwritten signature in black ink, appearing to read "Bruce Taralson", is written over a horizontal line.

Bruce Taralson

Inspections Administrator

Cc: Melody Drayton

Cc: Nicole Hjelden, Union State Bank of Fargo

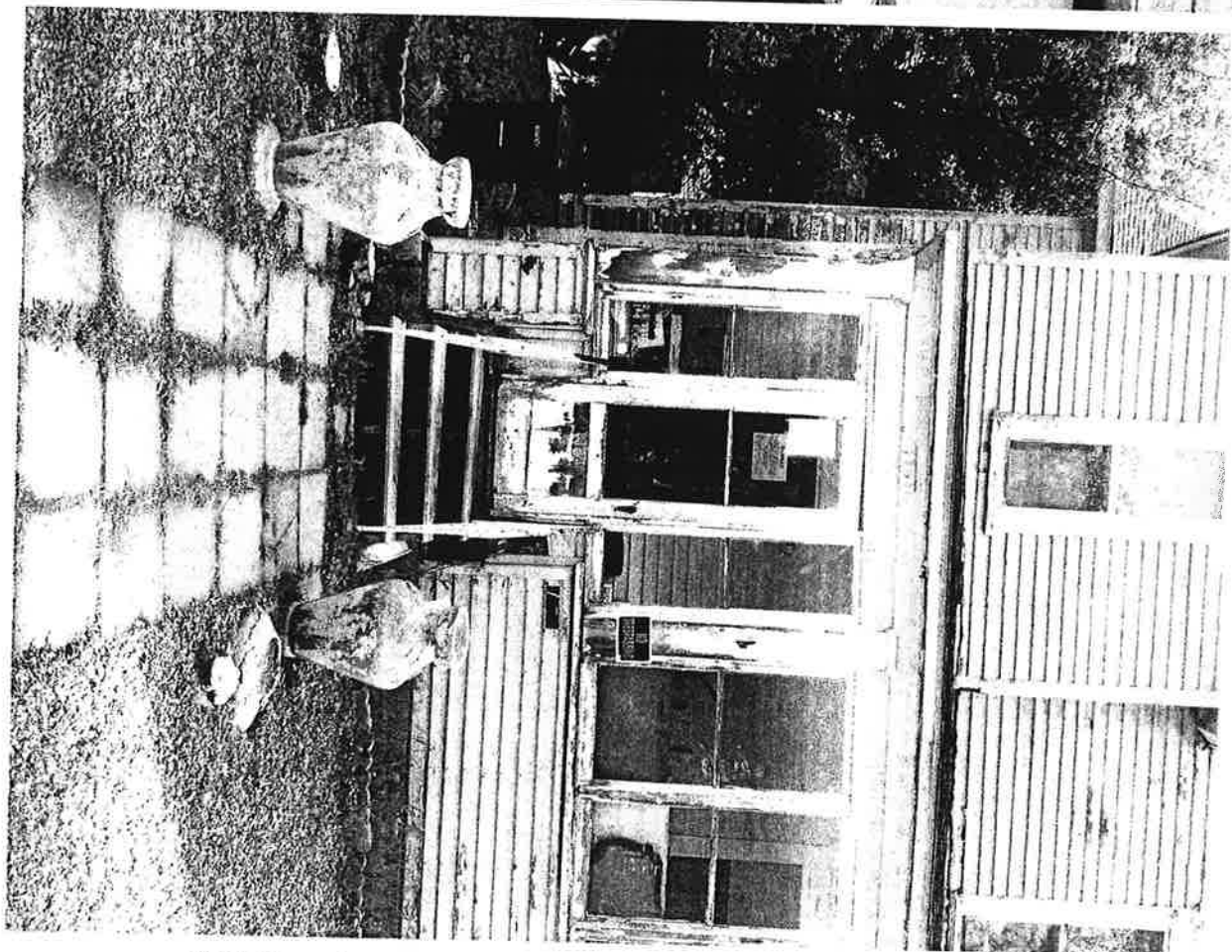


1101 7 Street N., Fargo, ND - 9/17/2018 Posting of Dangerous Building Hearing Notice & Exterior Pictures

DATE: August 2, 2018
TO: Bill Thompson, Inspections
FROM: Robert E Harshberger, Deputy Assessor
SUBJECT: 01-0440-00120-000
1101 7 ST N
Kohler, Marilyn L T/O/D

On July 31, 2018, I inspected the exterior of the subject residential building, reviewed numerous interior photographs taken at the same time by John Arens (Inspections Department), and spoke with the owner's representative to determine if the deterioration of the above referenced structure would qualify as a dangerous building as defined in city ordinance. One requirement of that classification is that the cost to repair would exceed fifty percent (50%) of the building value as established by the Fargo Assessment Department.

Based on observed component conditions and other factors, I have estimated a cost to repair that exceeds the minimum fifty- percent.



1101 7 Street N., Fargo, ND - 8/2/2018 Posting of Dangerous Building Notice

NOTICE OF DANGEROUS BUILDING

TO: MARILYNN L KOHLER 1101 7th St N, Fargo ND 58102

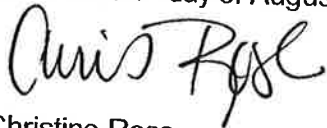
YOU ARE HEREBY Given Notice of the following:

1. That this Notice is being given to you pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings.
2. That the building with which this Notice is concerned is commonly known as 1101 7th St N, Fargo, North Dakota, and is located on that tract of land in the city of Fargo, more particularly described as follows:
Chapins Addition, West 108.7 Ft of lot 1 and 12, Flemings Subdivision
(Hereinafter referred to as "the building")
3. That an inspection was made of the building on July 31, 2018 by Bill Thompson, Building Inspector and Rental Housing Inspector, of the City of Fargo.
4. That the building inspector for the city of Fargo has found the building, consisting of a multistory, wood-framed structure to be a Dangerous Building within the standards set forth in the Fargo Municipal Code, Article 21-04, Dangerous Buildings and IPMC Code 108.1.5 concerning Dangerous Structures.
5. That the owner of the building must demolish the building within 30 (thirty) days from the date of this notice.
6. That the building is unsafe and is a dangerous building in the following respects:
There is currently has no water or electricity, foundation and siding are in need of repair, the interior is full of rubbish with signs of rodent infestation, the floors are covered in feces and unsanitary.

Source: Fargo Municipal Code, Article 21-0403 concerning Dangerous Buildings.

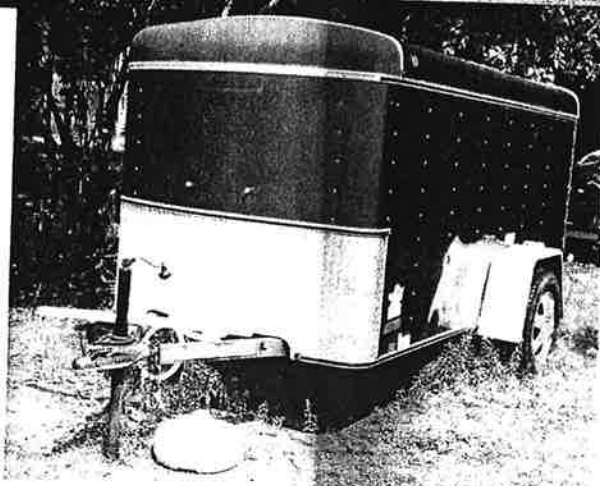
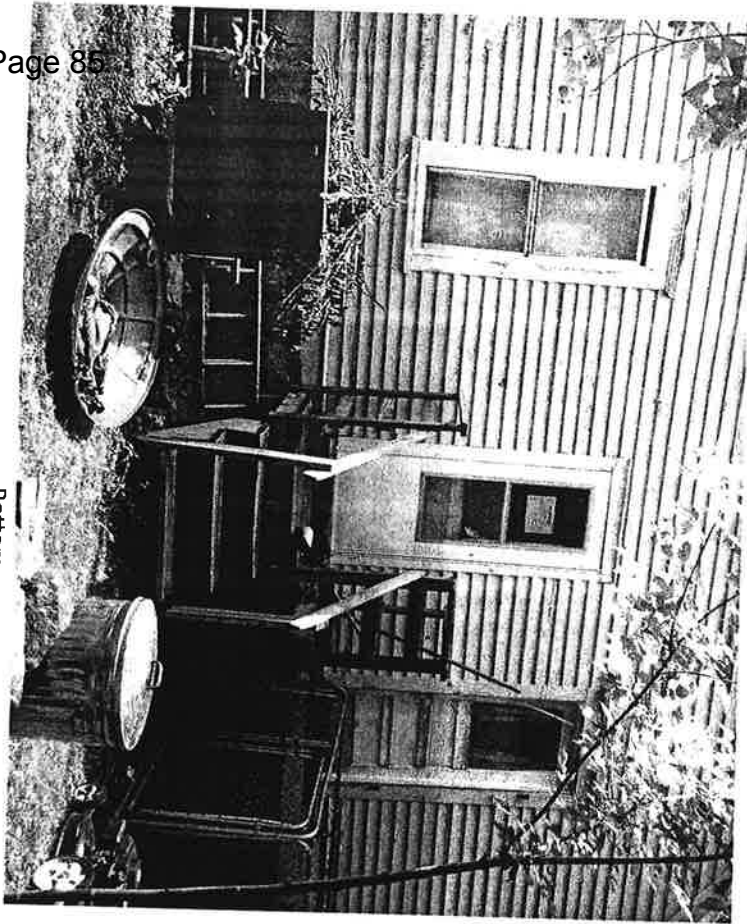
7. The building is unsafe and constitutes a public nuisance pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings and Section 116 of the International Building Code as adopted by Article 21-0101 of the Fargo Municipal Code.
8. You are further given Notice that unless the building is demolished within the time period set forth herein, the City of Fargo will take such steps as are necessary to cause said building to be demolished pursuant to Fargo Municipal Code, Article 21-04 concerning Dangerous Buildings and the International Building Code and the owner will be assessed such costs as are provided for therein.

Dated this 1st day of August, 2018.

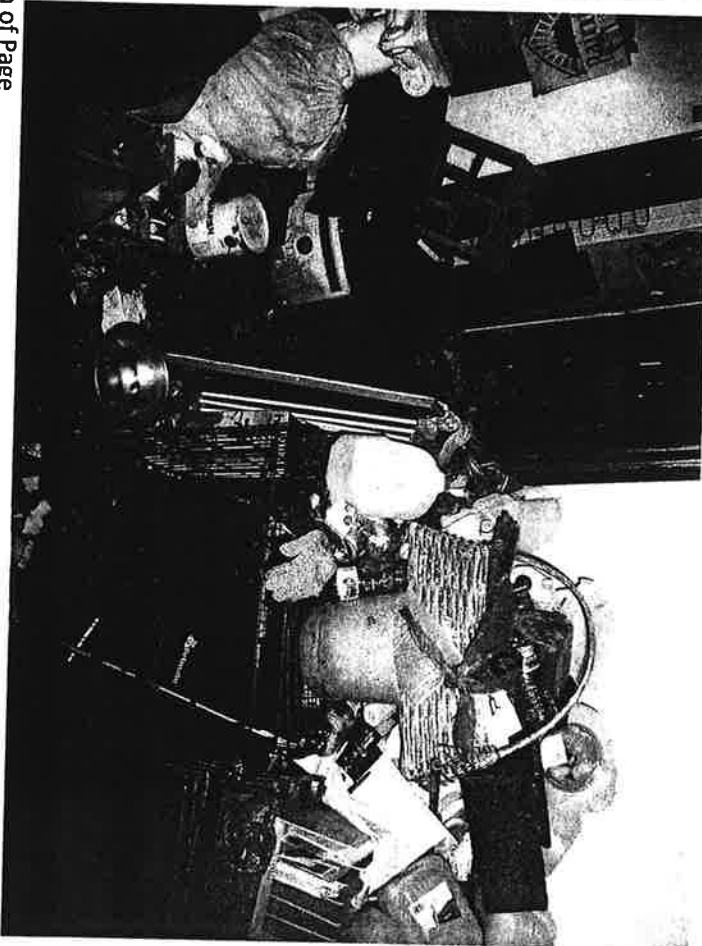
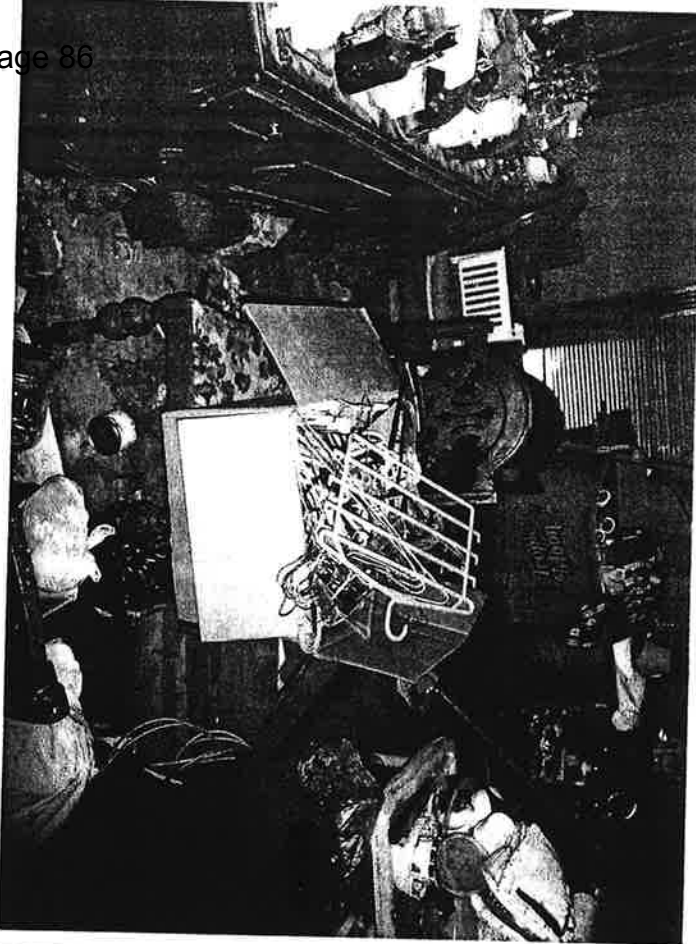


Christine Rose
Deputy Inspections Administrator

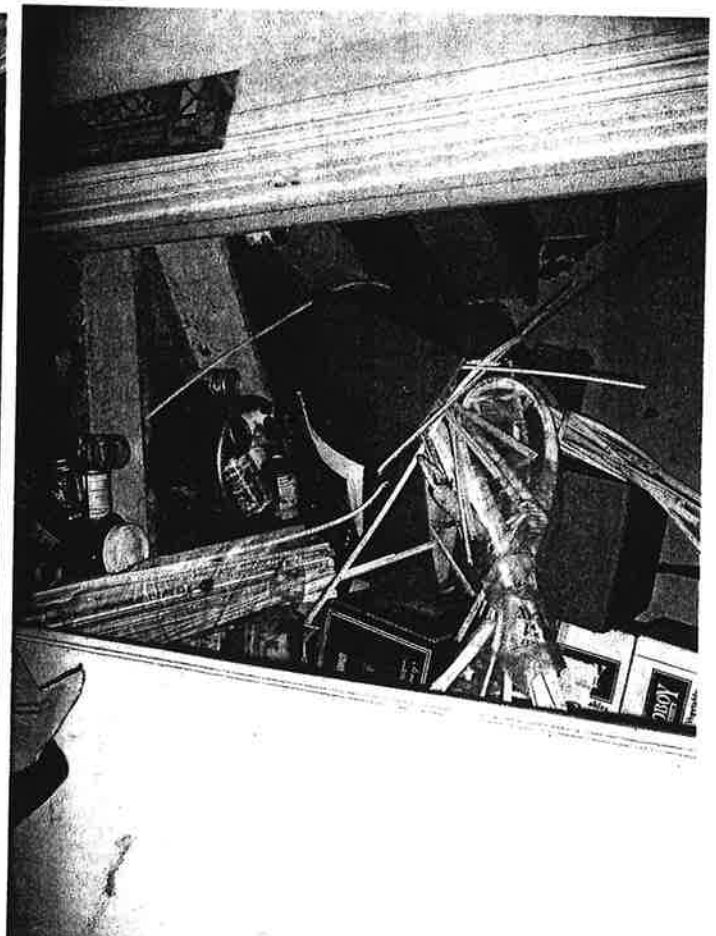
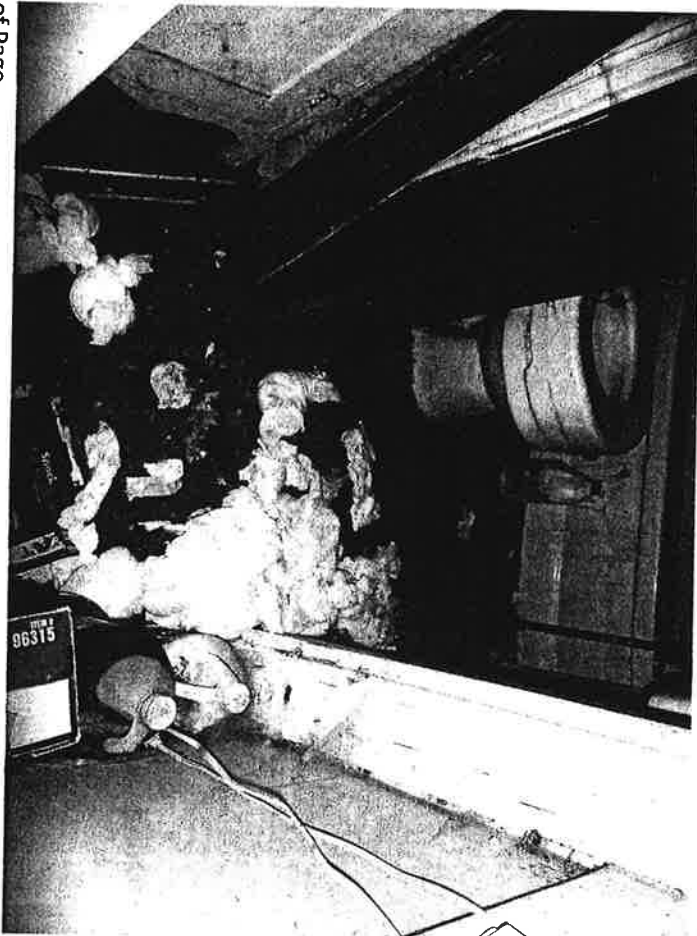
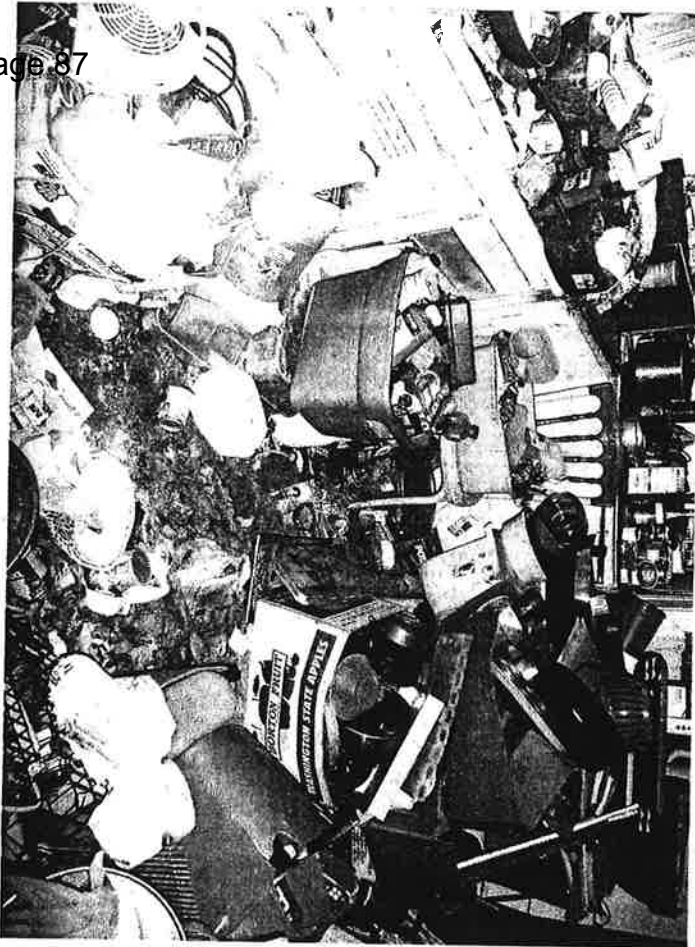
Bottom



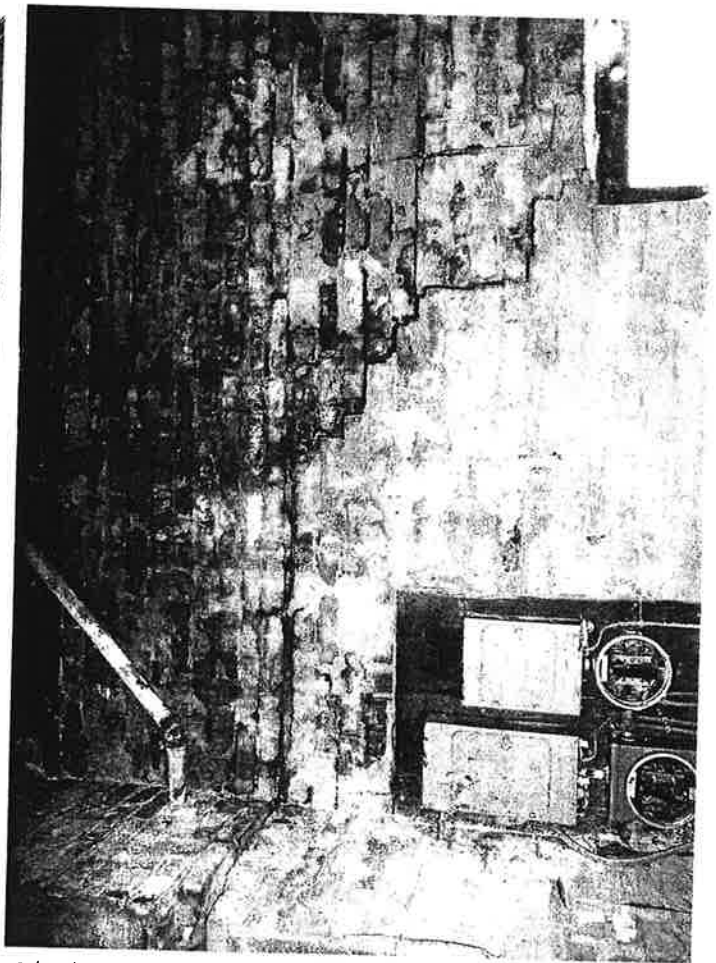
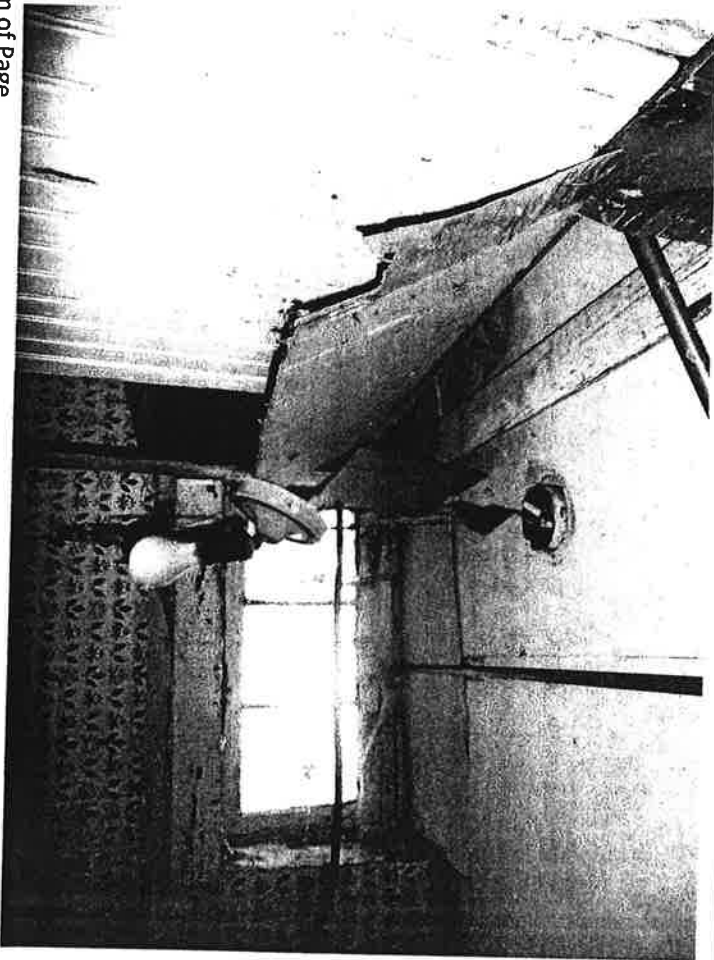
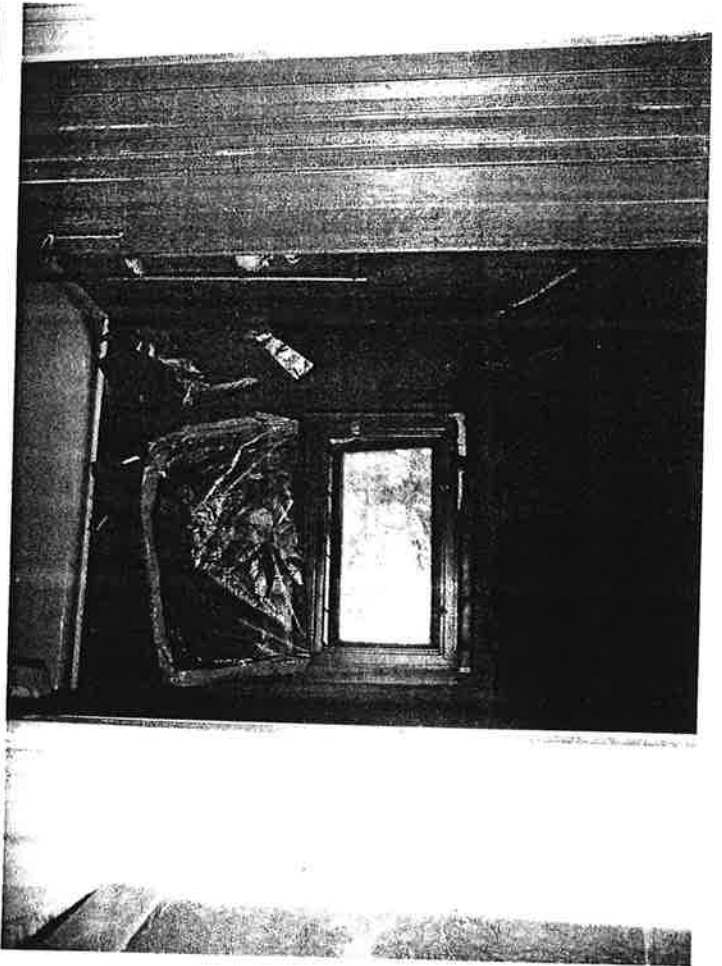
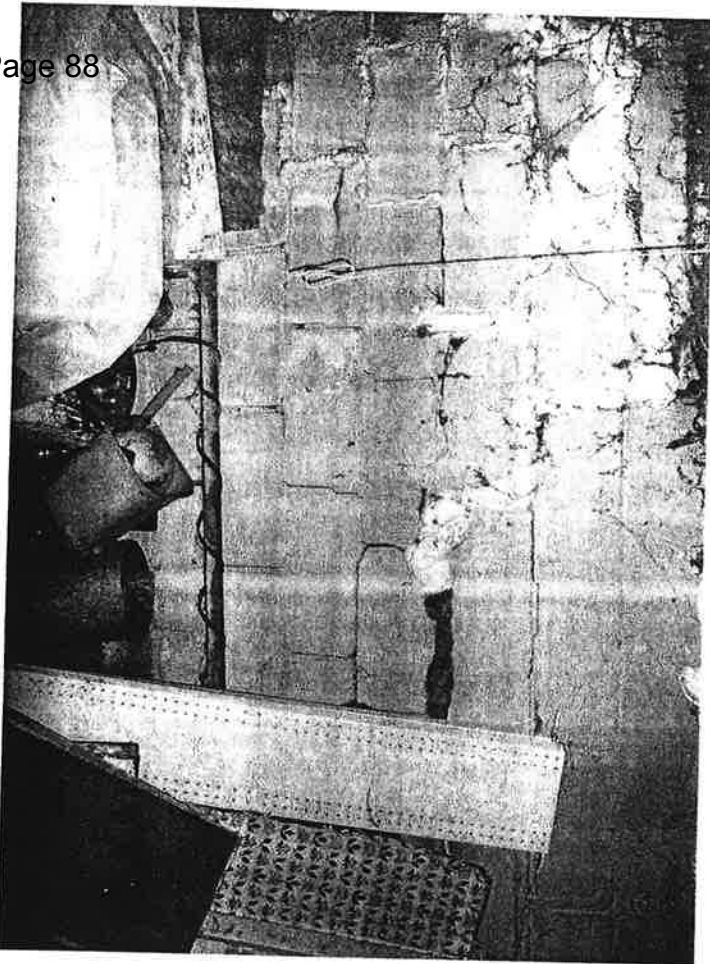
1101 7 Street N., Fargo, ND - 7/31/2018 Posting of Dangerous Building Placard and Exterior Pictures

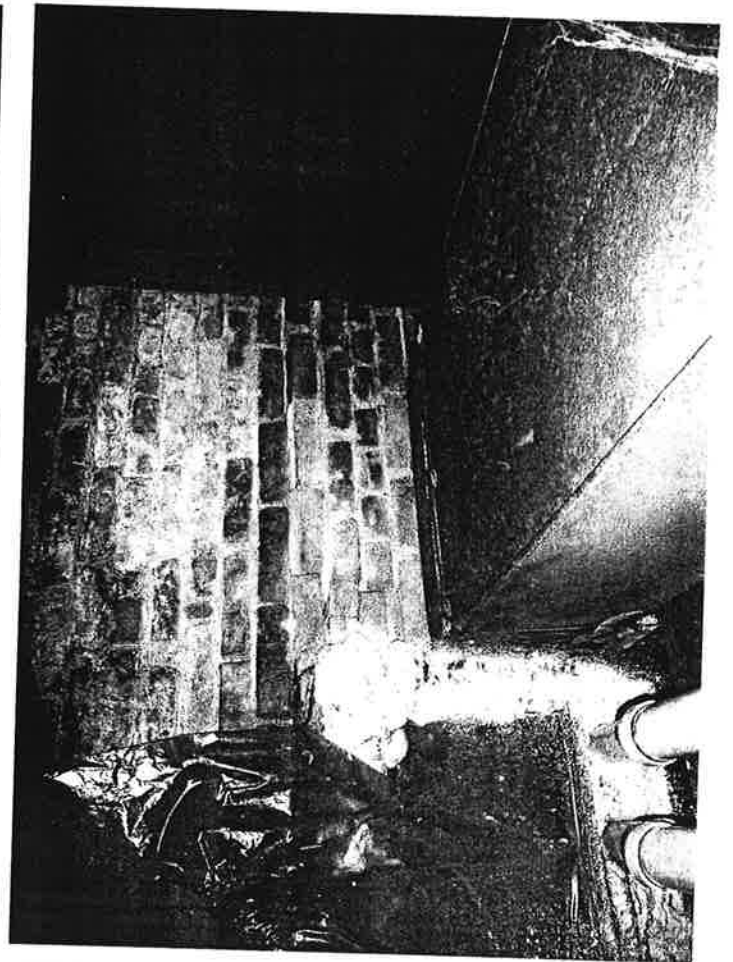
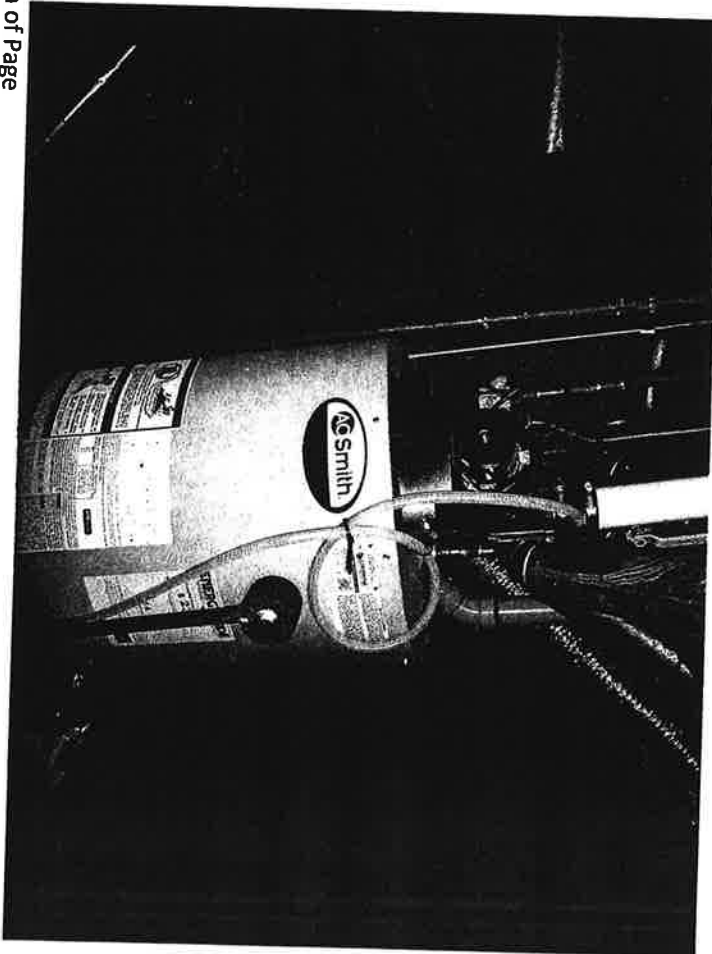
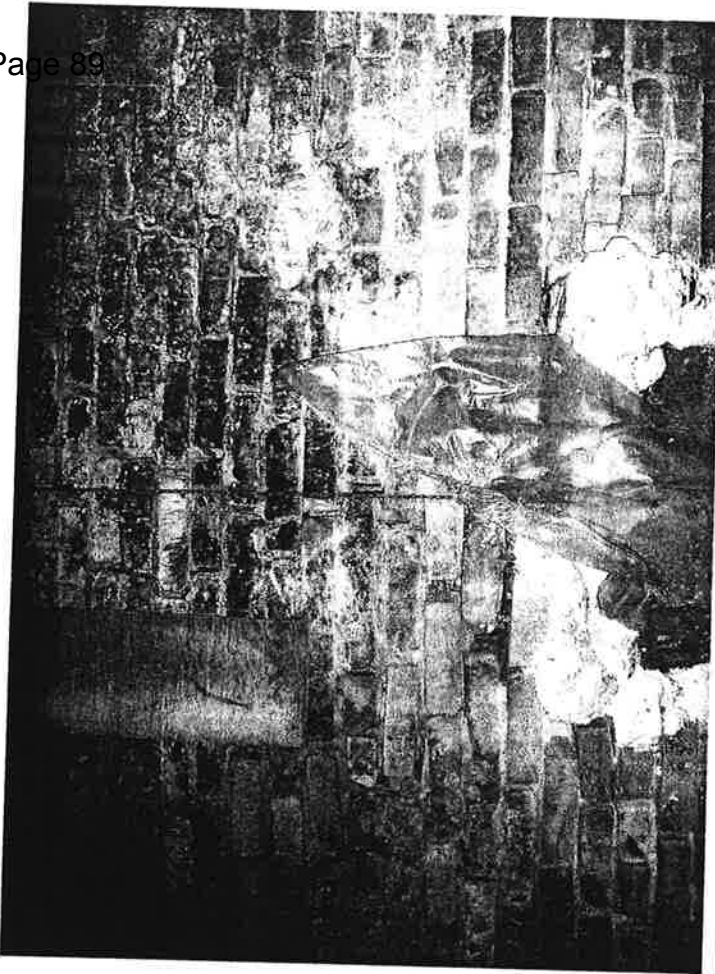


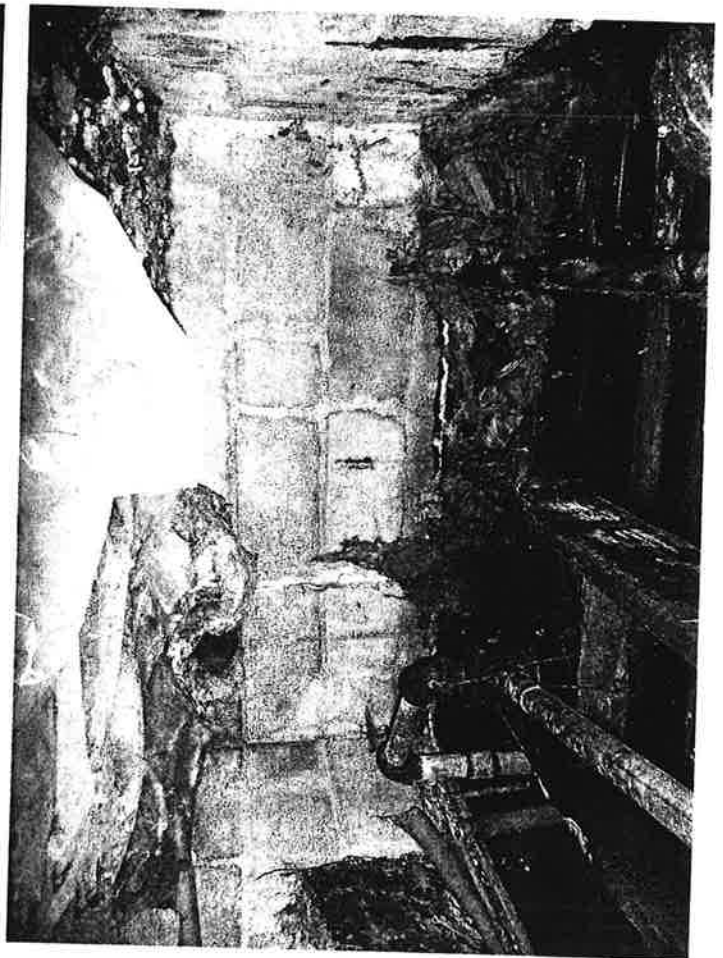
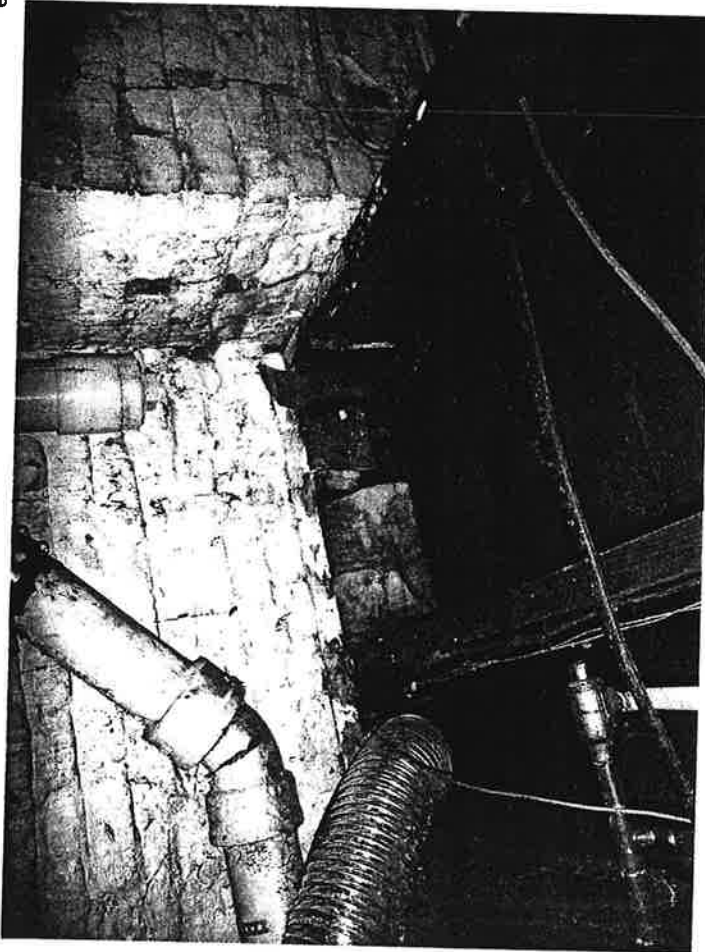
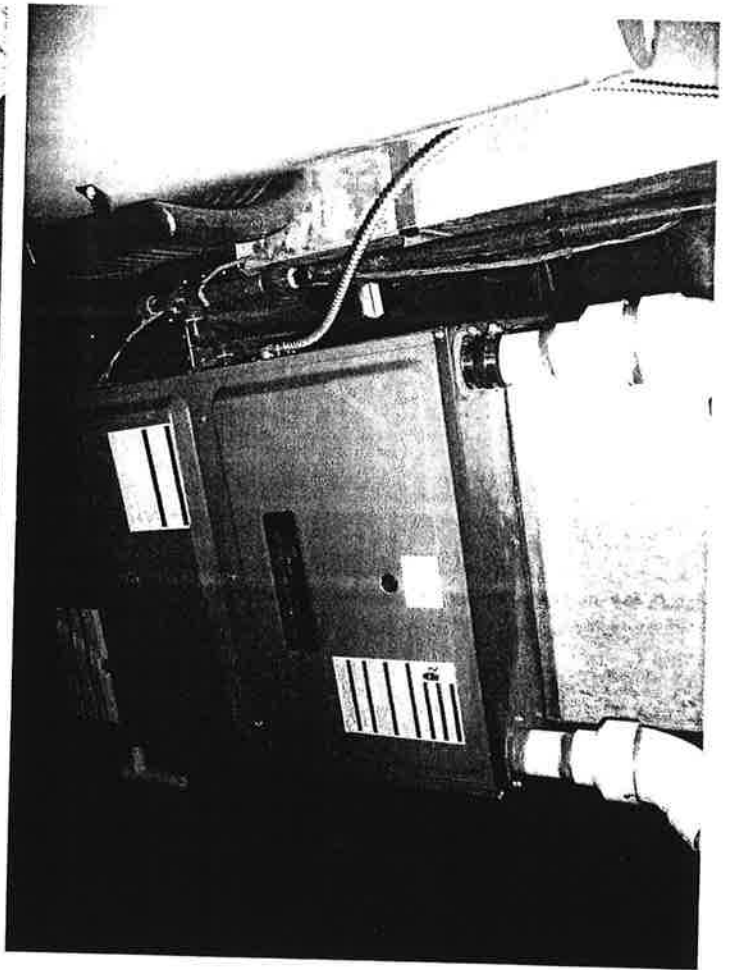
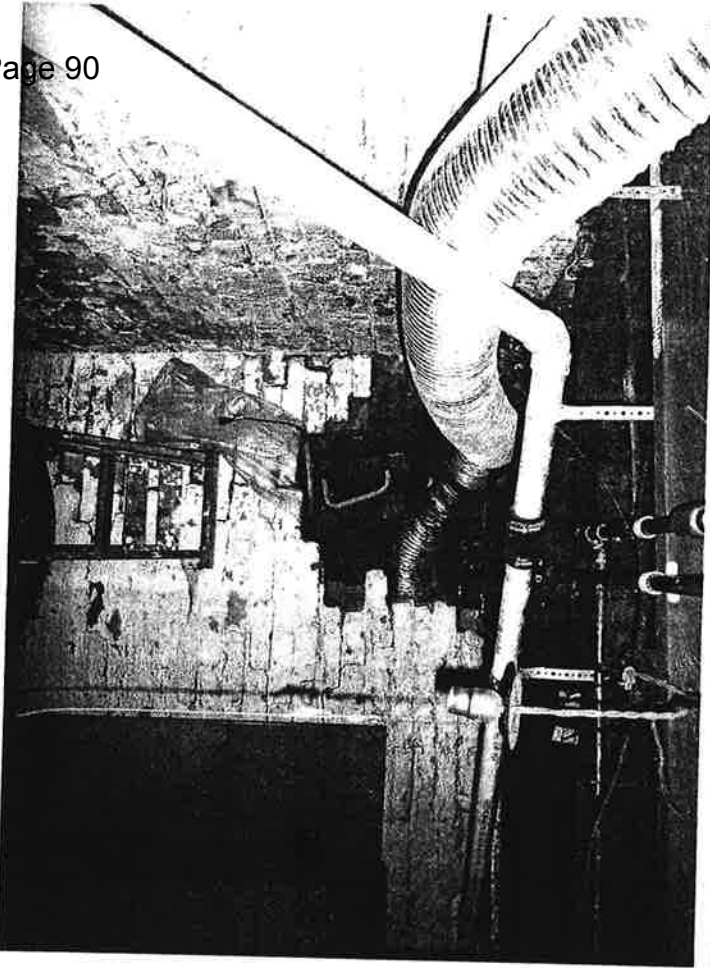
1101 7 Street N., Fargo, ND - 7/31/2018 Interior Pictures

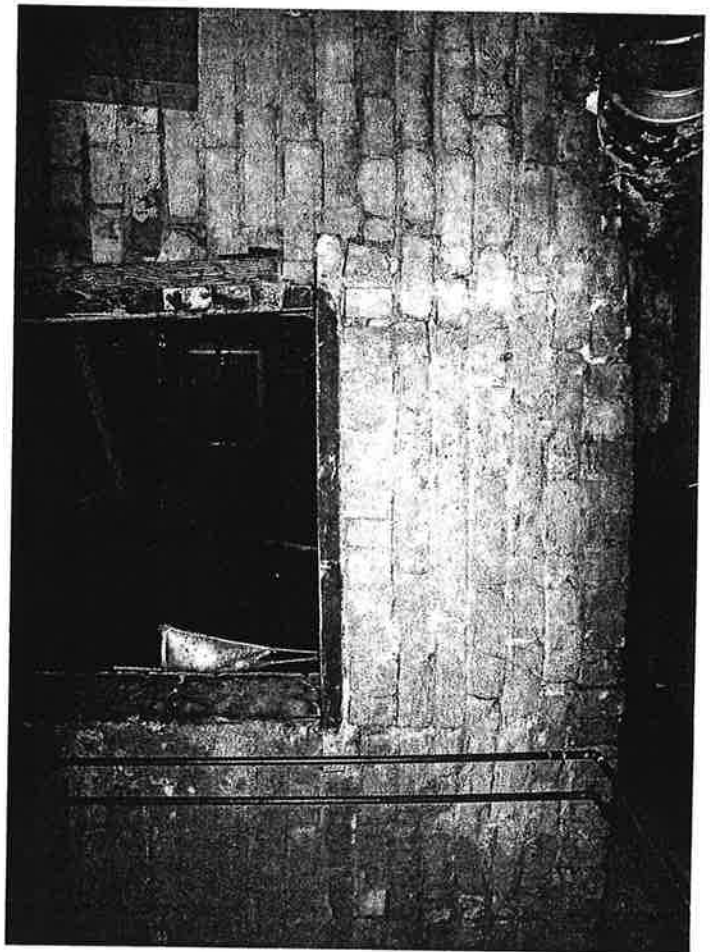
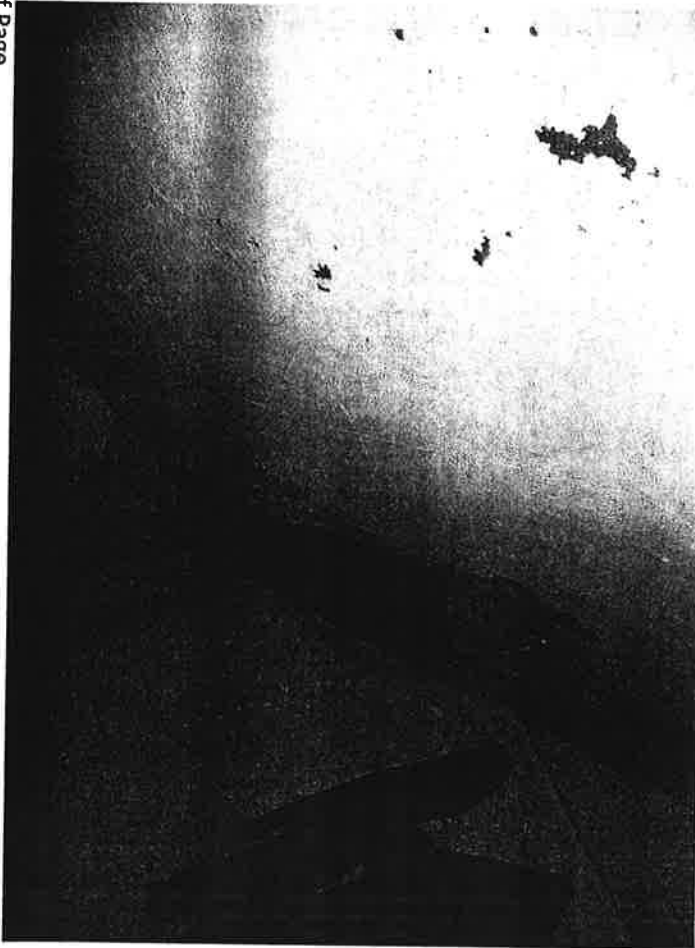
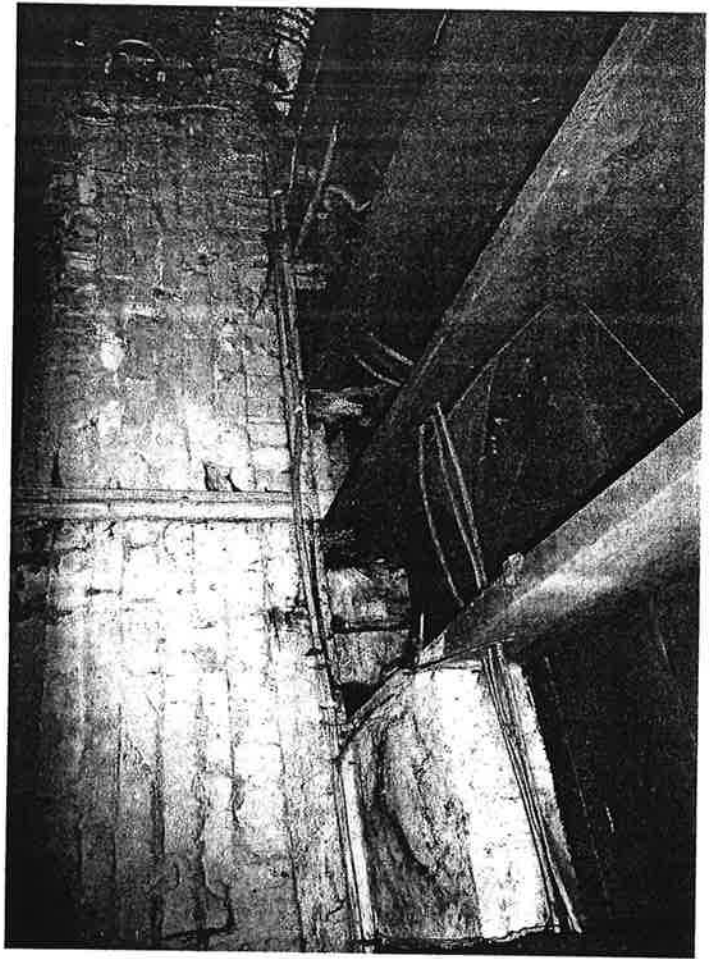
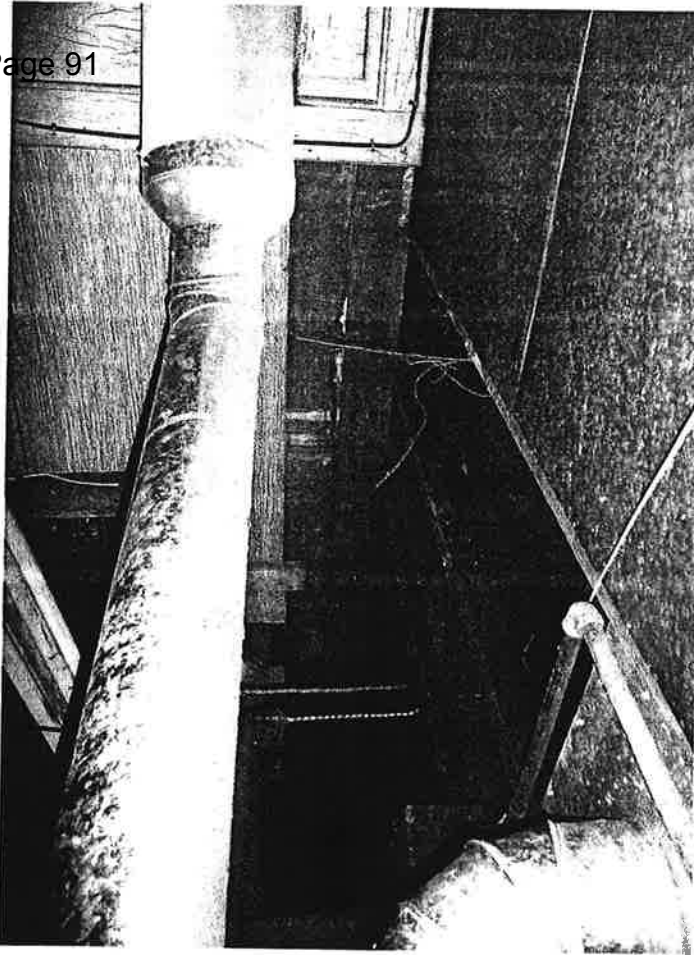


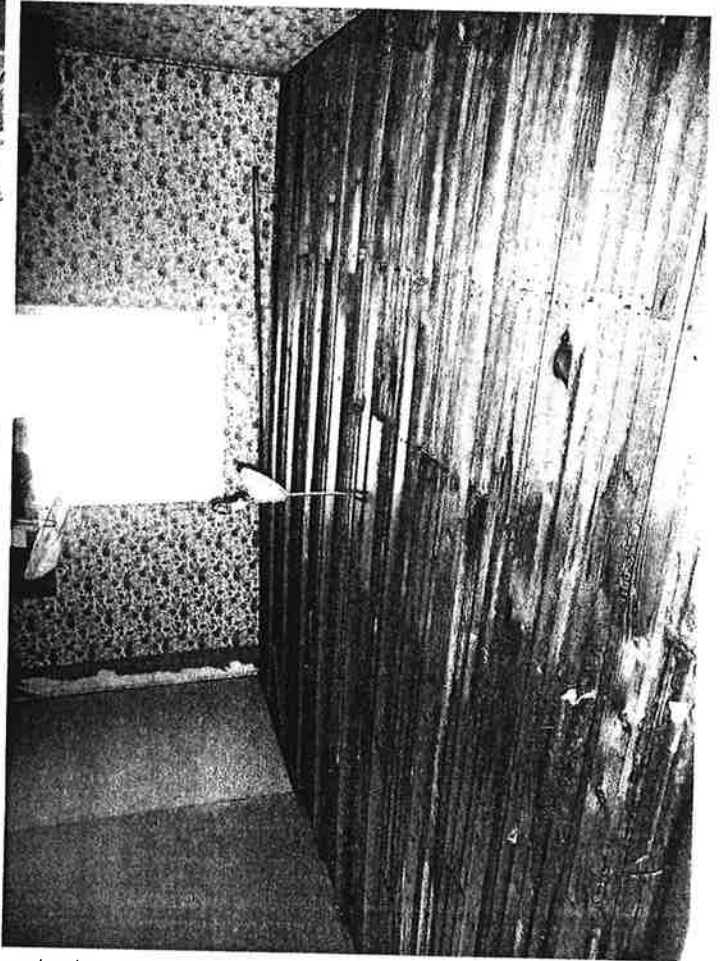
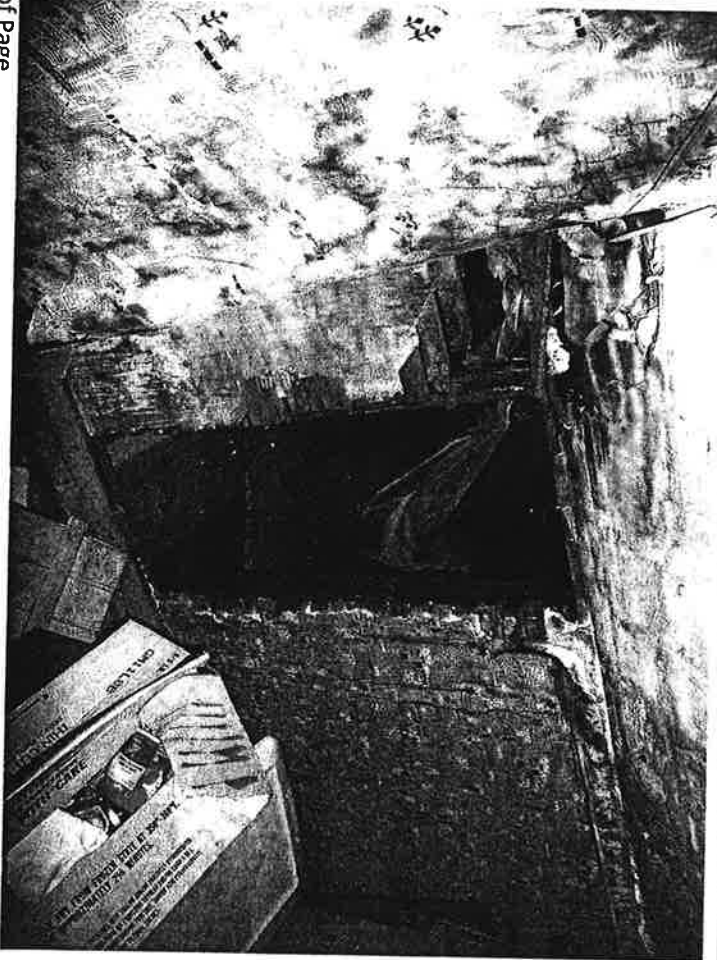
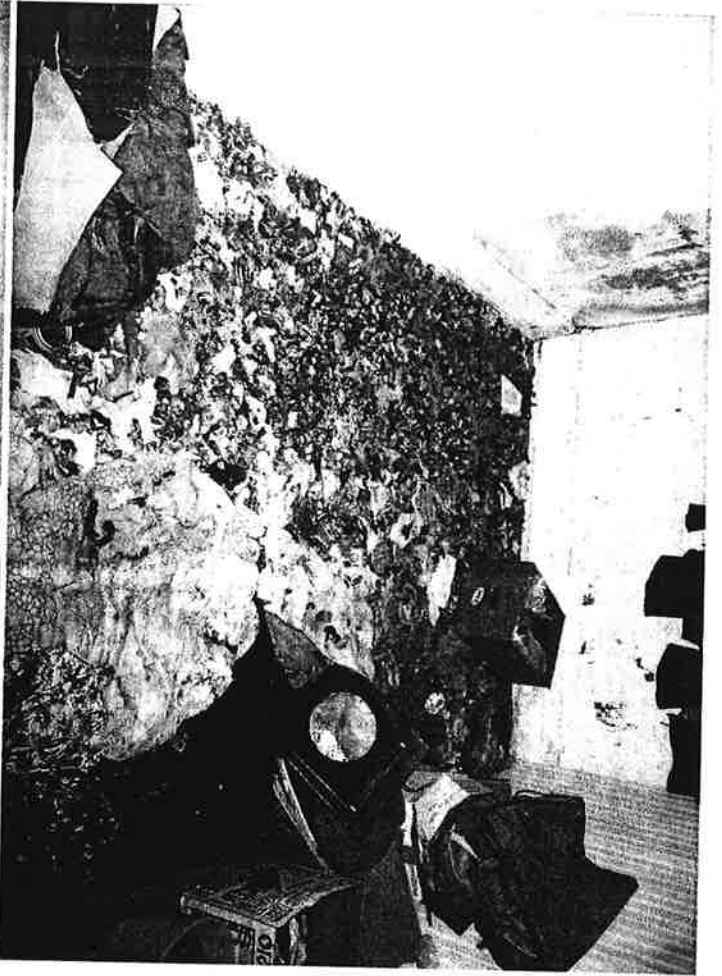
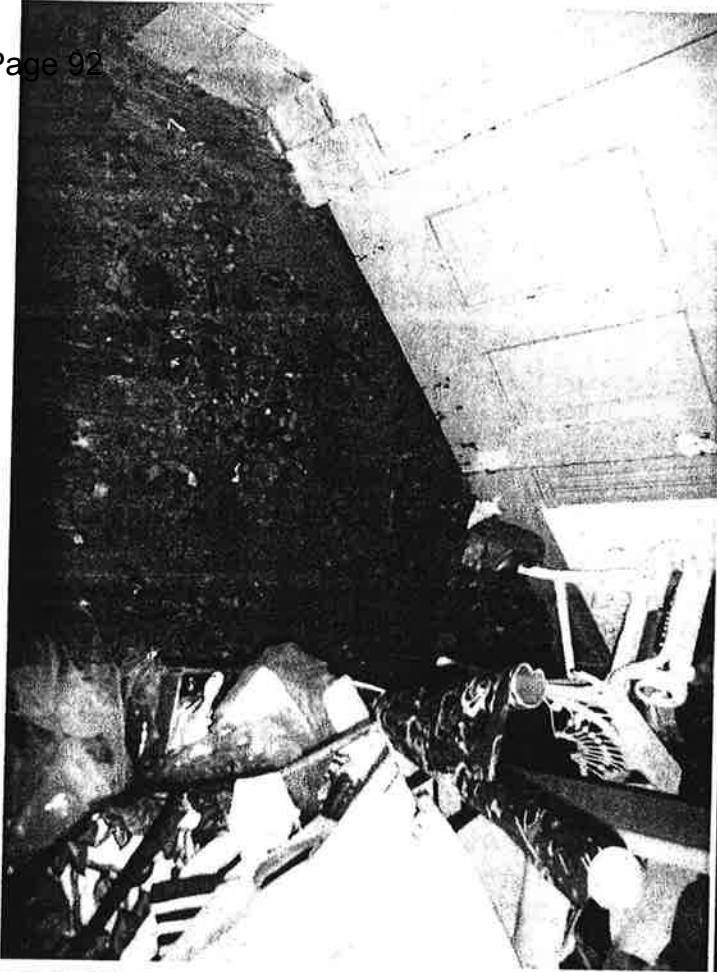
1101 7 Street N., Fargo, ND - 7/31/2018 Interior Pictures











1101 7 Street N., Fargo, ND - 7/31/2018 Interior Pictures

COMPLAINT RECORD & RESPONSE

Date: 7-12-18 Call Taken By: Arens
Address: 1101-7 ST OV
Property Owner: Marilyn Kohler
Nature of Violation: No water, that this is the

Complainant Name/Phone (if return call): Came from Environmental Health From Coreners

Rental Property? Yes / No / Unknown offered

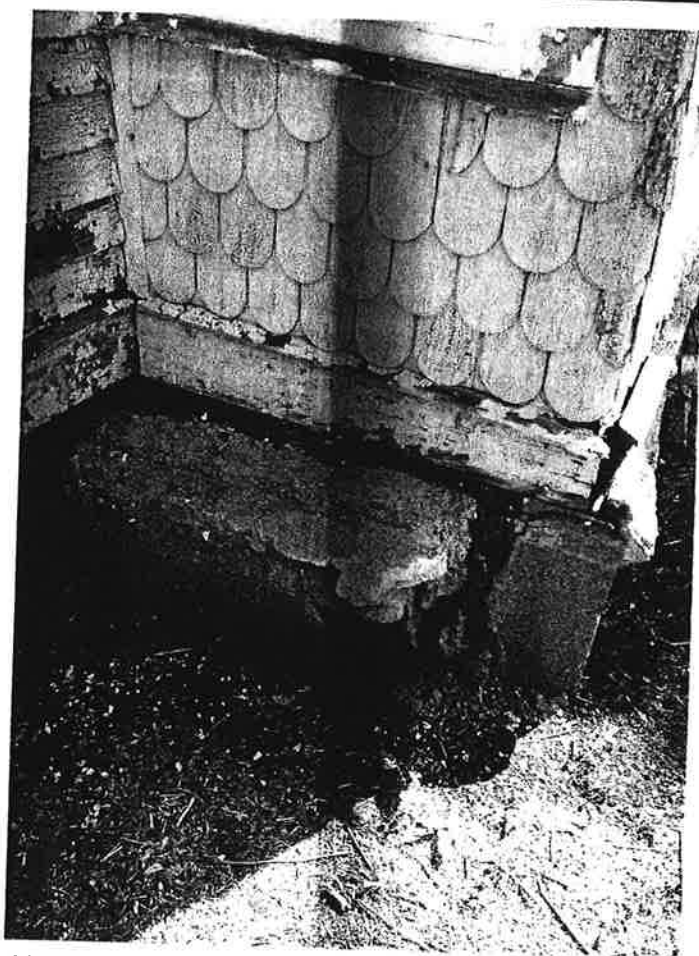
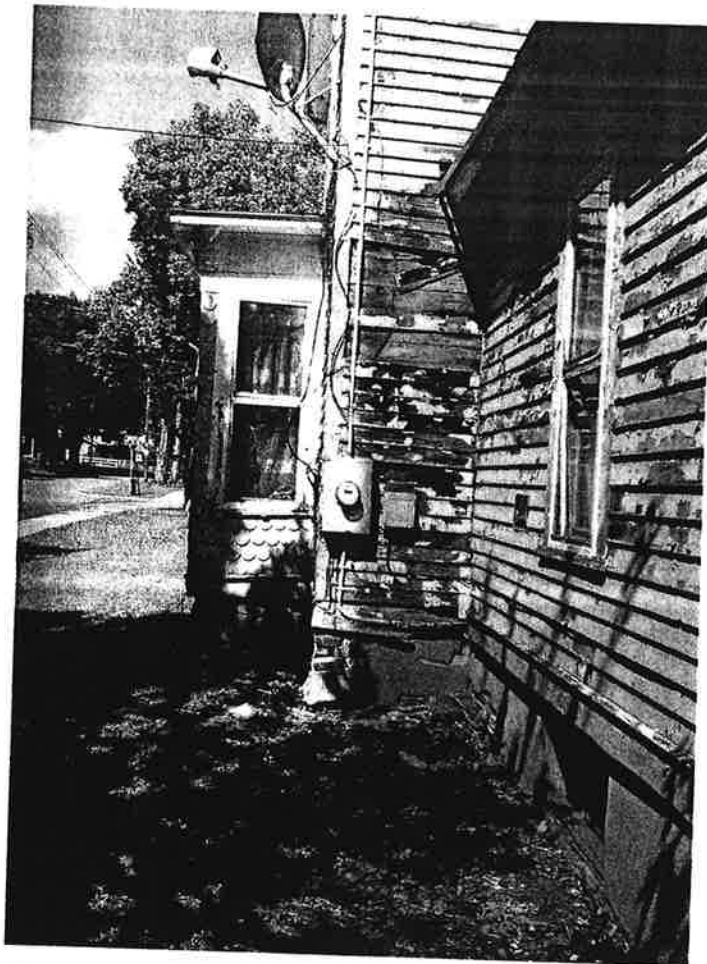
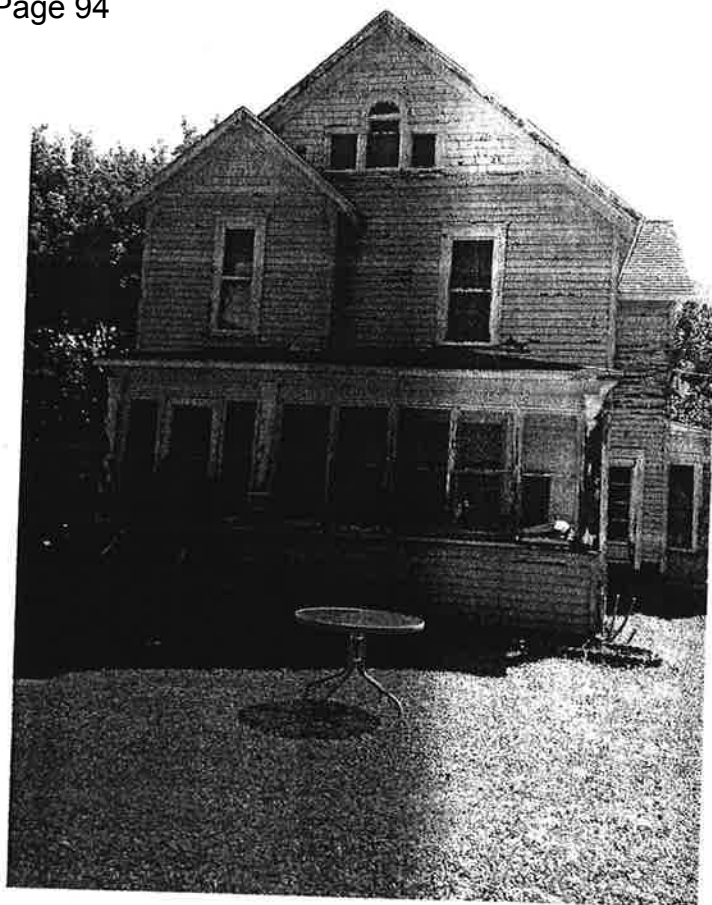
Complaint Assigned to: Bill T / John A / Other: _____

Observations: No water Marilyn said she gets water from neighbors, many broken windows - Extreme odor - Dogs Barking - she told Bill she was having a hard time finding fuses she admitted that holes in house had allowed animals in. S.A.E.

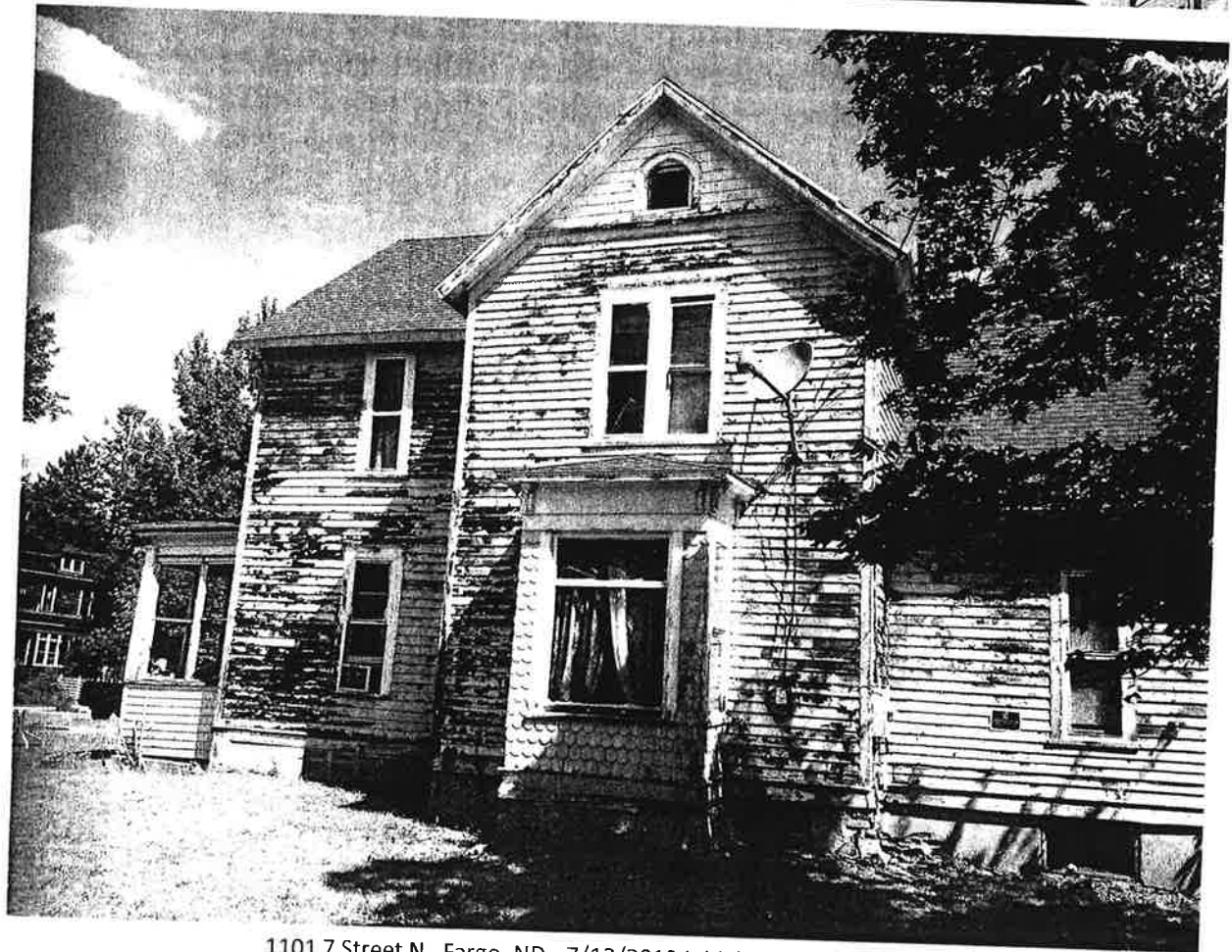
7-12-18 I had a phone conversation with melody, Marilyn is not capable of living by herself, melody has power of attorney and is getting emergency guardianship

7-31-18 - Posted Structure + took interior photos, will send DB letter

Action Taken: Letter Sent 8-1-18 / Phone Call / No Action
Unfounded / Ticketed / Set up in AI _____
Referred to _____



1101 7 Street N., Fargo, ND - 7/12/2018 Initial Complaint Photos




1101 7 Street N., Fargo, ND - 7/12/2018 Initial Complaint Photos

Dr. Timothy J. Mahoney, Mayor
Fargo City Hall
200 3rd Street North
Fargo, ND 58102
Phone 701.241.1310 | Fax: 701.476.4136
TMahoney@FargoND.gov

(34)

MEMORANDUM

TO: BOARD OF CITY COMMISSIONERS
FROM: MAYOR TIMOTHY J. MAHONEY 
DATE: NOVEMBER 6, 2018
SUBJECT: GROWTH INITIATIVE FUND BOARD

Chuck Hoge has served as the City of Fargo's appointee to the Growth Initiative Fund Board of Directors since January of 2013 and his term expires on December 31, 2018.

Mr. Hoge is interested in continuing his service on that Board and I am recommending that he be reappointed for a three-year term ending December 31, 2021.

Your favorable consideration of this request will be greatly appreciated.

RECOMMENDED MOTION: To reappoint Chuck Hoge to the Growth Initiative Fund Board of Directors for a three-year term ending December 31, 2021.

mmappt18gifbd



35

Office of the City Attorney

City Attorney
Erik R. JohnsonAssistant City Attorney
Nancy J. Morris

November 15, 2018

Board of City Commissioners
City Hall
225 4th Street North
Fargo, ND 58102

RE: Fargo Municipal Airport Authority

Dear Commissioners,

At Monday's City Commission meeting, I would appreciate the opportunity to provide you with a status report regarding certain discussions between the City, led by Mayor Mahoney, and airport (Municipal Airport Authority) representatives that have been occurring since October 2017. The City and the airport have exchanged draft MOUs that address the employment relationship of airport employees and the City and that includes a detailed description of the financial, accounting, human resources, IT and other services (and equipment) supplied for the benefit of the airport. For a number of years, the airport has paid \$50,000 per year to the City as an offset—to compensate the City for all the services. We believe that the properly allocated value of the services would easily exceed \$100,000. Enclosed is the initial draft proposed by Mayor Mahoney, in which the airport employees would continue to be employees of the City and in which the panoply of services and support provided by the City for the benefit of the airport are listed. Also enclosed is the counterproposal of the airport. Recently, at the direction of Mayor Mahoney, I have prepared two alternative draft agreements between the City and the MAA, which are also enclosed. The enclosed "Plan A" draft contemplates the airport employees continuing to be on the City's payroll, as City employees, as has been the case since inception of the Municipal Airport Authority (MAA) in 1969. The enclosed "Plan B" draft contemplates a change from the current arrangement—the employees would become employees of the MAA and the MAA would discontinue obtaining financial, accounting, human resources, IT and other services and equipment from the City.

Most recently, the City received a Memo from MAA member, Major General (ret.) Michael Haugen, to City Administrator Bruce Grubb advising the City of action taken by the MAA authorizing an increase in the salary of the airport Executive Director by 11% per year for each of the years 2018 (retroactive to Jan 1st), 2019 and 2020. Following past practice, Grubb placed the pay adjustment on the agenda for the Position Evaluation Committee (PEC) review which would customarily make a recommendation regarding the request to the Fargo City Commission. On Monday, November 12th, Grubb received a letter from the MAA's legal

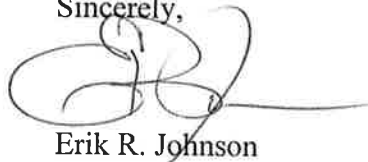


counsel, clarifying the previous Memo from General Haugen, by saying that the Memo was not intended to be a "recommendation" by the MAA but rather was to serve as a notice of the decision of the MAA. Maj. Gen. Haugen's memo and the letter from MAA counsel are enclosed along with other related materials.

Therefore, in addition to providing you with a status report, your guidance will be sought regarding the negotiations between the City and the airport for such an MOU. Because the negotiations have a significant financial consequence, as described, we will seek that guidance privately, in executive session.

SUGGESTED MOTION (to be made after status report provided): I MOVE THAT the City Commission meet in executive session and to discuss negotiating strategy and to provide negotiating instructions to its negotiator and also to consult with its attorneys regarding possible agreement between the City and the Fargo Municipal Airport Authority, said executive session being necessary because of a negative fiscal effect on the bargaining position of the city would result if discussions regarding such negotiations were to occur in an open meeting, said executive session being authorized by North Dakota Century Code Section 44-04-19.1 subsections 2 and 9.

Sincerely,

A handwritten signature in black ink, appearing to be 'ERJ', with a long horizontal line extending to the right.

Erik R. Johnson

Enclosures



HAUGEN MOECKEL & BOSSART

LINDSEY HAUGEN
LORELLE MOECKEL
STACEY TJON BOSSART

November 9, 2018

Mr. Bruce Grubb, City Administrator
CITY OF FARGO
225 North 4th Street
Fargo ND 58102

RE: Compensation Recommendation – Airport Executive Director

Dear Mr. Grubb:

This correspondence follows a letter sent to you by Major General Michael Haugen (Ret.), the Vice Chairman of the Municipal Airport Authority, on October 26, 2018, regarding the compensation recommendation the Municipal Airport Authority Board received at its Regular Meeting on October 24, 2018. Following the report and presentation to the Board by Board members Tammy Linn and General Haugen, the Board voted unanimously to approve the 3-year compensation package for Executive Director, Shawn Dobberstein.

The Board did so in accordance with North Dakota Century Code Section 2-06-06. North Dakota Century Code Section 2-06-06 states in relevant part the following: "An authority may employ an executive director, secretary, technical experts, and other officers, agents, and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties and compensation." See N.D.C.C. § 2-06-06.

As such, as an independent and autonomous entity, the Board has the authority to make and determine compensation for its Executive Director and did so accordingly. Therefore, the letter dated October 26, 2018, to you from Major General Haugen (Ret.) does not constitute a recommendation to the City, but rather notice of the decision by the Board to the City so that Human Resources may make the requisite compensation changes as approved by the Board.

If you should have questions regarding this clarification to the October 26 letter or need further information from me or the Board, please do not hesitate to contact me. Otherwise I would ask that the changes in compensation to the Executive Director be implemented as voted on by the Board. Thank you.

Sincerely,

Stacey Tjon Bossart
staceyb@lp1law.net

STB/laa

cc: MAA Board Members – Johnson, Haugen, Blazek, Linn & Lind
Erik Johnson, Fargo City Attorney
Tara Brandner, ND Attorney General's Office

BANK OF THE WEST TOWER
520 MAIN AVENUE, SUITE 702
FARGO, NORTH DAKOTA 58103

PHONE: 701-237-0100

FAX: 701-365-8052

LICENSED IN NORTH DAKOTA AND MINNESOTA



OFFICE OF THE CITY ADMINISTRATOR
Bruce P. Grubb

November 5, 2018

MEMORANDUM

To: Jill Minette, Human Resources Director
From: Bruce P. Grubb, City Administrator **BPG**
Re: Compensation Recommendation – Airport Executive Director

Attached, please find a cover letter and supporting materials from Michael Haugen, Vice Chairman of the Municipal Airport Authority (MAA), recommending an adjustment in compensation for the Airport Executive Director. The recommendation is being made based on an airport compensation study that was completed by ADK Consulting in 2017. The recommendation is also based on growth and expansion of the duties and responsibilities of the position.

Under the City of Fargo pay plan, the Airport Executive Director position is currently paid at a Grade 23, Step 11 (\$153,525 annually). The MAA has recommended a phased compensation adjustment over a 3-year time frame as reflected below:

Year 1: \$170,413 (\$153,525 x 11%, retroactive to 1/1/2018)
Year 2: \$189,158 (\$170,413 x 11%)
Year 3: \$208,074 (\$189,158 x 11%)

The MAA voted to approve the compensation adjustment and to forward the recommendation on to the City of Fargo.

C: Michael Redlinger, Assistant City Administrator
Michael Haugen, Vice Chairman, MAA



**MUNICIPAL AIRPORT AUTHORITY
OF THE
CITY OF FARGO**

October 26, 2018

Mr. Bruce Grubb, City Administrator
CITY OF FARGO
225 North 4th Street
Fargo, ND 58102

Dear Mr. Grubb:

At its Regular Meeting on October 24, 2018, the Municipal Airport Authority received a report and compensation recommendation for its Executive Director position. The information received has been compiled over the past year and a half, comparing compensation for other airports in the country with higher enplanements than Fargo and also airports with enplanement numbers lower than Fargo. This data was provided by an independent third party, ADK Consulting, which conducted this compensation study for the Airport Authority in 2017.

Other information used to arrive at a recommendation included feedback received from meetings with numerous stakeholders in the F-M area and also an evaluation of Mr. Shawn Dobberstein which was conducted by board members Don Kilander and Tammy Linn. Copies of all documentation are being provided with this letter.

The board feels that using passenger enplanements as the only comparison to other airports is not an adequate comparison. The members feel that we should also take into consideration the growth in freight operations at Hector International Airport over the past two years with the successful efforts to gain both Federal Express and United Parcel Service as tenants on the airport. Hector International Airport is a complex operation, it is not just a passenger terminal. A great deal of the Executive Director's position deals with airline operations, cargo operations, the Foreign-Trade Zone, planning and construction, working with the two military tenants on the airport, local, state and federal officials, members of the state's congressional delegation, TSA, US Customs and Border Protection, FAA, as well as being an integral member of the coordination team for the Fargo Airshow.

The compensation recommended by the board was as follows:

- Year 1 - $\$153,524.80 \times 11\% = \$170,413$ (retroactive to January 1, 2018)
- Year 2 - $\$170,413 \times 11\% = \$189,158$
- Year 3 - $\$189,158 \times \text{twice COLA or } 10\% = \$208,073.80$

I look forward to being able to discuss this matter with you in person.

Sincerely,


Maj. Gen. Michael Haugen (Ret.)
Vice Chairman
MUNICIPAL AIRPORT AUTHORITY

Page 102 ED Compensation Package and Recommendation

Current salary: \$153,524.80 (does not include other compensation)

Total compensation package: \$193,336.40 (includes 8.2% retirement from the MAA—12,402, his \$13,500 retirement, auto allowance, cell phone allowance, no insurance*)

Recommendation of salary increase (does not include other parts of compensation package which would remain the same)

Year 1 - \$153,524.80 x 11% = \$170,413 (retroactive)

Year 2 - \$170,413 X 11% = \$189,158

Year 3 - \$189,158 x twice COLA or 10% = \$208,073.80

Research

Other airports ED salaries (does not include other compensation benefits**):

SALARY	22 airports (SALARY ONLY)	10 airports = to or less than FAR enplanements (SALARY ONLY)	12 airports = to or greater than FAR enplanements (SALARY ONLY)
Average	\$189,092	\$165,969	\$208,207
Median	\$177,306	\$170,933	\$205,537
High	\$294,840	\$194,145	\$294,840
Low	\$135,850	\$135,850	\$164,401

*The cost savings to the MAA because the ED has insurance through spouse is \$12,176.40

**Other than salary, the other items in the compensation package are comparable in the industry.

Industry compensation package standards (taken from the ADK Consulting Executive Search 2017 Compensation Study—additional information)

- Health Insurance (including vision, dental)
- Car Allowance (he receives an average amount compared to his peers)
- Cell phone Allowance
- Retirement Match (many connected with the state's retirement system)

Other benefits covered by some airports include:

- Bonuses from \$7,500 to \$45,000 per year
- Moving expenses
- Transition expenses
- Country Club Membership
- Vehicle

Evaluation Process

1. Detailed the differences between the City of Fargo and the MAA. This reinforced the fact that the MAA is a separate entity and should not be confined to the City salary structure. (NDCC 2-06-06)
2. Review and analysis of the 2017 ED Compensation Survey
3. Meetings with key stakeholders and a written report.
4. Development of a new evaluation form for ED and evaluated the ED.

Municipal Airport Authority

Stakeholder Meetings

July 17 - 30, 2017

Municipal Airport Authority (MAA) members Don Kilander and Tammy Linn met with seven area business airport stakeholders to get input in many areas regarding the airport, management, service, etc.

Summary

The outcomes of the meetings will be provided in a report to the MAA. However, this is a short summary of the outcomes.

- The meetings were very positive. In all cases they said the airport is helping them meet their goals and mission.
- The Executive Director is described as highly respected, very helpful, a collaborator, extremely knowledgeable in all aspects of aviation and running the airport, very supportive and responsive.
- There were some small suggestions that could help improve the airport. These involved taxi/cab service (signage, stand, licensed taxis only), business traveler center/secure wi-fi, more press and publicity, and more involvement in establishing Foreign Trade Zones.
- They liked the approach we're taking with the walkway and the research on the parking garage.
- They felt that the meetings with Don and Tammy were very helpful.

MAA Strengths

- All stakeholders stated that the airport and management is helping them meet the mission of their organizations.
- All stakeholders stated that the airport management is highly respected in the community/United States, responsible, well connected, and extremely knowledgeable.
- Airport management is respected by the airlines.

- Access to United States Customs 24/7 to help accommodate international flights that operate after the regular airport closes. This was due in part because the Airport constructed the building for it to be housed.
- Page 105
- Continue with the plans for the covered walkway from the parking lot.
 - Airport management was instrumental in bringing parties together to establish a Foreign Trade Zone (FTZ). The company saved \$600,000 in one year.
 - Airport management is effective at networking, keeping in contact with potential airlines, and others that could help the airport improve service.
 - Full time air tower has had a positive impact on regional airports and the Jet Center.
 - Airport management is always available to help.
 - Airport management is run "by the book" and well managed.
 - Excellent vendor relationships and operation agreements.
 - Fiscally strong airport.
 - Continue completing research on whether a parking garage is needed and/or wanted.
 - Great restaurant and service.
 - Runways, taxi ways and people are always maintained.
 - Airport has been pro-active in remodeling and keeping the airport looking good.
 - Excellent follow-up and checking in by the airport management.
 - Good internet service.
 - Airport management has addressed the pilot shortage well and prepared in advance.

Opportunities to make the Airport Better

- Consider relocating the cab drivers to a cab stand with signage that directs customers to the stands.
- Ascertain that all taxi drivers are properly registered and licensed.
- Upgrade secure Wi-Fi in the terminal.
- More communications and publicity about the happenings, services and tenants of the airport.
- Because the airport opens at 4 a.m. for the early flights, it would be beneficial to have access to the secure side of the terminal open earlier.

Municipal Airport Authority - Executive Director Evaluation

Date: October 3, 2017

Completed by: Don Kilander
and Tammy Linn

	5 Outstanding	4 Very Good	3 Average	2 Fair	1 Needs Improvement	NA	Comments
Chief Executive Officer							
Skill in communication including communication and interpersonal skills with stakeholders, including the Municipal Airport Authority, the Fargo City Commission, co-workers, staff, vendors/businesses that deal with the airport, the general public, etc. This includes both the sufficient exchange of and reception of information.	5	4	3	2	1	NA	Very good communications internally and externally. One suggestion is to communicate in writing /email to tenants more often. Also, sometimes, it appears that the ED gets impatient when asked the same question several times.
Ability to establish and maintain effective working relationships with others.	5	4	3	2	1	NA	Excellent relationships with tenants and others. Very good job of working with all parties, despite challenges, to land FedEx.
Knowledge and skill in public relations principles, practices and techniques.	5	4	3	2	1	NA	Keep working with Flint on message and be more proactive about educating the community about many aspects of the airport.
General management principles, practices and techniques.	5	4	3	2	1	NA	
Knowledge of concepts, principles and practices of airport administration.	5	4	3	2	1	NA	Excellent.

Ability to problem solve by conducting analytical evaluations and studies by investigating problem areas and formulating appropriate solutions to address each issue.	5	4	3	2	1	NA	Solved many issues and brought all parties together to provide a solution in order to create a Foreign Trade Zone for CNH. Also, strong work with 24/7 customs and facility.
Knowledge of land use principles and practices; property management practices and regulations.	5	4	3	2	1	NA	
Skill in informational analysis and problem solving to assess large amounts of information to formulate decisions.	5	4	3	2	1	NA	Good job with FTZ issues and making it possible.
Possess the ability and desire to engage with the community to enhance awareness and advocacy for a customer-service focused airport.	5	4	3	2	1	NA	Breast feeding stations. Future topics include the covered walkway. Also, good follow through on the parking survey.
Sets precedent within limits and/or administers operating rules and procedures under guidance of the MAA.	5	4	3	2	1	NA	Please send the link to the MAA regarding safety/operating rules.
Formulates strategic direction in keeping with the overall organization mission, with board guidance; provide overall guidance to staff.	5	4	3	2	1	NA	
Chief Finance Officer							
Knowledge of general principles of methods of financial record keeping and reporting.	5	4	3	2	1	NA	
Knowledge and oversight of all state and federal funding.	5	4	3	2	1	NA	

Preparation and oversight of the budget process, including development of the airport budget; oversight and accountability for expenses and income; production of balance sheets; and all other financial and accounting responsibilities.	5	4	3	2	1	NA	Years ago, the MAA asked for monthly financials. Now, we get excellent financial information every month.
Evaluation and oversight of all field contracts.	5	4	3	2	1	NA	Tenants and stakeholders gave high marks here.
Chief Operating Officer							
Knowledge of governmental administrative practices including budgeting, purchasing and policy formulation.	5	4	3	2	1	NA	
Knowledge of state and federal laws pertaining to the operation and management of a municipal airport including Federal Aviation Administration Airport Improvement Program and Passenger Facility Charge Program.	5	4	3	2	1	NA	
Knowledge, oversight and compliance of all county, city, state and federal rules and regulations.	5	4	3	2	1	NA	Excellent work representing the MAA, FAA with city requests.
Knowledge of human resource management practices such as training, delegation, discipline, etc.	5	4	3	2	1	NA	Depending on the relationship with the City, this may need to be done internally.
Skill in leadership and management to coordinate the diverse activities of individual work units towards the achievement of common goals.	5	4	3	2	1	NA	

Knowledge of Foreign Trade Zone (FTZ) rules and regulations associated with Grantee administration responsibilities.	5	4	3	2	1	NA	Outstanding coordination to establish a FTZ here.
Knowledge of Department of Homeland Security (DHS)/Transportation Security Administration (TSA) rules and regulations associated with all aspects of airport security regulations.	5	4	3	2	1	NA	
Knowledge and Skills from Education and Training							
Master's degree in airport management, business administration, or a closely related field.	5	4	3	2	1	NA	
Nine or more years of experience in management and operation of a municipal airport.	5	4	3	2	1	NA	Excellent.
Other comments:							
Highly respected in the local and national community. He is very involved and visible in the community as a leader and go-to guy.							

Executive Leader Compensation Program Review

Hector International Airport (FAR)

Hector International Airport (FAR) is a small-hub commercial service public airport located approximately three miles northwest of Fargo, in Cass County. It is operated by the City of Fargo Municipal Airport Authority and is governed by a five-member board that was established to oversee airport activities and implementation of the airport master plan. There are three runways; the longest measures at 9,001 feet long by 150 feet wide. In 2015, there were 74,654 operations, 180 based aircraft and 437,098 enplanements. Current air carriers operating at FAR are Allegiant Air, American Eagle, Delta Air Lines, and United Express. Cargo operators at FAR include FedEx and UPS. The Fargo Air National Guard Base is located adjacent to airport. In 2016, Federal Express shifted its air cargo operations from the Grand Forks airport to FAR. In doing so, Federal Express committed to a significant investment to Fargo as a focus city, and now operates 18-20 daily cargo flights from FAR. It is anticipated that FAR's Fed Ex cargo activity will be at a level similar to or greater than the prior cargo activity at the Grand Forks airport. In addition, aircraft operations at FAR have shown increased activity for 2017 and it is anticipated that UPS will add additional activity into FAR in the future.

ADK Consulting & Executive Search (ADK) is engaged to:

- Provide salary information and comparisons for the position of executive director/president & CEO/airport manager and for the position of airport assistant director at airports of similar size, complexity and governance structure in the United States.
- Explain the relevance of the selected airports for the study.
- Make recommendations for salary ranges and compensation based on the current market for these positions.
- Provide any additional information that is readily available regarding benefits and additional compensation.

Study Approach

Research was centered on market data of airports of similar size, complexity and governance. The governance structure is a key factor to consider when evaluating the breadth of responsibility and authority the leadership maintains at an airport. Airports that are operated by a city or county have different allocations and applications of resources and practices. In a non-independent structure, the practices of the airport conform to the established operating policy, processes and procedures of the city or county, unlike an authority, where the leadership *establishes* and is held accountable for the policies, processes and procedures to adopt and execute with guidance and oversight of a board of directors. The data provided in the study is principally from airports operated similarly in governance structure to FAR, although there are a couple of touch points for airports that are operated by non-independent structures such as a city or county. It is customary in independently governed airport environments for salaries to be aligned with span of responsibility within the governing body's structure and be reflective of comparable authority and liability. Broader leadership scope and greater liability are present for senior leaders in an authority governance structure. Most airport authorities, including the Municipal Airport Authority for Hector International Airport, have independent responsibility for operations, financing, staffing and promoting the community asset to include developing talent management practices that support regional growth and demand. All data will be displayed in aggregate, to maintain anonymity in compliance with the Sherman Antitrust Act of 1890.

Assumptions

A critical component of managing an effective airport business is to have talent management practices in place that support an airport's ability to attract, retain and provide opportunities for the best talent. A significant factor to attract and retain valuable talent is to maintain a compensation strategy that is appealing and that supports growth and financial reward for the employee's contributions. Recommendations made in this report assume that the City of Fargo Municipal Airport Authority desires to be competitive and to pay wages that are market competitive to meet the objectives of attracting and retaining skilled and competent leadership. In consideration of current conditions and our interest to provide a recommendation that is acceptable to all parties based on salary data, as well as the inability to adopt a different compensation strategy for these two positions, ADK's recommendation will reflect salary amounts specified in a City of Fargo pay grade and will match a pay range that is currently specified. ADK did not review or evaluate job factors for these positions. This report does not represent legal advice or financial advisory advice beyond providing market information.

Background

The Ever-Evolving Role of Airport Director

Airports provide a critical element to the economic vitality of the local area and are an essential link to the regional, national, and global economy. Airports serve as the gateway to the area and provide the first and last impression of the community to users of commercial and general aviation. In the United States, there were only 393 primary airports in 2015 with commercial airline service. Of those, only 132 are considered large hub (30), medium (30) or small hub (72). This equates to a niche market for professional airport executives. In addition to passenger service, airports also

accommodate the transport needs of cargo, military operations, corporate aviation departments and a wide variety of private aviation services and facilities.

Individuals who have chosen airport management as a career are committed to the challenges and opportunities of the industry. In most cases, career advancement requires relocation to a new community, with direct personal and financial impact on the airport director and family. Airport directors must be willing to adapt to their new home and be able to build new personal and professional relationships.

Airports operate 24 hours per day, 7 days per week, and 365 days per year. As a result, airport leadership must be readily available to manage normal operations as well as emergency situations. Since 9/11/2001, security measures at U.S. airports and other countries have continued to escalate. Tragic events in the U.S. such as those at LAX and FLL as well as in other countries such as Brussels put even greater strain and responsibility on leadership to take preventive measures, train staff for the unexpected and to deal with the psychological effects on employees and the traveling public that occur following these atrocious events.

The aviation industry operates in a diverse and dynamic environment. Coordination between airlines, airports, other service providers and numerous government agencies is necessary to safely operate with efficiency and convenience. Since deregulation in 1979, the airline and airport industry have evolved from a regulated, bureaucratic environment to a competitive market place driven by supply and demand, profit and loss. As a result, airport leaders must think like a business operator in the free market, generating revenue while also providing a safe and secure environment.

Initially, the primary focus of airport management was centered on the technical aspects of daily operations. Airport directors often came from the military or local community and the airport was run much like a utility. Their responsibility was, for the most part, limited to the confines of airport property. The mission was to keep it open and keep it safe. Prior to deregulation, airlines were more actively involved in the passenger experience and airports were not looked to as a revenue and job creator that stimulated economic development. The Civil Aeronautics Board decided which airlines operated at an airport and which city-pairs they served.

Subsequent to deregulation of the airline industry, airport directors had to become more business oriented to create the new entrepreneurial climate necessary to operate a commercial enterprise. Competition in the global economy and aviation industry has produced the current culture in airport management. This new culture requires leaders to become an active member of the economic development team in the region and to work closely with local business and political leaders to promote community interests. As a result, airport directors have become key members of local economic development efforts having a direct impact on the future of the local economy.

Airport directors must continue to evolve to properly serve and shape the aviation industry; to properly serve local airport demands and to inspire and develop their team; and to properly engage and contribute to their community as a leader. The field of airport management requires a unique combination of abilities, background and experience. Airport leadership must be able to balance the interest of a diverse group of stakeholders to ensure the safety and security of the travelling public in a financially responsible and customer-focused manner. Senior executives must be able to build effective relationships with the general public, the airlines, rental car agencies, other concession operators, numerous state and federal regulatory agencies, and the local community. Leaders must be able to handle emergencies, respond quickly in a crisis, and function well under pressure. The airport is held responsible for many functions outside of the immediate control of airport management including regulatory requirements and air service and business interest. To

be successful, executive leadership must build a culture of customer service and community engagement that transcends normal boundaries of authority. They must be a visionary and one who is a consensus builder who can foster regional support for initiatives among the community partners. They need to be an inclusive and effective decision maker who anticipates challenges, adapts, and executes with care.

Behavioral characteristics of effective airport directors today include the high-energy level of a self-starter coupled with patience and the ability to be methodical when working with safety, security, and regulations. Airport leaders must be competitive and achievement-oriented, yet diplomatic and willing to collaborate with others. He or she must be decisive while not acting impulsively and be able to act independently while also seeking support to build consensus with stakeholders. The successful airport executive must be enterprising, able to persuade others, able to work with financial information and administrative procedures, have an interest in community service and understand the importance of making a contribution to the economic well-being of the region. The airport director must be well versed in finance, accounting, administration, public relations, airside and landside operations, safety and security, planning, development and construction, as well as the complexities of air service development.

The *Municipal Finance Research Report* dated February 4, 2015 by U.S. Public Finance, included information and quotes from a report by Kroll Bond Rating Agency (KBRA) that was published in April 2014. KBRA's report, *U.S. General Airport Revenue Bond Methodology*, addressed the topic of *Why Effective Airport Management is Essential*. In that document, KBRA laid out its approach to rating general airport revenue bonds (GARBs) based upon an evaluation and balancing of 6 rating determinants (management, economics/demographics of the service area, airport utilization, airport debt/capital needs, airport finances, and legal mechanics and security provisions). Airport Management is an important component of KBRA's credit analysis. In KBRA's opinion, airport management is complex, with multi-faceted responsibilities, and requires a high degree of expertise. "Given this level of complexity, KBRA highly values management experience...KBRA views evaluation of management as a highly complex and critical element in its airport credit analysis. KBRA believes that expertise and experience are crucial factors in competent airport management."

Airport directors fill a narrow niche with very limited opportunities elsewhere to exercise their skillsets due to the size of the airport industry. Many have undergraduate degrees in aviation management and more are obtaining either an MBA or master's degree in aviation. A large number of airport senior managers and staff have obtained advanced certification through the airport industry associations, such as the Accredited Airport Executive (A.A.E.) certification through the American Association of Airport Executives (AAAE) and/or the International Airport Professional (IAP) through the Airports Council International (ACI). Their entire careers are, by choice, in one of the smallest and most highly regulated industries.

Throughout the United States, the total compensation package for airport directors varies depending upon the size and complexity of the airport, the governance structure, the culture, the location and the cost of living. In order to attract and retain the best talent, airports should, at a minimum, match the marketplace in order to remain externally competitive and many airports have elected to offer compensation packages above market to retain the best and brightest.

Contrary to the more highly specialized position of airport director, most other department leaders of cities or counties, for example, have more opportunities to move around within the local government or to other similar positions in other cities and counties. Those same individuals, whether a finance officer, assessor, human resources director, attorney,

technology officer, engineer, or other type of director, have opportunities to exercise their skillsets in both public and private sectors. This is not the case with airport directors.

There are different models of governance for airports. Initially, most airports were run by cities and counties, and for many constructive reasons, there has been a growing trend to operate airport environments as a separate "authority", or at least through a commission or board overseeing an "enterprise fund". This structure allows the airport to operate more like a business enterprise than a department of the city or county. Authority run airports are typically more nimble in decision-making and are able to quickly take advantage when opportunities arise. In a non-independent airport operating structure, the practices of the airport conform to the established operating policy, processes and procedures of the city or county, unlike an authority, where the airport leader with guidance and oversight from a board *establishes* and is held accountable for the policies, processes and procedures to adopt and execute. An outcome of being independent from local government is that the compensation strategy can be more competitive and reflect the broad scope of responsibilities and authority, and support the ability to hire and retain top talent that has aviation specific experience and results.

Over 50% of commercial service authorities, boards and commissions govern airports. That number continues to increase with recent conversions. In 2014, Tri-Cities Airport (formerly operated by 3 counties) became an airport authority and in 2015, Tulsa International Airport (formerly operated by the City of Tulsa) became a trust, which is operated like an authority. The Gerald R. Ford International Airport in Grand Rapids, MI, and operated by the county became an authority in 2016. The legislation passed by the state of Michigan for this conversion includes the ability for other commercial service airports in the state to simply file to become an authority, making the process much easier in the future.

In many communities, where the airport is a department of the city or county, salaries of all department heads are capped artificially, based on the top salary of the city/county manager or mayor. It is difficult for those communities to be as competitive in the marketplace for airport leadership. There is a growing disparity in the salaries of many city/county run airports and the salaries of authority owned airports. This causes "churn" in senior management which leads to lack luster and even inadequate leadership in some environments. However, there are many examples where communities have found ways to compensate their airport director in creative ways through other benefits, especially in geographic locations and resort communities that have a high cost of living. To retain their experienced and talented leader and demonstrate they value their contribution, many governing bodies pay a salary as high as can be acceptable, and remain more competitive by supplementing the salary with other compensation such as housing allowances, car allowance, retirement benefits, deferred compensation packages, retention incentives, buy back vacation plans, and many combinations of other resourceful and creative benefits.

Best practices for the attraction and retention of key personnel include periodic review of compensation packages with similar governance, cost of living factors, complexity of the position, and location challenges. Communities throughout the United States are in competition to attract and retain the best talent for their airport which in turn contributes to the future economy of the community.

In summary, the role of the airport director and the airport's senior staff has changed exponentially since deregulation and continues to escalate with the increasing challenges airports face today to provide a safe transportation environment, be a successful business enterprise and be a partner in the advancement and reflection of the community's interest and well-being.

Best Practices for the Attraction and Retention of Key Personnel

Best practices for the attraction and retention of key personnel include periodic review of compensation. Communities throughout the United States are in competition to attract and retain the best talent for their airports.

Airport leaders are looking to work in a dynamic, challenging work environment that include the following opportunities:

- Career advancement
- Positive reputation of the airport and/or governing body
- Size of airport in passengers and/or cargo, and staff
- Responsibility for a system of airports
- Interesting challenges that, if met, can make a significant difference to the airport and/or community
- Business development and growth opportunities of the airport and community
- Governance structure
 - More autonomy and broader reach
 - More supportive with the best interest of the airport at the forefront
 - Not susceptible to instability from political elections

New opportunities may include:

- Geographic location
 - Desirable for quality of life
 - Proximity to family and friends
 - Climate
- Compensation
 - Salary
 - Benefits
 - Retirement program
 - Incentive/bonus program

In establishing a compensation strategy for the leadership staff, it is necessary to take many things into consideration. The time to develop the compensation program is well in advance of the leader's motivation to consider other outside employment options. Significant direct and indirect costs are incurred when replacing a leader; it is critical that an organization not only select the best-qualified candidates initially, but that the compensation program and the culture of the work environment appropriately influence the leader to remain with the organization.

Compensation programs should factor in items beyond the base salary when evaluating the total package, to remain competitive as well as attractive for the leader. The salary structure in relationship to comparable airports and the market and regional cost of living should be considered along with other factors. If the goal is to retain the leader for

a significant amount of time, the employer should consider the competition of other airports that may offer desirable challenges or opportunities that may entice the leader to leave; it is advisable to evaluate the competition in terms of these factors, not only airports of comparable size. In addition, these issues must be balanced with community sensitivities and the acceptance level of customized wage and benefit programs for the leadership staff.

Data Collection Methodology

The position of airport executive director and assistant director were evaluated independently. The research centered on market data of airports of similar complexity, size and governance. Each airport environment is unique and contains varying degrees of financial and human resource management differences, although many airport administrative and business principles are similar. The type of governance and span of authority and responsibility are the most significant factors when matching positions. The data provided principally reflects salary data from airports with an authority governance structure, although we have provided some data for airports that are operated by a city or county. These airports either had a comparable amount of cargo and/or demonstrated that although the airport was not operated autonomously from the government structure the compensation for the airport leader was commensurate with market for the airport industry. To obtain an appropriate sampling of airports, we use enplanement numbers to identify comparable airports and review salaries. In addition, we review commercial service enplanements, general aviation, and cargo activity (cargo landed weight).

The surveyed airports for the airport executive director study were:

- Asheville Regional Airport Authority
- Cedar Rapids Airport Commission
- Colorado Springs Airport, Airport Advisory Commission, County owned & operated
- Columbia Metropolitan Airport Authority
- Des Moines Airport Authority Board
- Flint Bishop Airport Authority
- Fort Wayne Airport Authority
- Grand Forks Airport Authority
- Greenville-Spartanburg Airport District
- Huntsville-Madison County Airport Authority
- Jackson Municipal Airport Authority
- Lexington-Fayette Urban County Airport Board
- Bill & Hilary Clinton National Airport, Airport Commission with decision authority, municipally owned
- Metropolitan Airport Authority of Rock Island County
- Metropolitan Knoxville Aviation Authority
- Panama City-Bay County Airport & Industrial District
- Rapid City Regional Airport Board with decision approval, owned by Rapid City
- St. Joseph County Airport Authority
- St. Petersburg-Clearwater International Airport – County owned & operated

- Tallahassee International Airport, municipally owned and operated
- The New Hanover County Airport Authority
- Wichita Airport Authority with decision authority, operated by City of Wichita as Enterprise fund

The surveyed airports for the airport assistant director study were:

- Capital Region Airport Authority
- Columbia Metropolitan Airport Authority
- Flint Bishop Airport Authority
- Fort Wayne Airport Authority
- Grand Forks Regional Airport Authority
- Greenville-Spartanburg Airport District
- Huntsville-Madison County Airport Authority
- Key West International Airport and the Florida Keys Marathon International Airport
- Lexington-Fayette Urban County Airport Board
- Bill & Hillary Clinton National Airport, Airport Commission with decision authority Municipally owned
- Metropolitan Airport Authority of Rock Island County
- Metropolitan Knoxville Airport Authority
- Rapid City Regional Airport, operated by City of Rapid City
- Sarasota Manatee Airport Authority
- Springfield-Branson National Airport
- Tri-Cities Airport Authority
- Wichita Airport Authority with decision authority, owned and operated by City of Wichita



Recommendation – Airport Executive Director

Although the title of the senior leader for an airport organization vary and airport responsibilities can be unique, similar expectations of an individual in the senior leadership role in an authority structure and varies from one airport to another. A role equivalent to the airport executive director at FAR may not always have a defined salary range, therefore, the best means to review market data is to consider the actual salary currently being paid to the incumbent at various comparable airports.

The salary study for this position includes data gathered from twenty-two (22) commercial service airports in addition to FAR. The most current year-end enplanement data is for year 2015. FAR had approximately 437,098 enplanements in 2015, and we targeted airports for this study ranging in enplanements of 200,000 to 1,150,000.

Ten (10) airports have fewer enplanements and twelve (12) airports have greater enplanements than FAR.

Within this group of twenty-two (22) airports, we identified fifteen (15) airports that have a level of cargo activity based on FAA Statistics for 2015 cargo landed weight that is within the top one hundred and thirty-two (132) airports in the United States and also is similar in number of enplanements. FAR does not currently serve cargo to the capacity to make the list although another airport in the state of North Dakota is within that group and is eighty-four (84) at the time the data was reported on the list. This airport has lost their principal cargo operator who has recently entered into a long-term agreement with FAR. It is anticipated that cargo activity and landed weight at FAR will increase to a level commensurate if not greater than the airport that used as a comparable in North Dakota.

We also provide any additional information that is readily available regarding benefits and additional compensation for the executive leader. The absence of information in the "Other" column does not indicate there are no other special benefits provided beyond salary; it only indicates that we do not have specific knowledge of other benefits. We shared miscellaneous information in the comments section to include hire date of incumbent if it is known.

The current FAR airport executive director salary is \$147,555, and coincides with the city of Fargo's pay grade 23 with a salary range \$113,526 - \$147,555. The Airport Director also receives a vehicle allowance of \$800/mo. and a cell phone allowance of \$200/mo. This financial benefit is comparable to benefits received by other airport leaders.

In accordance with the practice of aligning pay scales with those of the city of Fargo's salary grade program, we arrived at a recommended salary grade range 26 with a salary range of \$138,070 - \$179,483. Benefits other than salary, car allowance and cell phone allowance should be based on the current authority benefit offerings.

Rationale

As stated earlier, the study methodology assumption is that Municipal Airport Authority of the City of Fargo desires salary benefits to market competitive to attract and retain the best talent in the leadership ranks.

We believe that our recommendation for the compensation package is industry comparable, and will be appealing to the airport executive director and the airport assistant director to achieve the objectives of retention and motivation for the current incumbents.

Salary Information for Senior Leader Role

	22 Airports Salaries	10 Airports = to or < FAR in Enplanements	12 Airports = to or > FAR in Enplanements
Average	\$189,092	\$165,959	\$208,370
Median	\$177,306	\$170,933	\$205,537
High Amount	\$294,840	\$194,145	\$294,840
Low Amount	\$135,850	\$135,850	\$164,401

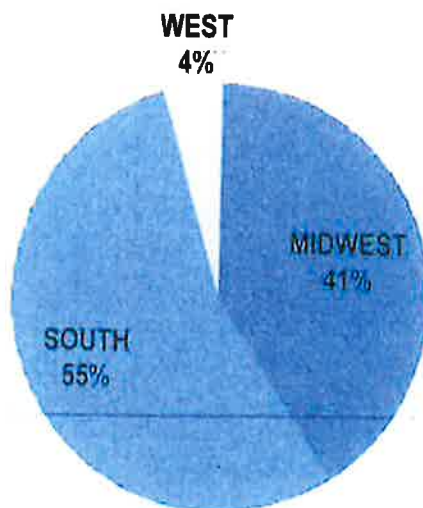
In reviewing the data sorted by salary amount based on enplanements, of twenty-two (22) airports, two airports had a salary lower than \$147,555 - the current salary of the airport executive director for FAR. The average of the salaries for airports with enplanements equal to or less than FAR is \$165,959 and for airports with enplanements greater than FAR the average is \$208,370. The average of all salaries for all twenty-two (22) airports is \$189,092 with a median of \$177,306.

We also reviewed salaries specific to airports that are within the passenger enplanement comparable of 200,000 to 1,150,000 and were also in the top 132 airports in cargo landed weight. FAA does not report statistics for airports with less cargo than this threshold. Most of the airports with significant cargo activity are medium to large hub airports and because of their passenger activity they were not used as comparables. The only other airport in ND that has cargo activity that is reported by the Federal Aviation Administration that qualifies for cargo entitlements within the state of ND is GFK. The cargo activity for this airport ranks 84th on the list of cargo airports. Thirteen (13) of the twenty-two airports (22) that were in the survey had cargo activity that was reported by FAA. Some of these airports were not operated by an independent Airport Authority and were used as comparables because they met the criteria for both passenger enplanements and cargo activity.

Survey Geography

Participating airports were from the following U.S. geographical area:

SURVEY GEOGRAPHICAL INFORMATION



Car Allowance Benefit

Fifteen (15) of the twenty-two (22) surveyed airports provided a car allowance benefit for the airport's senior leader. The car allowance ranged from a low of \$200/month to high of \$1,800/month. Five (5) of the airports provided a vehicle for the senior leader as well as maintenance, fuel and insurance. Only one (1) airport indicated a car allowance or a vehicle was not provided. One (1) airport did not respond with vehicle or car allowance information.

Monthly Car Allowance	
Average	\$785
Median	\$750
High Amount	\$1,800
Low Amount	\$200



Other Benefits

Unlike ten years ago when bonuses and financial incentives were not very prevalent in the airport industry, more airports, particularly airport authorities, are adopting some type of financial incentive program for the top leadership position as well as for other staff members. One component of an effective business is to provide good talent management practices to support an airport's ability to attract and retain the best talent. A significant factor to attract and retain valuable talent is to maintain a competitive compensation program that is appealing and that supports growth and financial reward for staff contributions. By adopting an incentive program, there may be greater incentive for staff to remain with the organization and to continue providing a high standard of performance. Several comparable airports within the survey that provided benefit data also indicated they provided some type of incentive/bonus pay. Of the twenty-two (22) airports at least nine (9) identified that they provide some type of incentive program opportunity for the senior leader

Recommendation – Airport Assistant Director

The role of airport assistant director may be titled in other ways at different airports. There also may be varied duties for positions in the role of airport assistant director. At FAR, this position oversees all functions within the organization. In reviewing the data and comparison information for this study, the duties and responsibilities were either less than or equal to that of the airport assistant director for FAR.

The salary data and review for this position includes data for seventeen (17) commercial service airports in addition to FAR. The most current year-end enrollment data is for the year 2015. FAR had approximately 437,098 enplanements in 2015, and we identified airports that ranged in enplanements of 200,000 to 1,150,000 for purposes of comparison in this study.

The FAR airport assistant director's current salary is \$105,186, in the city of Fargo's salary grade 18 with a salary range of \$80,912 - \$105,186. The airport assistant director also receives a vehicle allowance of \$800/mo. and a cell phone allowance of \$200/mo. This financial benefit is comparable to benefits received by other airport leaders although is slightly higher than some assistant director's that reported data for the survey.

In accordance with the practice of aligning pay scales with those of the city of Fargo's salary grade program, we arrived at a recommended salary grade range 20 with a salary range of \$93,309 - \$121,306.

Benefits other than salary, car allowance and cell phone allowance should be based on the current authority benefit offerings.

Salary Information for Airport Assistant Director

	Surveyed Airports (17) - Salary Ranges		
	Min	Mid	Max
Average	\$102,040	\$125,629	\$154,946
Median	\$106,112	\$132,641	\$160,491
Lowest - Min Range	\$75,468		
Highest - Min Range			\$117,935
Lowest - Max Range	\$110,695		
Highest - Max Range			\$208,000

Seven (7) airports were smaller in size than FAR based on enplanements within the seventeen (17) surveyed airports. Two airports have a starting range lower than the starting range for FAR of \$80,912. In respect to the ten (10) airports that are larger in size based on enplanements within the seventeen (17) surveyed airports, the smallest amount for the minimum starting salary was \$75,468 and the highest amount for the minimum salary was \$117,935. The lowest amount for the maximum range was \$110,695 and the highest amount for the maximum range was \$208,000.

An additional four (4) airports did not report a salary range, but provided the actual current salary, the average of which was \$98,385 and the median was \$94,000.

Six (6) of the surveyed airports indicated that they provided a car allowance; and six (6) provided a vehicle. The other surveyed airports either did not provide a car allowance or vehicle or did not furnish the information.



In Conclusion

As stated earlier in the study, it is paramount to ensure that the senior leadership staff, who are responsible for the overall administration of a valuable community asset that stimulates and supports economic development for the region be compensated appropriately and competitively. This will aid in employee retention as well as to more effectively comply with statutory requirements regarding pay equity regarding level of responsibility and decision-making authority. Both the employer and the employee will benefit from a compensation strategy that is well-planned and executed. The present study will assist the Municipal Airport Authority of the City of Fargo in establishing a strategy to ensure competitiveness based on comparable data and information.

Thank you for selecting ADK Consulting and Executive Search to conduct this study and to present our compensation recommendations for the positions of the airport executive director and the assistant airport director to the Municipal Airport Authority of the City of Fargo. We have been in business since 2003 and perform consulting services and executive searches exclusively for the airport industry from large hub commercial service airports to general aviation airports and those industries that support them.

Salary and Other Benefit Charts

AIRPORT EXECUTIVE DIRECTOR SURVEY DATA

AIRPORT CODE	SALARY	OTHER INFORMATION
A	\$135,850	Car allowance \$600/mo - Cell phone allowance provided
B	\$148,526	New vehicle provided - \$7,500 bonus 2015 - 20% of salary contributed to retirement fund
C	\$145,392	Car allowance and bonus provided
D	\$160,196	Car allowance \$400/mo
E	\$164,401	Car allowance \$200/mo
F	\$164,800	No vehicle provided
G	\$165,000	Car allowance
H	\$170,000	Car allowance \$750/mo - \$12,500 bonus in 2016
I	\$171,866	Vehicle provided - 401k match of 5% base salary - \$4,473/yr. exec. allowance
J	\$174,000	401k match 5% base salary - state retirement - car allowance \$600/mo
K	\$174,612	Car allowance \$1,205/mo plus car insurance -no bonus
L	\$180,000	75% match retirement contribution+state retirement system; \$500/mo car allowance.
M	\$185,000	Car allowance \$600/mo
N	\$194,145	Fuel provided for vehicle - undisclosed bonus opportunity
O	\$198,313	Vehicle provided, deferred comp plan 4.5% match over staff
P	\$215,000	Car allowance \$750/mo
Q	\$206,000	Vehicle provided
R	\$220,000	Car Allowance \$750/mo, \$20,000 bonus in 2016
S	\$222,401	Vehicle provided - bonus \$45,000 in 2017 plus 5.0% of salary to both retirement and deferred salary accounts (\$11,000) (eligible for up to 10% contributions to retirement & deferred-compensation plans)



T
U
V

\$228,380

\$251,235

\$294,840

Bonus provided

Car allowance \$1,000/mo - bonus provided

Car allowance \$1,800/mo - \$23,000 additional retirement

AIRPORT ASSISTANT DIRECTOR SURVEY DATA

AIRPORT ID	SALARY RANGES			OTHER INFORMATION
	MIN	MID	MAX	
A	\$75,468	\$98,109	\$120,749	N/A
B	\$77,963	\$98,309	\$118,655	N/A
C	\$89,066	\$105,706	\$122,346	Car allowance \$500/mo.
D	\$90,741	\$100,718	\$110,695	N/A
E	\$98,567	\$123,209	\$147,851	Car allowance \$500/mo.
F	\$100,000	\$154,000	\$208,000	Car allowance \$500/mo.
G	\$106,112	\$132,641	\$159,169	N/A
H	\$106,112	\$132,641	\$159,169	N/A
I	\$108,904	\$141,575	\$174,245	Car allowance \$550/mo.
J	\$111,461	\$139,327	\$167,193	Vehicle is provided
K	\$114,805	\$143,507	\$172,209	Vehicle allowance provided
L	\$115,714	\$144,644	\$173,574	Vehicle is provided; 20% of salary contribution to 457 plan; 100% paid family medical insurance.
M	\$115,714	\$144,644	\$173,574	Car allowance, eligible for incentive pay received \$10,000 bonus in 2014
N	\$117,935	\$139,874	\$161,813	Vehicle is provided

Rank	Locid	Airport Name	City	Svc Lvl	Hub	2017 Landed Weight (lbs.)	2016 Landed Weight (lbs.)	% Change
1	MEM	Memphis International	Memphis	P	S	23,949,525,780	23,866,469,898	0.4%
2	ANC	Ted Stevens Anchorage International	Anchorage	P	M	17,337,337,377	16,867,292,945	2.8%
3	SDF	Louisville International-Standiford Field	Louisville	P	S	13,403,682,652	12,804,148,855	4.7%
4	ORD	Chicago O'Hare International	Chicago	P	L	10,373,559,593	9,358,755,022	10.8%
5	MIA	Miami International	Miami	P	L	7,963,988,407	7,899,307,235	0.8%
6	LAX	Los Angeles International	Los Angeles	P	L	7,197,930,264	6,931,158,178	3.9%
7	CVG	Cincinnati/Northern Kentucky International	Greater Cincinnati	P	M	5,700,282,994	4,275,662,532	33.3%
8	IND	Indianapolis International	Indianapolis	P	M	5,138,500,501	5,329,187,330	-3.6%
9	DFW	Dallas-Fort Worth International	Fort Worth	P	L	4,155,362,297	3,859,940,737	7.7%
10	ONT	Ontario International	Ontario	P	M	3,522,510,318	3,041,697,142	15.8%
11	OAK	Metropolitan Oakland International	Oakland	P	M	3,272,195,070	3,152,106,329	3.8%
12	EWR	Newark Liberty International	Newark	P	L	2,990,957,430	2,803,385,720	6.7%
13	JFK	John F Kennedy International	New York	P	L	2,937,988,820	3,197,249,060	-8.1%
14	ATL	Hartsfield - Jackson Atlanta International	Atlanta	P	L	2,781,647,652	2,610,022,106	6.6%
15	HNL	Daniel K Inouye International	Honolulu	P	L	2,487,185,900	2,456,197,000	1.3%
16	SEA	Seattle-Tacoma International	Seattle	P	L	2,315,645,598	1,878,916,576	23.2%
17	PHL	Philadelphia International	Philadelphia	P	L	2,017,190,422	2,027,769,604	-0.5%
18	PHX	Phoenix Sky Harbor International	Phoenix	P	L	1,757,368,004	1,703,829,283	3.1%
19	IAH	George Bush Intercontinental/Houston	Houston	P	L	1,755,069,631	1,636,306,553	7.3%
20	PDX	Portland International	Portland	P	L	1,471,945,867	1,271,073,678	15.8%
21	DEN	Denver International	Denver	P	L	1,391,967,269	1,425,420,956	-2.4%
22	RFD	Chicago/Rockford International	Rockford	P	N	1,381,654,780	922,955,400	49.7%
23	SFO	San Francisco International	San Francisco	P	L	1,254,393,000	1,300,957,350	-3.6%
24	SJU	Luis Munoz Marin International	San Juan	P	M	1,208,323,492	1,084,961,328	11.4%
25	SLC	Salt Lake City International	Salt Lake City	P	L	1,123,668,279	1,083,725,861	3.7%
26	LCK	Rickenbacker International	Columbus	P	N	1,085,726,304	983,247,285	10.4%
27	MSP	Minneapolis-St Paul International/Wold-	Minneapolis	P	L	1,030,776,385	1,002,366,375	2.8%
28	BOS	General Edward Lawrence Logan International	Boston	P	L	996,320,950	980,954,950	1.6%
29	MCO	Orlando International	Orlando	P	L	991,178,133	974,669,950	1.7%
30	BWI	Baltimore/Washington International Thurgood	Glen Burnie	P	L	943,878,461	536,859,376	75.8%
31	AFW	Fort Worth Alliance	Fort Worth	R	-	904,874,371	897,408,852	0.8%
32	TPA	Tampa International	Tampa	P	L	853,209,824	587,135,982	45.3%
33	SAT	San Antonio International	San Antonio	P	M	844,767,966	791,990,700	6.7%
34	BDL	Bradley International	Windsor Locks	P	M	817,966,700	831,343,300	-1.6%
35	DTW	Detroit Metropolitan Wayne County	Detroit	P	L	789,037,070	779,475,670	1.2%
36	BFI	Boeing Field/King County International	Seattle	P	N	745,346,446	793,142,903	-6.0%
37	ABE	Lehigh Valley International	Allentown	P	N	689,003,342	387,362,976	77.9%
38	SAN	San Diego International	San Diego	P	L	635,220,350	640,294,600	-0.8%
39	GSO	Piedmont Triad International	Greensboro	P	S	607,083,703	498,972,502	21.7%
40	CLT	Charlotte/Douglas International	Charlotte	P	L	604,310,880	467,253,040	29.3%
41	MKE	General Mitchell International	Milwaukee	P	M	602,686,514	614,442,650	-1.9%
42	LRD	Laredo International	Laredo	P	N	587,517,683	450,435,440	30.4%
43	MCI	Kansas City International	Kansas City	P	M	571,041,998	616,946,618	-7.4%
44	ABQ	Albuquerque International Sunport	Albuquerque	P	M	562,896,132	575,788,972	-2.2%
45	RNO	Reno/Tahoe International	Reno	P	S	553,310,545	612,740,180	-9.7%
46	AUS	Austin-Bergstrom International	Austin	P	M	547,734,473	483,753,210	13.2%
47	ELP	El Paso International	El Paso	P	S	525,102,662	510,464,050	2.9%
48	BQN	Rafael Hernandez	Aguadilla	P	N	523,499,150	532,393,460	-1.7%
49	RDU	Raleigh-Durham International	Raleigh	P	M	502,693,290	452,516,590	11.1%
50	RIC	Richmond International	Highland Springs	P	S	500,165,722	432,292,504	15.7%
51	MHT	Manchester	Manchester	P	S	489,538,104	482,624,702	1.4%
52	GEG	Spokane International	Spokane	P	S	470,113,311	456,248,858	3.0%
53	PIT	Pittsburgh International	Pittsburgh	P	M	470,107,335	452,232,238	4.0%
54	IAD	Washington Dulles International	Dulles	P	L	458,000,764	460,404,810	-0.5%
55	FLL	Fort Lauderdale/Hollywood International	Fort Lauderdale	P	L	457,598,800	492,849,220	-7.2%
56	MHR	Sacramento Mather	Sacramento	R	-	440,980,200	375,507,250	17.4%
57	HSV	Huntsville International-Carl T Jones Field	Huntsville	P	S	419,594,598	412,087,119	1.8%
58	JAX	Jacksonville International	Jacksonville	P	M	414,939,220	407,219,810	1.9%
59	OMA	Eppeley Airfield	Omaha	P	M	406,576,402	395,622,742	2.8%
60	CAE	Columbia Metropolitan	Columbia	P	S	402,908,533	407,001,110	-1.0%
61	CLE	Cleveland-Hopkins International	Cleveland	P	M	381,670,547	404,250,115	-5.6%
62	DSM	Des Moines International	Des Moines	P	S	379,333,260	486,397,326	-22.0%
63	LAS	McCarran International	Las Vegas	P	L	370,950,370	402,194,528	-7.8%
64	SMF	Sacramento International	Sacramento	P	M	368,708,250	332,969,600	10.7%
65	LBB	Lubbock Preston Smith International	Lubbock	P	S	363,743,489	351,748,770	3.4%
66	MDT	Harrisburg International	Harrisburg	P	S	363,446,474	363,331,770	0.0%
67	FSD	Joe Foss Field	Sioux Falls	P	S	358,051,875	368,953,545	-3.0%
68	MSY	Louis Armstrong New Orleans International	Metairie	P	M	357,091,410	315,901,744	13.0%

69	TUL	Tulsa International	Tulsa	P	S	354,497,900	322,104,024	10.1%
70	BIL	Billings Logan International	Billings	P	S	348,889,570	338,960,110	2.9%
71	STL	St Louis Lambert International	St. Louis	P	M	347,239,924	353,412,190	-1.8%
72	GSP	Greenville Spartanburg International	Greer	P	S	344,330,478	247,817,497	39.0%
73	BOI	Boise Air Terminal/Gowen Field	Boise	P	S	340,620,900	346,300,874	-1.6%
74	SCK	Stockton Metropolitan	Stockton	P	N	332,058,000	183,923,000	80.5%
75	SYR	Syracuse Hancock International	Syracuse	P	S	324,690,840	324,872,528	-0.1%
76	CHS	Charleston AFB/International	Charleston	P	S	308,727,000	296,460,500	4.1%
77	HRL	Valley International	Harlingen	P	N	300,260,450	263,356,300	14.0%
78	CID	The Eastern Iowa	Cedar Rapids	P	S	298,628,452	276,270,958	8.1%
79	BNV	Nashville International	Nashville	P	M	292,444,384	284,476,598	2.8%
80	SHV	Shreveport Regional	Shreveport	P	N	288,092,171	242,118,666	19.0%
81	KOA	Ellison Onizuka Kona International at Keahole	Kailua Kona	P	S	284,604,200	257,839,100	10.4%
82	BUF	Buffalo Niagara International	Buffalo	P	M	283,906,303	283,091,810	0.3%
83	TYS	McGhee Tyson	Alcoa	P	S	274,964,572	294,315,217	-6.6%
84	OGG	Kahului	Kahului	P	M	266,584,000	281,891,500	-5.4%
85	ROC	Greater Rochester International	Rochester	P	S	254,050,350	249,058,014	2.0%
86	SJC	Norman Y Mineta San Jose International	San Jose	P	M	250,299,750	263,522,200	-5.0%
87	FAR	Hector International	Fargo	P	N	248,112,284	52,779,056	370.1%
88	ORF	Norfolk International	Norfolk	P	S	246,273,890	206,199,130	19.4%
89	OKC	Will Rogers World	Oklahoma City	P	S	239,856,500	215,794,981	11.2%
90	PAE	Snohomish County (Paine Field)	Everett	R	-	234,244,000	234,822,000	-0.3%
91	GRR	Gerald R Ford International	Grand Rapids	P	S	227,233,136	230,591,334	-1.5%
92	SAF	Kelly Field	San Antonio	GA	-	217,739,374	0	N/A
93	SWF	Stewart International	Newburgh	P	N	210,255,080	156,925,400	34.0%
94	ICT	Wichita Dwight D Eisenhower National	Wichita	P	S	208,996,345	205,444,042	1.7%
95	ITO	Hilo International	Hilo	P	S	197,871,700	182,224,500	8.6%
96	SGF	Springfield-Branson National	Springfield	P	S	197,228,400	185,849,200	6.1%
97	FWA	Fort Wayne International	Fort Wayne	P	N	192,461,217	198,618,254	-3.1%
98	RSW	Southwest Florida International	Fort Myers	P	M	188,341,690	143,111,696	31.6%
99	YIP	Willow Run	Detroit	R	-	181,894,392	173,195,890	5.0%
100	GTF	Great Falls International	Great Falls	P	N	180,556,493	174,025,620	3.8%
101	LAN	Capital Region International	Clinton (Township)	P	N	178,695,639	157,107,141	13.7%
102	PVD	Theodore Francis Green State	Warwick	P	S	174,463,500	112,111,900	55.6%
103	BFM	Mobile Downtown	Mobile	GA	-	169,828,110	174,100,478	-2.5%
104	ALB	Albany International	Albany	P	S	167,437,140	168,750,952	-0.8%
105	BHM	Birmingham-Shuttlesworth International	Birmingham	P	S	163,825,910	178,257,470	-8.1%
106	PIE	St Pete-Clearwater International	Clearwater	P	S	161,110,800	187,027,520	-13.9%
107	LGB	Long Beach /Daugherty Field/	Long Beach	P	S	160,857,854	168,332,836	-4.4%
108	TUS	Tucson International	Tucson	P	S	160,435,096	162,597,736	-1.3%
109	ABY	Southwest Georgia Regional	Albany	P	N	159,973,000	164,966,852	-3.0%
110	LIT	Bill and Hillary Clinton National/Adams Field	Little Rock	P	S	155,100,226	151,444,188	2.4%
111	ROA	Roanoke-Blacksburg Regional/Woodrum Field	Roanoke	P	N	134,129,420	126,170,700	6.3%
112	ATW	Appleton International	Appleton	P	N	125,550,050	0	N/A
113	PIA	General Downing - Peoria International	Peoria	P	N	122,923,314	138,141,580	-11.0%
114	TOL	Toledo Express	Toledo	P	N	122,077,000	122,077,000	0.0%
115	LIH	Lihue	Lihue	P	S	117,354,600	126,390,500	-7.2%
116	FAT	Fresno Yosemite International	Fresno	P	S	115,158,200	106,873,494	7.8%
117	LFT	Lafayette Regional/Paul Fournet Field	Lafayette	P	N	111,144,000	110,454,000	0.6%
118	FAI	Fairbanks International	Fairbanks	P	S	109,946,749	115,182,948	-4.6%
119	GUM	Guam International	Tamuning	P	S	108,440,100	106,768,850	1.6%
120	SBN	South Bend International	South Bend	P	N	99,517,954	105,265,435	-5.5%
121	COS	City of Colorado Springs Municipal	Colorado Springs	P	S	89,447,616	107,391,294	-16.7%
122	FNT	Bishop International	Flint	P	N	84,454,392	83,455,514	1.2%
123	JAN	Jackson-Medgar Wiley Evers International	Jackson	P	S	75,249,400	76,832,542	-2.1%
124	CHA	Lovell Field	Chattanooga	P	S	55,250,685	53,159,470	3.9%
125	DAY	James M Cox Dayton International	Dayton	P	S	51,788,650	51,480,000	0.6%
126	BGR	Bangor International	Bangor	P	N	36,608,381	24,482,261	49.5%
127	TVF	Thief River Falls Regional	Thief River Falls	CS	-	27,645,631	24,825,109	11.4%
128	BRO	Brownsville/South Padre Island International	Brownsville	P	N	23,106,426	16,228,017	42.4%
129	SBD	San Bernardino International	San Bernardino	R	-	20,098,000	5,026,700	299.8%
130	RIV	March ARB	Riverside	R	-	7,980,000	7,770,000	2.7%
131	GFK	Grand Forks International	Grand Forks	P	N	7,844,617	206,058,780	-96.2%
132	CIC	Chico Municipal	Chico	GA	-	5,949,600	3,207,600	85.5%
133	IWD	Gogebic-Iron County	Ironwood	CS	-	4,793,400	4,848,400	-1.1%
134	IAG	Niagara Falls International	Niagara Falls	P	N	4,383,696	666,022	558.2%
135	GUP	Gallup Municipal	Gallup	GA	-	3,976,550	4,423,025	-10.1%
136	PSM	Portsmouth International at Pease	Portsmouth	P	N	2,517,435	2,492,318	1.0%
137	TCC	Tucumcari Municipal	Tucumcari	GA	-	1850470	1,384,900	33.6%
9999	VNY	Van Nuys	Van Nuys	R	-	0	20,800	-100.0%

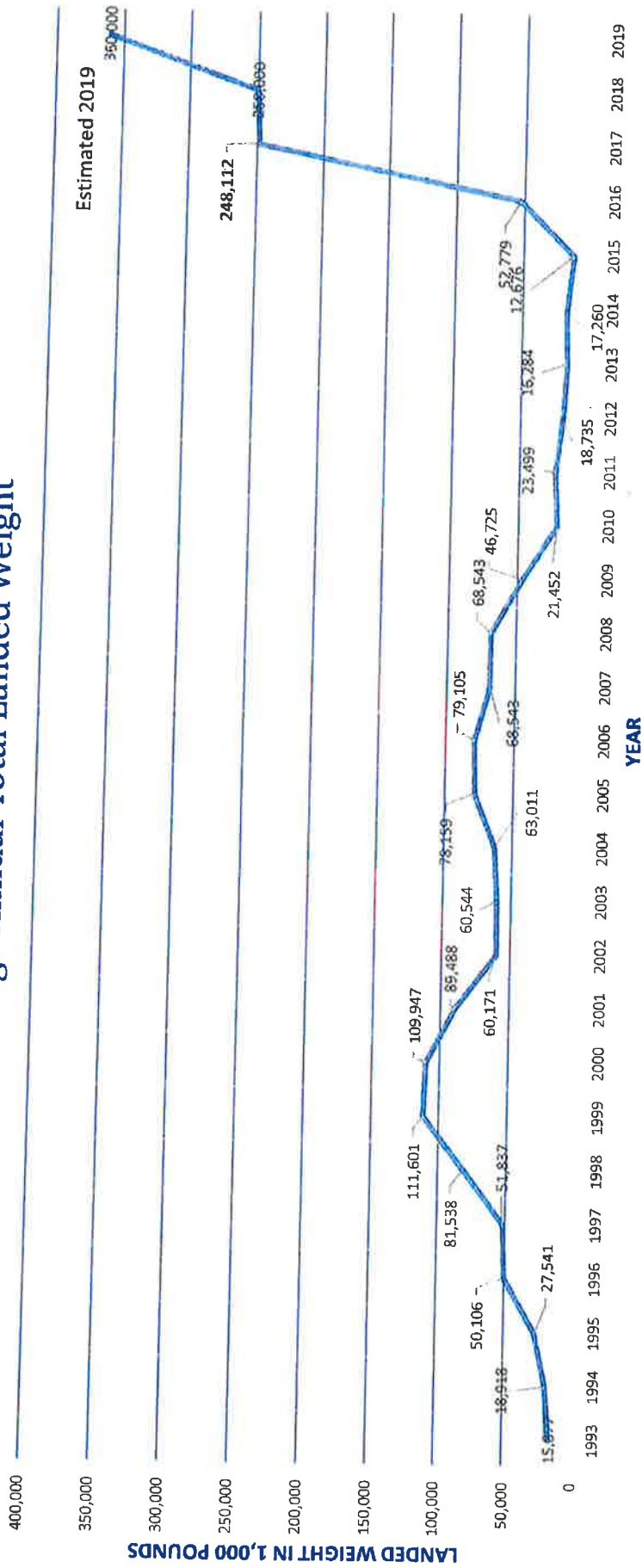
All-Cargo Data Report (CY 2018)
Hector International Airport (FAR)

Name of Carrier (Carrier Code)

Aircraft Make Model Aircraft ID Weight Landed

			Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Total # Landings	Total Landed Weight (in lbs)
Alpine Air (SA)																
	Beech	B1900	51	46	45	43	67	65	67	68	64					
	Beech	B99	1	1	3	1	1	2	2	2	3				517	8,323,700
Carrier Total			52	47	48	44	68	67	69	71	67	0	0	0	533	174,400
Contract Air Cargo (OGCB)																
	Boeing	727-200F	362	203,000												
Carrier Total			0	0	0	0	0	0	0	0	1	0	0	0	1	203,000
Corporate Air (HSYA)																
	Cessna	208B	133	8,500	154	148	167	145	163	155	157	154	140			
Carrier Total			154	148	167	145	163	155	157	154	140	0	0	0	1,383	11,755,500
CSA, Inc. (CSA)																
	Cessna	208B	133	8,500												
Carrier Total			0	0	1	0	0	0	0	0	0	0	0	0	1	8,500
Empire Airlines (EM)																
	Avions De Transport	ATR-72-300	373	47,070												
Carrier Total			0	0	0	0	3	0	4	0	0	0	0	0	7	329,490
Encore Air Cargo (DUFA)																
	Cessna	C-402	139	6,000												
	Cessna	C-404	124	8,400												
	Fairchild Swearingen	SA-227-AT	177	14,000												
	Fairchild Swearingen	SA-227	191	15,500												
Carrier Total			27	26	23	28	19	9	9	14	10	0	0	0	165	2,446,800
FedEx (FX)																
	Airbus	A300-600F	10	308,650	48	45	56	48	51	42	46	45				
	Airbus	A600	13	304,238	1				3	1	1					
	Airbus	A310	385	273,400	3	6	2	5	4	4	3	4				
	Boeing	B757	378	198,000	4	4	6	4	5	4	12	13	11			
Carrier Total			56	55	64	57	63	60	58	63	56	0	0	0	532	156,111,628
Kalitta Air LLC (KAQ)																
	McDonnell Douglas	DC-9-10	273	87,500												
Carrier Total			0	0	0	0	0	0	0	0	1	0	0	0	1	87,500
Mountain Air (UAAR)																
	Avions De Transport	ATR-42-300	376	36,155	16	15	14	17	15	16	13	18				
	Avions De Transport	ATR-72-300	373	47,070												
Carrier Total			16	15	14	17	16	16	13	18	0	0	0	0	125	4,530,290
Pacair (WIXA)																
	Cessna	C-402B	139	6,000	7	3	3	3	3	4	5	4	2			
	Cessna	C-310R	136	5,400	25	19	20	18	17	19	15	26	14			
	Piper	PA-31-500	410	8,700	12	18	20	20	24	19	22	18	22			
Carrier Total			44	40	43	41	44	42	42	48	38	0	0	0	382	2,660,700
United Parcel Service (SX)																
	Boeing	B757	378	198,000												
Carrier Total			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total # of Cargo Aircraft			349	331	360	332	376	349	352	368	313	0	0	0	3,130	186,631,508

Air Cargo Annual Total Landed Weight



CITY ILLUSTRATION
AIRPORT EXECUTIVE DIRECTOR
COMPENSATION HISTORY

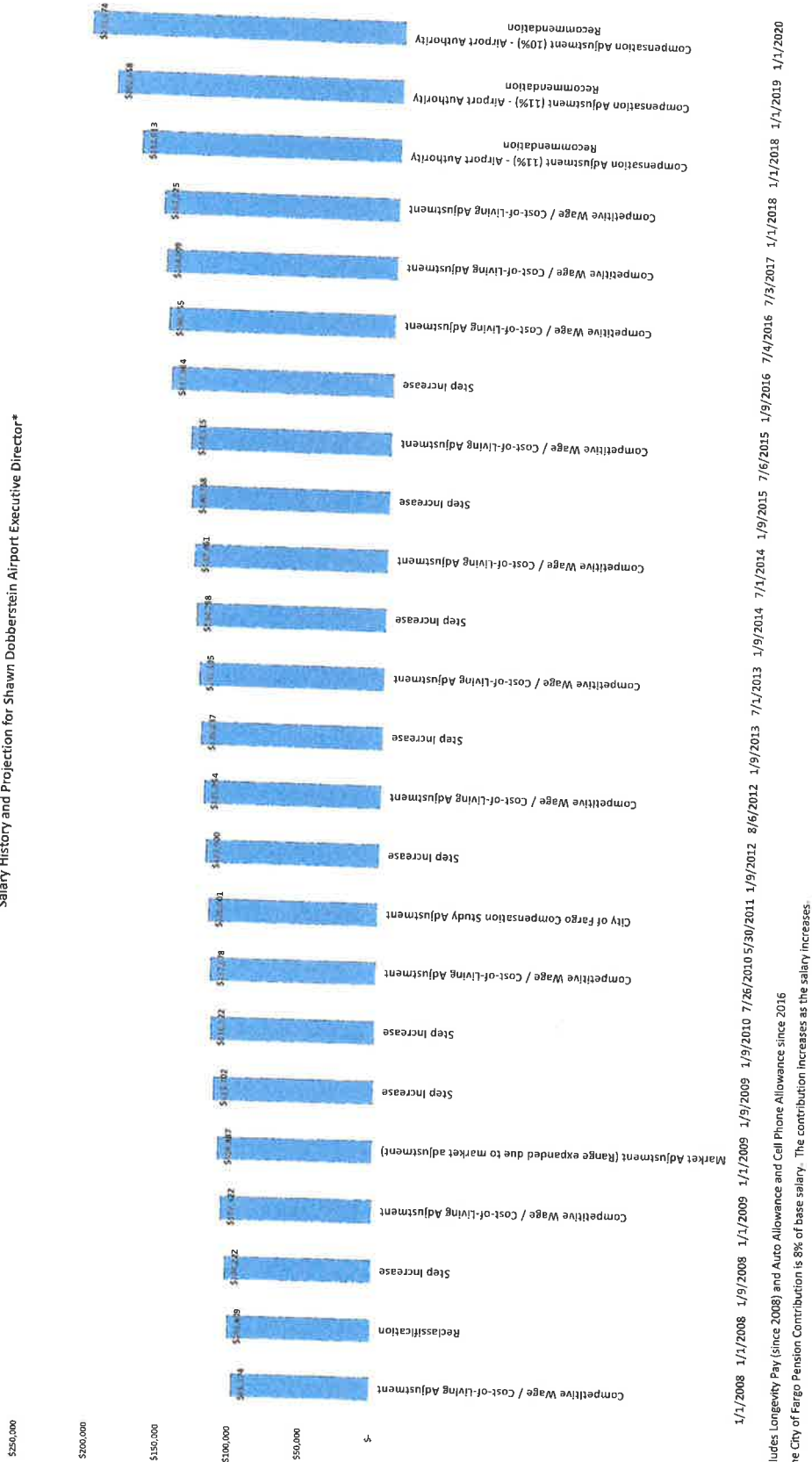
Salary History and Projection for Shawn Dobberstein

Airport Executive Director

Effective Date of Adjustment	Type of Wage Adjustment	New Annual Salary	Longevity Pay	Auto Allowance	Cell Allowance	Annual Salary including Allowances and Longevity	Grade	Step
1/1/2020	Compensation Adjustment (10%) - Airport Authority Recommendation	\$ 208,074	\$ 1,500	\$ 9,600	\$ 2,400	\$ 221,574		
1/1/2019	Compensation Adjustment (11%) - Airport Authority Recommendation	\$ 189,158	\$ 1,500	\$ 9,600	\$ 2,400	\$ 202,658		
1/1/2018	Compensation Adjustment (11%) - Airport Authority Recommendation	\$ 170,413	\$ 1,500	\$ 9,600	\$ 2,400	\$ 183,913		
1/1/2018	Competitive Wage / Cost-of-Living Adjustment	\$ 153,525	\$ 1,500	\$ 9,600	\$ 2,400	\$ 167,025	23	11
7/3/2017	Competitive Wage / Cost-of-Living Adjustment	\$ 150,509	\$ 1,500	\$ 9,600	\$ 2,400	\$ 164,009	23	11
7/4/2016	Competitive Wage / Cost-of-Living Adjustment	\$ 147,555	\$ 1,200	\$ 9,600	\$ 2,400	\$ 160,755	23	11
1/9/2016	Step Increase	\$ 144,664	\$ 1,200	\$ 9,600	\$ 2,400	\$ 157,864	23	11
7/6/2015	Competitive Wage / Cost-of-Living Adjustment	\$ 141,315	\$ 1,200	\$ -	\$ -	\$ 142,515	23	10
1/9/2015	Step Increase	\$ 139,568	\$ 1,200	\$ -	\$ -	\$ 140,768	23	10
7/1/2014	Competitive Wage / Cost-of-Living Adjustment	\$ 136,261	\$ 1,200	\$ -	\$ -	\$ 137,461	23	9
1/9/2014	Step Increase	\$ 133,598	\$ 1,200	\$ -	\$ -	\$ 134,798	23	9
7/1/2013	Competitive Wage / Cost-of-Living Adjustment	\$ 130,395	\$ 1,200	\$ -	\$ -	\$ 131,595	23	8
1/9/2013	Step Increase	\$ 127,837	\$ 1,200	\$ -	\$ -	\$ 129,037	23	8
8/6/2012	Competitive Wage / Cost-of-Living Adjustment	\$ 124,654	\$ 1,200	\$ -	\$ -	\$ 125,854	23	7
1/9/2012	Step Increase	\$ 122,200	\$ 1,200	\$ -	\$ -	\$ 123,400	23	7
5/30/2011	City of Fargo Compensation Study Adjustment	\$ 119,101	\$ 900	\$ -	\$ -	\$ 120,001	23	6
7/26/2010	Competitive Wage / Cost-of-Living Adjustment	\$ 116,778	\$ 900	\$ -	\$ -	\$ 117,678	E82	11
1/9/2010	Step Increase	\$ 115,622	\$ 900	\$ -	\$ -	\$ 116,522	E82	11
1/9/2009	Step Increase	\$ 112,802	\$ 900	\$ -	\$ -	\$ 113,702	E82	10
1/1/2009	Market Adjustment (Range expanded due to market adjustment)	\$ 108,987	\$ 900	\$ -	\$ -	\$ 109,887	E82	9
1/1/2009	Competitive Wage / Cost-of-Living Adjustment	\$ 106,422	\$ 900	\$ -	\$ -	\$ 107,322	E82	11
1/9/2008	Step Increase	\$ 103,322	\$ 900	\$ -	\$ -	\$ 104,222	E82	11
1/1/2008	Reclassification	\$ 100,909	\$ 900	\$ -	\$ -	\$ 101,809	E82	10
1/1/2008	Competitive Wage / Cost-of-Living Adjustment	\$ 97,474	\$ 900	\$ -	\$ -	\$ 98,374	E81	11

*The City of Fargo Pension Contribution is 8% of base salary. The contribution increases as the salary increases.

Salary History and Projection for Shawn Dobberstein Airport Executive Director*



*Includes Longevity Pay (since 2008) and Auto Allowance and Cell Phone Allowance since 2016

**The City of Fargo Pension Contribution is 8% of base salary. The contribution increases as the salary increases.

PROPOSED MOU AGREEMENT

CITY TO AIRPORT (MAA)

(December 2017)

AGREEMENT

City of Fargo – Municipal Airport Authority

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between the CITY OF FARGO, a North Dakota municipal corporation (hereinafter “City”) and the MUNICIPAL AIRPORT AUTHORITY OF THE CITY OF FARGO (hereinafter “MAA”) a municipal airport authority established under the authority of N.D.C.C. Ch. 2-06 and by resolution of the board of city commissioners of the City.

WHEREAS, the MAA was established by resolution of the board of city commissioners (“City Commission”) of the City as authorized by N.D.C.C. Chapter 2-06; and,

WHEREAS, the MAA owns and operates the Hector International Airport of the city of Fargo; and,

WHEREAS, approximately ____ [[insert number]] individuals are employed at Hector International Airport, said employees being actively involved in all manner of operation and maintenance of the airport facility at Hector International Airport and said employees being on the payroll of the City and being paid by City paycheck, being covered by the City workers’ compensation coverage, being enrolled either in the City’s retirement plan with the North Dakota Public Employee Retirement System or in the City employee pension plan as an employee of the City, being enrolled as the City’s employee for state and federal unemployment compensation benefits, having employee and employer contributions for social security (FICA) provided by said City paycheck, being covered as a City employee under the City’s health, dental, vision, life insurance, long-term disability coverages and participating as a City employee in the City’s flex-spending account arrangement; and,

WHEREAS, at the time of establishment of the MAA, an agreement was put into place which, among other things, provided that “...the City will provide the [MAA] with the use of its treasurer, auditing department, and will continue to regard the employees of the [MAA] as City employees for the purpose of the City employees Pension Plan...”, however, that agreement expired after a period of ten years, on September 16, 1979, and there has been no written agreement in place since that time that addressed ; and

WHEREAS, North Dakota state law allows airport authorities to request assistance and cooperation from its City (N.D.C.C. §2-06-19 and, accordingly thereto, the City has provided such assistance and cooperation since the establishment of the MAA; and

WHEREAS, the parties wish to memorialize the terms of their relationship with respect to employees at Hector International Airport and with respect to the cooperation and assistance to be provided by the City; and,

NOW, THEREFORE, based upon these premises and mutual covenants herein stated, it is hereby agreed:

1. Definitions. For purposes of this Agreement, the following definitions shall apply.

- a. Airport Employees – for purposes of this Agreement, the term “Airport Employees” will mean those employees who are in the chain of reporting and accounting to the Executive Director of the MAA.

2. Employees of City. The Airport Employees will continue to be employees of the City. As such, all policies and procedures enacted by authority of, or approved by, the board of city commissioners of the City shall apply to Airport Employees, including without limitation the City procurement policy, Employee Policy Manual, Emergency procedures, Safety Procedures, _____ *[any others?]* except as may be expressly provided by approval of the board of city commissioners. *[[Comment: Currently, Airport Fire Fighters are on City payroll, including City ND PERS retirement, et cetera. Additional detail is likely needed to address incorporation of Airport Fire Fighters into City Fire Department.]]*

3. Pass-through of Employment Costs—City Made Whole. The City will be made whole from MAA-controlled funds as to all costs related to the employment of Airport Employees. The MAA and City will coordinate efforts to identify all such employment-related costs and to make arrangements for payment of such costs.

4. Governance, Command and Reporting Structure.

The Executive Director of the MAA shall be the Airport Manager as set forth in Section 4-1301 of the Fargo Municipal Code. The Executive Director shall answer to both the board of authority of the MAA and to the Fargo City Commission and, in

turn, shall answer to the City Administrator in the same manner as the City Library Director answers to the Fargo Library Board as well as to the Fargo City Commission and in the same manner as the Executive Director of the Fargodome answers to both the Fargodome Authority and the City Commission and, in turn, to the City Administrator. To the extent that the Executive Director and employees who answer to the Executive Director receives direction from either the City Administrator, MAA board of authority or the City Commission that conflicts with direction from another such board or person, the Executive Director will be responsible for apprising the applicable persons or boards of the nature of the conflicting direction so that such conflict may be resolved. *[[Comment: More detail likely needed to explain regarding governance, command and reporting structure.]]*

5. Cooperation and Assistance. In addition to the foregoing, as authorized by N.D.C.C. §2-06-19, MAA hereby requests of the City, and the City hereby agrees to provide, cooperation and assistance as set forth herein:

- a. Administrative and Accounting Services. The cooperation and assistance to be provided by the City Finance Department is described on the attached Exhibit A.
 - i. Adherence to Recordkeeping and Accounting Standards. With respect to recordkeeping and accounting services provided by the City Finance Department, the parties recognize that the MAA will be an active participant in the process of such recordkeeping and accounting of the books, records and finances of the MAA and, in connection therewith, the City and MAA agree to use their respective best efforts to comply with G.A.A.S.B. standards and to comply with obligations of federal and state grants provided to MAA. The MAA will assist and cooperate with the City with respect to the providing of accounting and other finance services. MAA will comply with City requests for assistance with respect to obtaining compliance with the policies, regulations and requirements, as applicable, of the Federal Aviation Administration.
- b. Human Resources Services. The cooperation and assistance to be provided by the City Human Resources Department is described on the attached Exhibit B.

- c. Information Systems Department Services. The cooperation and assistance to be provided by the City Information Systems Department is described on the attached Exhibit C.
 - d. Streets and Mains Department Services. The cooperation and assistance to be provided by the Streets and Mains Department is described on the attached Exhibit D.
 - e. To the extent there are goods, materials and services are provided to MAA by the City that are not addressed in the descriptions provided herein, including the Exhibits, the City and MAA agree to cooperate with each other to identify the cost or other appropriate value for the same, to invoice such cost or value to MAA and for MAA to authorize and make payment to the City for the same.
6. Appointment of MAA board members. The parties recognize and agree that, pursuant to N.D.C.C. §2-06-02, the members of the MAA board are appointed for five-year terms by the board of city commissioners of the City. The parties recognize that said appointments occur by recommendation by the mayor of nominees for such appointment with the board of city commissioners approving such nomination.
7. Approval of budget and establishment of mill levy. Refer to statutory process and the process for submission of budget/mill levy to the City (City Commission).
8. Compensation and reimbursement to City by MAA for above described services.
\$_____ (Comment: More detail likely needed here, including provision for adjustment of such value based upon inflation factors and, perhaps, based upon variation or changes in the tasks being performed by the City.)
9. Resolution of disputes. Should we identify a process, such as:
- a. Non-binding mediation, followed by;
 - b. Binding arbitration.

FURTHER DRAFTING NOTES/QUESTIONS:

- Would City somehow be liable for non-compliance of FAA regulations with respect to finances, operations or other matters. Are there any checks and balances needed in order to assure compliance?
- Presumably MAA will have certain autonomy regarding procurement decisions. There may need to be a separate procurement policy or an amendment to the general city procurement policy that addresses approval by MAA rather than by City Commission.

DRAFT

EXHIBIT "A"

Finance Department Services

The City Finance Department provides the following services and goods for the MAA:

- Accounts Payable Functions:
 - Traditional Check Processing
 - Purchase Card Systems and Transaction Handling
- Payroll Processing:
 - KRONOS (referred to under HR services)
 - Review and Calculate Payroll
 - Direct deposit of Airport Employee Paychecks
 - Submission of Federal tax deposits
 - Submission of Federal tax returns
 - Submission of State tax deposits (ND and Minn??)
 - Submission of State tax returns (ND and Minn??)
 - Federal W-2s online
- Pension System Administration:
 - Defined benefit pension system administration
 - Member benefit statements
 - Disbursement of funds to Airport retirees
 - Reconciliation of pension accounts
 - Preparation of pension financial reports
- Financial Reporting & Independent Auditing:
 - Maintenance of accounting system

- Cash receipts, processing
- Online ERP and budget system
- Distribute monthly expenditure reports
- Distribute monthly revenue reports
- Prepare all annual report account reconciliations
- Prepare required schedule of Federal financial assistance
- Procurement of independent auditors
- Prepare all CAFR work papers for independent audit
- Resolution of audit issues
- Submission of Federal financial audits to clearinghouse
- Fixed Asset Inventory:
 - Maintenance of fixed asset subsidiaries
 - Federal grant compliance for asset recording
 - Updating asset subsidiaries for assets, acquisitions & dispositions
 - Calculation of depreciation on assets
- Grant Administration:
 - Logging Federal grant authorizations
 - Processing of grant funded drawer requests
 - Grant reporting in schedule of Federal financial assistance
 - Required reporting in CAFR of Airport Improvement Grants
- Treasury Management:
 - Daily bank account reconciliation
 - Free ATM services
 - Unclaimed property reporting

- Investment of Cash Reserves:
 - Invest surplus funds
- Bonded Debt Management:
 - Administration of bond covenants
 - Payment of bond debt payments
 - Required financial disclosures
 - EMMA submission of required data
 - Debt defeasance

DRAFT

EXHIBIT “B”

Human Resources Department Services

The City Human Resources Department provides the following services and goods for the MAA:

Employment-related services and costs:

- Workers compensation: premiums paid to North Dakota WSI
- Tax Reporting: all Airport Employees paid by City paycheck, are also reported on City’s Federal and State employment tax reporting forms using the City’s tax identification number. This also includes the submission of payroll withholding and employer matching amounts to the applicable state and federal agencies as part of the payroll services.
- Retirement-City Pension: Airport Employees remaining in the City Employee Pension Fund are supported fully as City Employees in such respect.
- Retirement-ND PERS: Eligible Airport Employees not participating in City Employee Pension Plan, above, are participating in the City’s retirement plan administered through the North Dakota Public Employee Retirement System (ND PERS) program.
- Health Insurance: The city of Fargo maintains a robust health insurance platform, including a comprehensive health insurance plan with dental, vision and long-term disability benefits. There is also life insurance coverage provided for City employees.
- Flex-Spending: The City also administers a flex-spending plan the administration of which is outsourced to Discovery Benefits.
- Employment Compliance-ADA, FMLA: The City HR Department treats Airport Employees as City employees in all respects, including the oversight and compliance requirements for the Americans with Disabilities Act, the Family Medical Leave Act, Workers Compensation Claims Administration and the like.
- Job Posting: The City HR department handles for the MAA the posting of open positions, the acceptance of, screening of, and managing of employment applications and HR provides initial intake processing of applications.
- Pre-placement Screening. City HR supports the MAA in pre-placement screening. (The MAA utilizes the FAA process for pre-placement background checks for those applicable

employees.) The City HR administers and oversees drug screening for prospective Airport Employees. For example, for Airport Employees with Commercial Driver's Licenses the City HR utilize the Essentia Health drug screening services for the MAA. For non-CDL employees, the City HR uses the City "Employee Health" office* as well as the Global Safety Office. With respect to pre-employment medical exams, the City HR makes arrangements of Airport Employees for their pre-employment medical exam.

[* "Employee Health" is an internal organization of the City formed as a collaboration of HR and the Health Department that was created so that the City can undertake pre-employment screening in an efficient manner, without wait-lines before appointments with local medical care providers.]

- Return-to-work and other Post-Accident services: City HR provides oversight and administration with respect to injured or sick employees pertaining to obtaining appropriate medical releases for return-to-work.
- New Employees: For new Airport Employees, City HR provides orientation training regarding enrollment and benefits; provides a City of Fargo badge (photo ID); handles payroll questions; handles all changes of names (i.e. marriage/divorce, etc.), additions and changes to coverages (i.e. birth of child); changes in health and other insurance coverage (including situations where spouse changes jobs, changes health coverage, etc.), handles all matters related to retirement or death of employee, COBRA benefits.
- HR-payroll. City HR administers the City's "KRONOS" time and attendance system and the City's "superior" payroll system. [The MAA is currently using KRONOS except the fire fighter group is not using KRONOS. Their time is being entered directly into payroll by City HR.]
- Record Management-City HR takes responsibility for personnel records storage, medical records storage and immigration (I9) records storage.
- Annual Flu Shots-City Employees, including Airport Employees, are eligible to obtain flu shots under the City's annual flu shot program. Under this program all City Employees can obtain a flu shot at Fargo Cass Public Health. If the employee's health insurance does not provide coverage for said shot, the City fully bears the cost of the flu shot.

- Employee Recognition Program (administered through City Commission Administration).
- Miscellaneous/General Employment and Employee-relations matters/benefits administered by HR:
 - Training Programs. Airport has access to all City training programs (and see Target Training, below)
 - Payroll. HR administers payroll
 - Compensation Adjustments. HR continually updates decision-band compensation matrix.
 - Employee Policy Manual. HR maintains and updates employment policies (employee policy manual).
 - Civil Service. Airport employees are treated as civil servants-rights to appeal to Civil Service Commission.
 - Performance Review Management. City HR oversees and administers the City's performance review process.
 - WSI Safety Manager. City HR handles incident reporting with WSI on workers compensation matters. City HR also manages random drug screening under City policy. Airport drivers (CDL) are subject to random drug testing.
 - Training Target Solutions. This comprehensive training capability includes materials and videos for learning management styles, typical HR issues such as harassment in the workplace and so forth, specialized training for certain occupations (such as water treatment technicians and the like, but to include CPR, safe driving, leadership and management, customer service, how to use Microsoft Office ®, Word® , Excel® spreadsheets and the like.

EXHIBIT "C"

Information Systems Department Services

The Information Services Department provides the following services and goods for the MAA:

- Telephones. Phones for airport administration (including all back room equipment)
- Telephone lines. There are at least two (2) lines out of each building for which the City (I.S.) pays approximately \$40 per month per line. This amounts to at least four lines (2-terminal and 2-airport fire station). [Total of \$160 per month or \$1920 per year.]
- Paging system (this is tied to the phone system)
- Cell Phones. Contracting with cell phone provider (Finance Dept says that cell phone service is paid by the Airport--Airport is on separate contract with provider.)
- Network – the airport terminal bldg. and the maintenance building are tied together-- handled by City I.S. Dept.
 - City Server and City Intra-net system available to Terminal and Maintenance Building.
- Fingerprint desktop. There is hardware/software capability at airport to take fingerprint ID and this is connected to a desktop for such purposes.
- Fiber to airport site – backup wireless. City I.S. made arrangements for "fiber" to be acquired from Consolidated Communications. This cost is currently borne by the city in the approximate amount of \$6000 per year for space on said "fiber".
- Desktops. -- all desktops in Airport Administration, Maintenance Building -- this includes computer CPU, display screens, keyboards, mouses, etc., anti-virus software, operating software such as Windows as well as Microsoft Office and Word, Excel, et cetera.
- Website hosting: The City hosts the MAA website. (The MAA may do their own website design and webpage design (i.e. Darrin).
- AIRPORT FIRE STATION: The "remote" location does not allow connection to same "fiber" that the Airport Terminal and Maintenance Building can use to access City's server. Thus, City I.S. had to set up Airport Fire Station with independent connectivity to City system:
 - Sonic wall with site-to-site VPN back to City Hall (IS Dept.)
 - Phones (see above for explanation)

- Wireless system – for Wi-Fi interconnection within Fire Station
- Desktops (see above for explanation)
- Network --

[[COMMENT: Airport has not been invoiced for any of the above I.S. equipment or services in the past, nor does it appear that the Airport has reimbursed the City for the cost of fiber, telephone lines or the like.]]

DRAFT

EXHIBIT “D”

City Streets and Mains Department

Forestry: The City Forestry Department assists the MAA with its tree health, maintenance and related services, including planning for planting, pruning and tree removals. The current estimate of city staff time before these services is 40 hours per year.

Fleet Management: The City’s Fleet Management Specialist has also assisted with the sale of some MAA assets on auction sites and he works with the MAA to liquidate items at the periodic City auction.

DRAFT

PROPOSED MOU AGREEMENT

AIRPORT (MAA) TO CITY

(February 2018)

AGREEMENT

City of Fargo – Municipal Airport Authority

THIS AGREEMENT is made and entered into this ____ day of _____, 2018 by and between the CITY OF FARGO, a North Dakota municipal corporation (hereinafter “City”) and the MUNICIPAL AIRPORT AUTHORITY OF THE CITY OF FARGO (hereinafter “MAA”) a municipal airport authority established under the authority of N.D.C.C. Chapter, 2-06 and by resolution of the board of city commissioners of the City.

WHEREAS, the MAA was established by resolution of the board of city commissioners (“City Commission”) of the City as authorized by N.D.C.C. Chapter 2-06; and,

WHEREAS, the MAA owns and operates the Hector International Airport of the City of Fargo; and,

WHEREAS, approximately _____ [[insert number]] a number of individuals are employed at Hector International Airport, by the MAA, with said employees being actively involved in all manner of operation and maintenance of the airport facility at Hector International Airport ~~and said employees; and, being on the payroll of the City and being paid by City paycheck, being covered by the City workers’ compensation coverage, being enrolled either in the City’s retirement plan with the North Dakota Public Employee Retirement System or in the City employee pension plan as an employee of the City, being enrolled as the City’s employee for state and federal unemployment compensation benefits, having employee and employer contributions for social security (FICA) provided by said City paycheck, being covered as a City employee under the City’s health, dental, vision, life insurance, long term disability coverages and participating as a City employee in the City’s flex spending account arrangement; and,~~

WHEREAS, North Dakota law allows airport authorities to request assistance and cooperation from its cities pursuant to N.D.C.C. 2-06-19 and accordingly, thereto, the MAA has engaged the City since 1969 to provide certain services in exchange for a monthly payment to the City; however, the MAA may also engage private entities pursuant to this section to contract for assistance to provide these same services; and, at the time of establishment of the MAA, an agreement was put into place which, among other things, provided that “...the City will provide

~~the [MAA] with the use of its treasurer, auditing department, and will continue to regard the employees of the [MAA] as City employees for the purpose of the City employees Pension Plan...”, however, that agreement expired after a period of ten years, on September 16, 1979, and there has been no written agreement in place since that time that addressed ; and~~

WHEREAS, the MAA pays its proportionate share of costs associated with certain services the City procures on behalf of the MAA, and processes payment on behalf of the MAA such as payroll processing, Work Force Safety Insurance, retirement plans, which includes City pension and the North Dakota Public Employee Retirement System, unemployment compensation, social security (FICA), health, dental, vision life insurance, long-term disability coverage and flexible spending accounts, as well as payment to the MAA vendors, all at no cost to the City; and, North Dakota state law allows airport authorities to request assistance and cooperation from its City (N.D.C.C. §2-06-19 and, accordingly thereto, the City has provided such assistance and cooperation since the establishment of the MAA; and

WHEREAS, the MAA pays all costs associated with the operation and maintenance of Hector International Airport, including all capital costs for infrastructure and improvements to the airport facility and airport property, which may or may not be reimbursed by the FAA; and,

WHEREAS, the MAA pays said costs from revenue generated by the MAA which the City separately accounts for through a City accounting system and for which the MAA has access to in exchange for the monthly payment for services; and,

WHEREAS, Airport users sustain the airport and not the City of Fargo taxpayers unless and until there is a mill levy assessment; and,

WHEREAS, the MAA is in compliance with state and federal law, including but not limited to the FAA, DHS, TSA and carries a liability insurance policy to insure the Airport and Airport property.; and,

WHEREAS, N.D.C.C. 2-06-06 states, in part, the commissioners of the MAA shall determine the qualifications, duties and compensation for their employees and the source of compensation to Airport employees which the MAA sets forth in the annual Airport budget; and,

WHEREAS, the MAA has autonomy with regard to procurement decisions related to all aspect of the operations of the Airport; and,

WHEREAS, the parties wish to memorialize the terms of their relationship with respect to employees of the MAA at Hector International Airport and with respect to the cooperation and assistance to be provided by the City; and,

NOW, THEREFORE, based upon these premises and mutual covenants herein stated, the parties hereto agree as follows: it is hereby agreed:

1. Definitions. For purposes of this Agreement, the following definitions shall apply.

- a. Airport Employees – for purposes of this Agreement, the term “Airport Employees” will mean those employees who are in the chain of reporting and accounting to the Executive Director of the MAA.

~~1.b. Employees of City. The Airport Employees will continue to be employees of the MAA City. As such, all policies and procedures of the MAA will be those recognized and utilized by the MAA as required by the FAA, TSA, DHS, and any other applicable agency to the Airport and the MAA. enacted by authority of, or approved by, the board of city commissioners of the City shall apply to Airport Employees, including without limitation the City procurement policy, Employee Policy Manual, Emergency procedures, Safety Procedures, _____ [any others?] except as may be expressly provided by approval of the board of city commissioners. [[Comment: Currently, Airport Fire Fighters are on City payroll, including City ND-PERS retirement, et cetera. Additional detail is likely needed to address incorporation of Airport Fire Fighters into City Fire Department.]]~~

~~1.2~~ Pass-through of Employment Costs—City Made Whole. The City will be made whole from MAA-controlled funds as to all justifiable costs, in accordance with the FAA guidelines, policies and regulations promulgated by the FAA,s-related to the employment of Airport Employees. The MAA and City will coordinate efforts to identify all such employment-related costs and to make arrangements for payment of such costs.

~~1.3~~ Governance, Command and Reporting Structure.

The Executive Director of the MAA shall be the Airport Manager as set forth in Section 4-1301 of the Fargo Municipal Code (“the manager of the airport shall have charge of the maintenance and operation of the municipal airport”). The Executive

Director shall ~~report~~ answer to ~~both the board of authority of the MAA and shall be~~ under the direction and control of the MAA. ~~and to the Fargo City Commission and, in turn, shall answer to the City Administrator in the same manner as the City Library Director answers to the Fargo Library Board as well as to the Fargo City Commission and in the same manner as the Executive Director of the Fargodome answers to both the Fargodome Authority and the City Commission and, in turn, to the City Administrator. To the extent that the Executive Director and employees who answer to the Executive Director receives direction from either the City Administrator, MAA board of authority or the City Commission that conflicts with direction from another such board or person, the Executive Director will be responsible for apprizing the applicable persons or boards of the nature of the conflicting direction so that such conflict may be resolved. *[[Comment: More detail likely needed to explain regarding governance, command and reporting structure.]]*~~

— Cooperation and Assistance. In addition to the foregoing, as authorized by N.D.C.C. §2-06-19, ~~the~~ MAA hereby request~~ss~~ of the City, the following services to be provided to it; however, hereby noting the MAA could request to contract with private entities for any or all of these services; and the City hereby agrees to provide, cooperation and assistance as set forth herein:

- a. Administrative and Accounting Services. The cooperation and assistance to be provided by the City Finance Department ~~has been~~ is described on the attached Exhibit A.
 - i. Adherence to Recordkeeping and Accounting Standards. With respect to recordkeeping and accounting services provided by the City Finance Department, the parties recognize that the MAA will be an active participant in the process of such recordkeeping and accounting of the books, records and finances of the MAA and, in connection therewith, the City and MAA agree to use their respective best efforts to comply with G.A.A.S.B. standards and to comply with obligations of federal and state grants provided to MAA. The MAA will assist and cooperate with the City with respect to the providing of accounting and other finance

services. MAA will comply with City requests for assistance with respect to obtaining compliance with the policies, regulations and requirements, as applicable, of the Federal Aviation Administration.

- b. Human Resources Services. The cooperation and assistance to be provided by the City Human Resources Department ~~asis~~ described on the attached Exhibit B.
- c. Information Systems Department Services. The cooperation and assistance to be provided by the City Information Systems Department is described on the attached Exhibit C.
- d. Streets and Mains Department Services. The cooperation and assistance to be provided by the Streets and Mains Department is described on the attached Exhibit D.
- e. To the extent ~~the City provides there are~~ goods, materials and services ~~are provided~~ to MAA by the City ~~which have not been that are not~~ addressed in the descriptions provided herein, including the Exhibits, the City and MAA agree to cooperate with each other to identify the cost or other appropriate value for the same, to invoice such cost or value to MAA and for MAA to authorize and make payment to the City for the same.

~~2.5~~ Appointment of MAA board members. The parties recognize and agree that, pursuant to N.D.C.C. §2-06-02, the members of the MAA board are appointed for five-year terms by the board of city commissioners of the City. ~~The parties recognize that said appointments occur by recommendation by the mayor of nominees for such appointment with the board of city commissioners approving such nomination.~~

~~2.6~~ Approval of budget and establishment of mill levy. Refer to statutory process and the process for submission of budget/mill levy to the City (City Commission). ~~The MAA will provide an annual budget to the City along with an annual certification of a mill levy in accordance with North Dakota Century Code sections 2-06-14 and 2-06-15. The proceeds of the amount taxed must be deposited in a special account in which the MAA deposits other revenues and may be expended by the MAA as allowed by Chapter 2-06.~~

~~§ 7~~ Compensation and reimbursement to the City by the MAA for above-described services shall be subject to review on an annual basis or as agreed upon by the parties.

~~§ 8~~ § _____ *(Comment: More detail likely needed here, including provision for adjustment of such value based upon inflation factors and, perhaps, based upon variation or changes in the tasks being performed by the City.)*

~~§ 8~~ Resolution of disputes. Should we identify a process, such as:

- a. Non-binding mediation, followed by;
- b. Binding arbitration.

FURTHER DRAFTING NOTES/QUESTIONS:

- Would City somehow be liable for non-compliance of FAA regulations with respect to finances, operations or other matters. Are there any checks and balances needed in order to assure compliance? Answer, if the City became involved in the MAA and/or airport control and/or operations, it would likely be subject to liabilities imposed on the Airport for non-compliance and/or for violations of any applicable federal statute, rule or regulation.
- ~~The Presumably~~ MAA ~~has will have certain~~ autonomy regarding procurement decisions. The MAA has its own sale/purchase/lease policy under Fargo Municipal Code section 3-0105 in that “[s]ales of real or personal property owned or held in the name of the municipal airport authority...shall not be subject to the provisions of said provision. .-There may need to be a separate procurement policy or an amendment to the

general city procurement policy that addresses approval by MAA rather than by City Commission. See above.

DRAFT

EXHIBIT "A"

Finance Department Services

The City Finance Department or an outside entity may provides the following services and goods for the MAA:

- Accounts Payable Functions:
 - Traditional Check Processing
 - Purchase Card Systems and Transaction Handling
- Payroll Processing:
 - KRONOS (referred to under HR services)
 - Review and Calculate Payroll
 - Direct deposit of Airport Employee Paychecks
 - Submission of Federal tax deposits
 - Submission of Federal tax returns
 - Submission of State tax deposits (ND and Minn??)
 - Submission of State tax returns (ND and Minn??)
 - Federal W-2s online
- Pension System Administration:
 - Defined benefit pension system administration
 - Member benefit statements
 - Disbursement of funds to Airport retirees
 - Reconciliation of pension accounts
 - Preparation of pension financial reports
- Financial Reporting & Independent Auditing:
 - Maintenance of accounting system

- Cash receipts, processing
- Online ERP and budget system
- Distribute monthly expenditure reports
- Distribute monthly revenue reports
- Prepare all annual report account reconciliations
- Prepare required schedule of Federal financial assistance
- Procurement of independent auditors
- Prepare all CAFR work papers for independent audit
- Resolution of audit issues
- Submission of Federal financial audits to clearinghouse
- Fixed Asset Inventory:
 - Maintenance of fixed asset subsidiaries
 - Federal grant compliance for asset recording
 - Updating asset subsidiaries for assets, acquisitions & dispositions
 - Calculation of depreciation on assets
- Grant Administration:
 - Logging Federal grant authorizations
 - Processing of grant funded drawer requests
 - Grant reporting in schedule of Federal financial assistance
 - Required reporting in CAFR of Airport Improvement Grants
- Treasury Management:
 - Daily bank account reconciliation
 - Free ATM services
 - Unclaimed property reporting

- Investment of Cash Reserves:
 - Invest surplus funds
- Bonded Debt Management:
 - Administration of bond covenants
 - Payment of bond debt payments
 - Required financial disclosures
 - EMMA submission of required data
 - Debt defeasance

DRAFT

EXHIBIT “B”

Human Resources Department Services

The City Human Resources Department or an outside entity may provides the following services and goods for the MAA:

Employment-related services and costs:

- ~~Workers compensation: premiums paid to North Dakota WSI~~
- Tax Reporting: ~~all Airport Employees paid by City paycheck, are also reported on City's Federal and State employment tax reporting forms using the City's tax identification number. This also includes the submission of payroll withholding and employer matching amounts to the applicable state and federal agencies as part of the payroll services.~~
- Retirement-City Pension: ~~Airport Employees remaining in the City Employee Pension Fund are supported fully as City Employees in such respect.~~
- Retirement-ND PERS: ~~Eligible Airport Employees not participating in City Employee Pension Plan, above, are participating in the City's retirement plan administered through the North Dakota Public Employee Retirement System (ND PERS) program.~~
- Health Insurance: ~~The city of Fargo maintains a robust health insurance platform, including a comprehensive health insurance plan with dental, vision and long-term disability benefits. There is also life insurance coverage provided for City employees.~~
- Flex-Spending: ~~The City also administers a flex spending plan the administration of which is outsourced to Discovery Benefits.~~
- Employment Compliance-ADA, FMLA: ~~The City HR Department treats Airport Employees as City employees in all respects, including the oversight and compliance requirements for the Americans with Disabilities Act, the Family Medical Leave Act, Workers Compensation Claims Administration and the like.~~
- Job Posting: ~~The City HR department handles for the MAA the posting of open positions, the acceptance of, screening of, and managing of employment applications and HR provides initial intake processing of applications.~~

- Pre-placement Screening. ~~City HR supports the MAA in pre-placement screening. (The MAA utilizes the FAA process for pre-placement background checks for those applicable employees.) The City HR administers and oversees drug screening for prospective Airport Employees. For example, for Airport Employees with Commercial Driver's Licenses the City HR utilize the Essentia Health drug screening services for the MAA. For non-CDL employees, the City HR uses the City "Employee Health" office* as well as the Global Safety Office. With respect to pre-employment medical exams, the City HR makes arrangements of Airport Employees for their pre-employment medical exam.~~

~~[* "Employee Health" is an internal organization of the City formed as a collaboration of HR and the Health Department that was created so that the City can undertake pre-employment screening in an efficient manner, without wait lines before appointments with local medical care providers.]~~

- Return-to-work and other Post-Accident services: ~~City HR provides oversight and administration with respect to injured or sick employees pertaining to obtaining appropriate medical releases for return to work.~~
- New Employees: ~~For new Airport Employees, City HR provides orientation training regarding enrollment and benefits; provides a City of Fargo badge (photo ID); handles payroll questions; handles all changes of names (i.e. marriage/divorce, etc.), additions and changes to coverages (i.e. birth of child); changes in health and other insurance coverage (including situations where spouse changes jobs, changes health coverage, etc.), handles all matters related to retirement or death of employee, COBRA benefits.~~
- HR-payroll. ~~City HR administers the City's "KRONOS" time and attendance system and the City's "superior" payroll system. [The MAA is currently using KRONOS except the fire fighter group is not using KRONOS. Their time is being entered directly into payroll by City HR.]~~
- ~~Record Management City HR takes responsibility for personnel records storage, medical records storage and immigration (I9) records storage.~~
- ~~Annual Flu Shots City Employees, including Airport Employees, are eligible to obtain flu shots under the City's annual flu shot program. Under this program all City Employees can obtain a flu shot at Fargo Cass Public Health. If the employee's health~~

insurance does not provide coverage for said shot, the City fully bears the cost of the flu shot.

- ~~Employee Recognition Program (administered through City Commission Administration):~~
- ~~Miscellaneous/General Employment and Employee relations matters/benefits administered by HR:~~
 - ~~Training Programs. Airport has access to all City training programs (and see Target Training, below)~~
 - ~~Payroll. HR administers payroll~~
 - ~~Compensation Adjustments. HR continually updates decision-band compensation matrix:~~
 - ~~Employee Policy Manual. HR maintains and updates employment policies (employee policy manual).~~
 - ~~Civil Service. Airport employees are treated as civil servants rights to appeal to Civil Service Commission.~~
 - ~~Performance Review Management. City HR oversees and administers the City's performance review process.~~
 - ~~WSI Safety Manager. City HR handles incident reporting with WSI on workers compensation matters. City HR also manages random drug screening under City policy. Airport drivers (CDL) are subject to random drug testing.~~
 - ~~Training Target Solutions. This comprehensive training capability includes materials and videos for learning management styles, typical HR issues such as harassment in the workplace and so forth, specialized training for certain occupations (such as water treatment technicians and the like, but to include CPR, safe driving, leadership and management, customer service, how to use Microsoft Office®, Word®, Excel® spreadsheets and the like.~~

DRAFT

EXHIBIT "C"

Information Systems Department Services

The Information Services Department or an outside entity may provides the following services and goods for the MAA:

- Telephones. Phones for airport administration (including all back room equipment)
- Telephone lines. There are at least two (2) lines out of each building for which the City (I.S.) pays approximately \$40 per month per line. This amounts to at least four lines (2-terminal and 2-airport fire station). [Total of \$160 per month or \$1920 per year.]
- ~~Paging system (this is tied to the phone system)~~
- ~~Cell Phones. Contracting with cell phone provider (Finance Dept says that cell phone service is paid by the Airport. Airport is on separate contract with provider.)~~
- Network – the airport terminal bldg. and the maintenance building are tied together-- handled by City I.S. Dept.
 - City Server and City Intra-net system available to Terminal and Maintenance Building.
- ~~Fingerprint desktop. There is hardware/software capability at airport to take fingerprint ID and this is connected to a desktop for such purposes.~~
- Fiber to airport site – backup wireless. City I.S. made arrangements for "fiber" to be acquired from Consolidated Communications. This cost is currently borne by the city in the approximate amount of \$6000 per year for space on said "fiber" and may be reimbursed by the MAA if not included in the current monthly payment to the City.
- Desktops. -- all desktops in Airport Administration, Maintenance Building -- this includes computer CPU, display screens, keyboards, mouses, etc., anti-virus software, operating software such as Windows as well as Microsoft Office and Word, Excel, et cetera which the MAA pays its proportionate share of this cost.
- Website hosting: The City hosts the MAA website. (The MAA may do their own website design and webpage design (i.e. Darrin).
- AIRPORT FIRE STATION: The "remote" location does not allow connection to same "fiber" that the Airport Terminal and Maintenance Building can use to access City's server. Thus, City I.S. had to set up Airport Fire Station with independent connectivity to City system:

- Sonic wall with site-to-site VPN back to City Hall (IS Dept.)
- ~~○ Phones (see above for explanation)~~
- ~~○ Wireless system for Wi-Fi interconnection within Fire Station~~
- Desktops (see above for explanation)
- Network --

~~[[COMMENT: Airport has not been invoiced for any of the above I.S. equipment or services in the past, nor does it appear that the Airport has reimbursed the City for the cost of fiber, telephone lines or the like.]]~~

The MAA will reimburse the City if not already included in the monthly payment by the MAA to the City.

DRAFT

EXHIBIT “D”

City Streets and Mains Department

Forestry: The City Forestry Department assists the MAA with its tree health, maintenance and related services, including planning for planting, pruning and tree removals. The current estimate of city staff time before these services is 40 hours per year.

Fleet Management: The City’s Fleet Management Specialist has also assisted with the sale of some MAA assets on auction sites and he works with the MAA to liquidate items at the periodic City auction.

DRAFT

NOVEMBER 15, 2018 DRAFTS

PROPOSED MOU AGREEMENT

PLAN A

(Airport Employees remain City Employees)

AGREEMENT

City of Fargo – Municipal Airport Authority

THIS AGREEMENT is made and entered into by and between the CITY OF FARGO, a North Dakota municipal corporation (hereinafter “City”) and the MUNICIPAL AIRPORT AUTHORITY OF THE CITY OF FARGO (hereinafter “MAA”) a municipal airport authority established under the authority of N.D.C.C. Ch. 2-06 and by resolution of the board of city commissioners of the City.

WHEREAS, the MAA was established by resolution of the board of city commissioners (“City Commission”) of the City as authorized by N.D.C.C. Chapter 2-06; and,

WHEREAS, the MAA owns and operates the Hector International Airport of the city of Fargo; and,

WHEREAS, approximately _____[[insert number]] individuals are employed at Hector International Airport, said employees being actively involved in all manner of operation and maintenance of the airport facility at Hector International Airport and said employees being on the payroll of the City and being paid by City paycheck, being covered by the City workers’ compensation coverage, being enrolled either in the City’s retirement plan with the North Dakota Public Employee Retirement System or in the City employee pension plan as an employee of the City, being enrolled as the City’s employee for state and federal unemployment compensation benefits, having employee and employer contributions for social security (FICA) provided by said City paycheck, being covered as a City employee under the City’s health, dental, vision, life insurance, long-term disability coverages and participating as a City employee in the City’s flex-spending account arrangement; and,

WHEREAS, at the time of establishment of the MAA, an agreement was put into place which, among other things, provided that “...the City will provide the [MAA] with the use of its treasurer, auditing department, and will continue to regard the employees of the [MAA] as City employees for the purpose of the City employees Pension Plan...”, however, that agreement

expired after a period of ten years, on September 16, 1979, and there has been no written agreement in place since that time that addressed ; and

WHEREAS, North Dakota state law allows airport authorities to request assistance and cooperation from its City (N.D.C.C. §2-06-19 and, accordingly thereto, the City has provided such assistance and cooperation since the establishment of the MAA; and

WHEREAS, the parties wish to memorialize the terms of their relationship with respect to employees at Hector International Airport and with respect to the cooperation and assistance to be provided by the City; and,

NOW, THEREFORE, based upon these premises and mutual covenants herein stated, it is hereby agreed:

1. Definitions. For purposes of this Agreement, the following definitions shall apply.
 - a. Airport Employees – for purposes of this Agreement, the term “Airport Employees” will mean those employees who are in the chain of reporting and accounting to the Executive Director of the MAA.
2. Employees of City. The Airport Employees will continue to be employees of the City. As such, all policies and procedures enacted by authority of, or approved by, the board of city commissioners of the City shall apply to Airport Employees, including without limitation the City procurement policy, Employee Policy Manual, Emergency procedures, Safety Procedures, _____ *[any others?]* except as may be expressly provided by approval of the board of city commissioners. *[[Comment: Currently, Airport Fire Fighters are on City payroll, including City ND PERS retirement, et cetera. Additional detail is likely needed to address incorporation of Airport Fire Fighters into City Fire Department.]]*
3. Pass-through of Employment Costs—City Made Whole. The City will be made whole from MAA-controlled funds as to all costs related to the employment of Airport Employees. The MAA and City will coordinate efforts to identify all such employment-related costs and to make arrangements for payment of such costs.

4. Governance, Command and Reporting Structure. The Executive Director of the MAA shall be the Airport Manager as set forth in Section 4-1301 of the Fargo Municipal Code. The Executive Director shall answer to both the board of authority of the MAA and to the Fargo City Commission and, in turn, shall answer to the City Administrator in the same manner as the City Library Director answers to the Fargo Library Board as well as to the Fargo City Commission and in the same manner as the Executive Director of the Fargodome answers to both the Fargodome Authority and the City Commission and, in turn, to the City Administrator. To the extent that the Executive Director and employees who answer to the Executive Director receives direction from either the City Administrator, MAA board of authority or the City Commission that conflicts with direction from another such board or person, the Executive Director will be responsible for apprising the applicable persons or boards of the nature of the conflicting direction so that such conflict may be resolved.

[[DRAFTING COMMENT: More detail likely needed to explain regarding governance, command and reporting structure.]]

5. Cooperation and Assistance. In addition to the foregoing, as authorized by N.D.C.C. §2-06-19, MAA hereby requests of the City, and the City hereby agrees to provide, cooperation and assistance as set forth herein:

- a. Administrative and Accounting Services. The cooperation and assistance to be provided by the City Finance Department is described on the attached Exhibit A.
 - i. Adherence to Recordkeeping and Accounting Standards. With respect to recordkeeping and accounting services provided by the City Finance Department, the parties recognize that the MAA will be an active participant in the process of such recordkeeping and accounting of the books, records and finances of the MAA and, in connection therewith, the City and MAA agree to use their respective best efforts to comply with G.A.A.S.B. standards and to comply with obligations of federal and state grants provided to MAA. The MAA will assist and cooperate with the City with respect to the providing of accounting and other finance

services. MAA will comply with City requests for assistance with respect to obtaining compliance with the policies, regulations and requirements, as applicable, of the Federal Aviation Administration.

- b. Human Resources Services. The cooperation and assistance to be provided by the City Human Resources Department is described on the attached Exhibit B.
 - c. Information Systems Department Services. The cooperation and assistance to be provided by the City Information Systems Department is described on the attached Exhibit C.
 - d. Streets and Mains Department Services. The cooperation and assistance to be provided by the Streets and Mains Department is described on the attached Exhibit D.
 - e. To the extent there are goods, materials and services are provided to MAA by the City that are not addressed in the descriptions provided herein, including the Exhibits, the City and MAA agree to cooperate with each other to identify the cost or other appropriate value for the same, to invoice such cost or value to MAA and for MAA to authorize and make payment to the City for the same.
6. Appointment of MAA board members. The parties recognize and agree that, pursuant to N.D.C.C. §2-06-02, the members of the MAA board are appointed for five-year terms by the board of city commissioners of the City. The parties recognize that said appointments occur by recommendation by the mayor of nominees for such appointment with the board of city commissioners approving such nomination.
7. Annual Report of Budgeted Revenues and expenses, Approval of budget and Establishment of Mill Levy.
- a. The MAA will provide to the City and annual report of budgeted revenues and expenses of the airport, said report to be in accordance with the established budget development timeline of the City, said report being in the same form as has customarily been provided to the City along with the MAA's request for a

budgeted tax levy, as contemplated by N.D.C.C. §§2-06-14 and -15. Said annual report shall be provided to the City regardless of whether or not the MAA requests a mill levy of the City.

[[[DRAFTING COMMENT—Summary of “tax levy” interplay between Airport Authority and City is this: To the extent the MAA “certifies” that it needs a mill levy to make debt service payments on bonded debt, the MAA is authorized to require the mill levy of the City on the MAA’s behalf (subject to the overall 4-mill maximum that may be levied for airport purposes). OTHER THAN for such purpose, the MAA may request a mill levy and the City may levy the amount requested, but the City is not obligated to do so. The language of the applicable statutes is as follows:

N.D.C.C. §2-06-14. Tax levy may be requested by airport authority or municipality — Financial report. An airport authority may request annually from the governing bodies of the municipalities within the authority, an amount of tax to be levied by each municipality, and the municipalities may levy the amount requested, under the law authorizing cities and other political subdivisions of this state to levy taxes for airport purposes. With its levy request under this section, an airport authority may certify its current and anticipated revenues and resources, any anticipated revenue shortfall for bonded debt payment, and the amount necessary from its property tax levy authority for its annual principal and interest payment for bonded debt incurred under this chapter. If the authority finds the certified amount is necessary for the annual bonded debt payment, the municipality shall levy for the airport authority not less than the certified amount. In the year for which the levy is sought, an airport authority that is not a city or county governing body and which is seeking approval of a property tax levy of a city or county governing body under this chapter shall file with the auditor of each participating city or county, at a time and in a format prescribed by the auditors, a financial report for the preceding calendar year showing the ending balances of each fund held by the airport authority during that year. The levy made may not exceed the maximum levy permitted by the laws of this state for airport purposes. The municipality shall collect the taxes levied for an airport authority in the same manner as other taxes are levied and collected. The proceeds of the taxes must be deposited in a special account in which other revenues of the authority are deposited, and may be expended by the authority as allowed under this chapter. Before the issuance of bonds under section 2-06-10, the airport authority or the municipality may by resolution provide its commitment under section 2-06-10 that the total amount of taxes then authorized by law, or such portion as may be specified by the resolution, will be certified, levied, and deposited annually until the bonds and interest are fully paid. N.D. Cent. Code § 2-06-14 (Lexis Advance through the end of the 2017 Regular Legislative Session)

N.D.C.C. §2-06-15. Tax levy by county, city, or township for airport or airport authority purposes. A county, city, or township supporting an airport or airport authority may levy up to four mills for airport or airport authority purposes. If any city or township within the county is levying a tax for support of an airport or airport authority and the total of the county and city or county and township levies exceeds four mills, the county tax levy within the city or township levying under this section must be reduced so the total levy in the

city or township does not exceed four mills. N.D. Cent. Code § 2-06-15 (Lexis Advance through the end of the 2017 Regular Legislative Session)]]]

8. Compensation and reimbursement to City by MAA for above described services.
\$_____ (Comment: More detail likely needed here, including provision for adjustment of such value based upon inflation factors and, perhaps, based upon variation or changes in the tasks being performed by the City.)
9. Termination. This agreement is terminable by either party at-will upon written notice by the terminating party delivered to the other party not less than one-hundred-eighty (180) days prior to the date of termination. **[[[DRAFTING COMMENT: this provision replaced the prior oblique reference to dispute resolution. Decided to replace dispute resolution with termination.]]]**
10. **Effective Date of Agreement.** This agreement shall be deemed effective upon the date and year last signed below.

[[[INSERT SIGNATURE BLOCKS FOR MAA AND CITY – WITH A LINE FOR THE DATE OF SIGNATURE.]]]

[[[FURTHER DRAFTING NOTES/QUESTIONS:

- Would City somehow be liable for non-compliance of FAA regulations with respect to finances, operations or other matters. Are there any checks and balances needed in order to assure compliance?]]]

EXHIBIT “A”

Finance Department Services

The City Finance Department provides the following services and goods for the MAA:

- Accounts Payable Functions:
 - Traditional Check Processing
 - Purchase Card Systems and Transaction Handling
- Payroll Processing:
 - KRONOS (referred to under HR services)
 - Review and Calculate Payroll
 - Direct deposit of Airport Employee Paychecks
 - Submission of Federal tax deposits
 - Submission of Federal tax returns
 - Submission of State tax deposits (ND and Minn??)
 - Submission of State tax returns (ND and Minn??)
 - Federal W-2s online
- Pension System Administration:
 - Defined benefit pension system administration
 - Member benefit statements
 - Disbursement of funds to Airport retirees
 - Reconciliation of pension accounts
 - Preparation of pension financial reports
- Financial Reporting & Independent Auditing:

- Maintenance of accounting system
- Cash receipts, processing
- Online ERP and budget system
- Distribute monthly expenditure reports
- Distribute monthly revenue reports
- Prepare all annual report account reconciliations
- Prepare required schedule of Federal financial assistance
- Procurement of independent auditors
- Prepare all CAFR work papers for independent audit
- Resolution of audit issues
- Submission of Federal financial audits to clearinghouse
- Fixed Asset Inventory:
 - Maintenance of fixed asset subsidiaries
 - Federal grant compliance for asset recording
 - Updating asset subsidiaries for assets, acquisitions & dispositions
 - Calculation of depreciation on assets
- Grant Administration:
 - Logging Federal grant authorizations
 - Processing of grant funded drawer requests
 - Grant reporting in schedule of Federal financial assistance
 - Required reporting in CAFR of Airport Improvement Grants
- Treasury Management:
 - Daily bank account reconciliation

- Free ATM services
- Unclaimed property reporting
- Investment of Cash Reserves:
 - Invest surplus funds
- Bonded Debt Management:
 - Administration of bond covenants
 - Payment of bond debt payments
 - Required financial disclosures
 - EMMA submission of required data
 - Debt defeasance

EXHIBIT “B”**Human Resources Department Services**

The City Human Resources Department provides the following services and goods for the MAA:

Employment-related services and costs:

- Workers compensation: premiums paid to North Dakota WSI
- Tax Reporting: all Airport Employees paid by City paycheck, are also reported on City's Federal and State employment tax reporting forms using the City's tax identification number. This also includes the submission of payroll withholding and employer matching amounts to the applicable state and federal agencies as part of the payroll services.
- Retirement-City Pension: Airport Employees remaining in the City Employee Pension Fund are supported fully as City Employees in such respect.
- Retirement-ND PERS: Eligible Airport Employees not participating in City Employee Pension Plan, above, are participating in the City's retirement plan administered through the North Dakota Public Employee Retirement System (ND PERS) program.
- Health Insurance: The city of Fargo maintains a robust health insurance platform, including a comprehensive health insurance plan with dental, vision and long-term disability benefits. There is also life insurance coverage provided for City employees.
- Flex-Spending: The City also administers a flex-spending plan the administration of which is outsourced to Discovery Benefits.
- Employment Compliance-ADA, FMLA: The City HR Department treats Airport Employees as City employees in all respects, including the oversight and compliance requirements for the Americans with Disabilities Act, the Family Medical Leave Act, Workers Compensation Claims Administration and the like.
- Job Posting: The City HR department handles for the MAA the posting of open positions, the acceptance of, screening of, and managing of employment applications and HR provides initial intake processing of applications.

- Pre-placement Screening. City HR supports the MAA in pre-placement screening. (The MAA utilizes the FAA process for pre-placement background checks for those applicable employees.) The City HR administers and oversees drug screening for prospective Airport Employees. For example, for Airport Employees with Commercial Driver's Licenses the City HR utilize the Essentia Health drug screening services for the MAA. For non-CDL employees, the City HR uses the City "Employee Health" office* as well as the Global Safety Office. With respect to pre-employment medical exams, the City HR makes arrangements of Airport Employees for their pre-employment medical exam.

[* "Employee Health" is an internal organization of the City formed as a collaboration of HR and the Health Department that was created so that the City can undertake pre-employment screening in an efficient manner, without wait-lines before appointments with local medical care providers.]

- Return-to-work and other Post-Accident services: City HR provides oversight and administration with respect to injured or sick employees pertaining to obtaining appropriate medical releases for return-to-work.
- New Employees: For new Airport Employees, City HR provides orientation training regarding enrollment and benefits; provides a City of Fargo badge (photo ID); handles payroll questions; handles all changes of names (i.e. marriage/divorce, etc.), additions and changes to coverages (i.e. birth of child); changes in health and other insurance coverage (including situations where spouse changes jobs, changes health coverage, etc.), handles all matters related to retirement or death of employee, COBRA benefits.
- HR-payroll. City HR administers the City's "KRONOS" time and attendance system and the City's "superior" payroll system. [The MAA is currently using KRONOS except the fire fighter group is not using KRONOS. Their time is being entered directly into payroll by City HR.]
- Record Management-City HR takes responsibility for personnel records storage, medical records storage and immigration (I9) records storage.

- Annual Flu Shots-City Employees, including Airport Employees, are eligible to obtain flu shots under the City's annual flu shot program. Under this program all City Employees can obtain a flu shot at Fargo Cass Public Health. If the employee's health insurance does not provide coverage for said shot, the City fully bears the cost of the flu shot.
- Employee Recognition Program (administered through City Commission Administration).
- Miscellaneous/General Employment and Employee-relations matters/benefits administered by HR:
 - Training Programs. Airport has access to all City training programs (and see Target Training, below)
 - Payroll. HR administers payroll
 - Compensation Adjustments. HR continually updates decision-band compensation matrix.
 - Employee Policy Manual. HR maintains and updates employment policies (employee policy manual).
 - Civil Service. Airport employees are treated as civil servants-rights to appeal to Civil Service Commission.
 - Performance Review Management. City HR oversees and administers the City's performance review process.
 - WSI Safety Manager. City HR handles incident reporting with WSI on workers compensation matters. City HR also manages random drug screening under City policy. Airport drivers (CDL) are subject to random drug testing.
 - Training Target Solutions. This comprehensive training capability includes materials and videos for learning management styles, typical HR issues such as harassment in the workplace and so forth, specialized training for certain occupations (such as water treatment technicians and the like, but to include CPR, safe driving, leadership and management, customer service, how to use Microsoft Office®, Word®, Excel® spreadsheets and the like.

EXHIBIT “C”

Information Systems Department Services

The Information Services Department provides the following services and goods for the MAA:

- Telephones. Phones for airport administration (including all back room equipment)
- Telephone lines. There are at least two (2) lines out of each building for which the City (I.S.) pays approximately \$40 per month per line. This amounts to at least four lines (2-terminal and 2-airport fire station). [Total of \$160 per month or \$1920 per year.]
- Paging system (this is tied to the phone system)
- Cell Phones. Contracting with cell phone provider (Finance Dept says that cell phone service is paid by the Airport--Airport is on separate contract with provider.)
- Network – the airport terminal bldg. and the maintenance building are tied together-- handled by City I.S. Dept.
 - City Server and City Intra-net system available to Terminal and Maintenance Building.
- Fingerprint desktop. There is hardware/software capability at airport to take fingerprint ID and this is connected to a desktop for such purposes.
- Fiber to airport site – backup wireless. City I.S. made arrangements for "fiber" to be acquired from Consolidated Communications. This cost is currently borne by the city in the approximate amount of \$6000 per year for space on said "fiber".
- Desktops. -- all desktops in Airport Administration, Maintenance Building -- this includes computer CPU, display screens, keyboards, mouses, etc., anti-virus software, operating software such as Windows as well as Microsoft Office and Word, Excel, et cetera.
- Website hosting: The City hosts the MAA website. (The MAA may do their own website design and webpage design (i.e. Darrin).
- AIRPORT FIRE STATION: The “remote” location does not allow connection to same “fiber” that the Airport Terminal and Maintenance Building can use to access City’s server. Thus, City I.S. had to set up Airport Fire Station with independent connectivity to City system:
 - Sonic wall with site-to-site VPN back to City Hall (IS Dept.)

- Phones (see above for explanation)
- Wireless system – for Wi-Fi interconnection within Fire Station
- Desktops (see above for explanation)
- Network --

[[DRAFTING COMMENT: Airport MAY NOT HAVE BEEN invoiced for any of the above I.S. equipment or services in the past, nor does it appear that the Airport has reimbursed the City for the cost of fiber, telephone lines or the like.]]

EXHIBIT “D”

City Streets and Mains Department

Forestry: The City Forestry Department assists the MAA with its tree health, maintenance and related services, including planning for planting, pruning and tree removals. The current estimate of city staff time before these services is 40 hours per year.

Fleet Management: The City’s Fleet Management Specialist has also assisted with the sale of some MAA assets on auction sites and he works with the MAA to liquidate items at the periodic City auction.

NOVEMBER 15, 2018 DRAFTS

PROPOSED MOU AGREEMENT

PLAN B

(Airport Employees become MAA Employees)

AGREEMENT**City of Fargo – Municipal Airport Authority**

THIS AGREEMENT is made and entered into by and between the CITY OF FARGO, a North Dakota municipal corporation (hereinafter "City") and the MUNICIPAL AIRPORT AUTHORITY OF THE CITY OF FARGO (hereinafter "MAA") a municipal airport authority established under the authority of N.D.C.C. Ch. 2-06 and by resolution of the board of city commissioners of the City.

WHEREAS, the MAA was established by resolution of the board of city commissioners ("City Commission") of the City as authorized by N.D.C.C. Chapter 2-06; and,

WHEREAS, the MAA owns and operates the Hector International Airport of the city of Fargo; and,

WHEREAS, approximately _____[[insert number]] individuals are employed at Hector International Airport, said employees being actively involved in all manner of operation and maintenance of the airport facility at Hector International Airport and said employees being on the payroll of the City and being paid by City paycheck, being covered by the City workers' compensation coverage, being enrolled either in the City's retirement plan with the North Dakota Public Employee Retirement System or in the City employee pension plan as an employee of the City, being enrolled as the City's employee for state and federal unemployment compensation benefits, having employee and employer contributions for social security (FICA) provided by said City paycheck, being covered as a City employee under the City's health, dental, vision, life insurance, long-term disability coverages and participating as a City employee in the City's flex-spending account arrangement; and,

WHEREAS, at the time of establishment of the MAA, an agreement was put into place which, among other things, provided that "...the City will provide the [MAA] with the use of its treasurer, auditing department, and will continue to regard the employees of the [MAA] as City employees for the purpose of the City employee Pension Plan...", however, that agreement

expired after a period of ten years, on September 16, 1979, and there has been no written agreement in place since that time that addressed ; and

WHEREAS, North Dakota state law allows airport authorities to request assistance and cooperation from its City (N.D.C.C. §2-06-19 and, accordingly thereto, the City has provided such assistance and cooperation since the establishment of the MAA; and

WHEREAS, the parties wish to memorialize the terms of their relationship with respect to employees at Hector International Airport and with respect to the cooperation and assistance to be provided by the City; and,

NOW, THEREFORE, based upon these premises and mutual covenants herein stated, it is hereby agreed:

1. Definitions. For purposes of this Agreement, the following definitions shall apply.

- a. Airport Employees – for purposes of this Agreement, the term “Airport Employees” will mean those employees who are in the chain of reporting and accounting to the Executive Director of the MAA and, in addition, shall include the said Executive Director of the MAA.

2. Transfer of Employment—City to MAA. Beginning as of the Employment Transfer Date, all Airport Employees will be considered to be employees of the MAA and to the extent that said Airport Employees have been considered as, or treated as, employees of the City prior to the Employment Transfer Date, said employment with the City shall be deemed to be terminated and said Airport Employees shall immediately and simultaneously become employed by the MAA.

[[DRAFTING COMMENT: Prior to the Employment Transfer Date, City may wish to consider repealing Section 4-1301 of the Fargo Municipal Code, recognizing the Airport Manager as an officer of the City.]]

3. City Support and Assistance. To the extent that the City has provided cooperation and assistance to the MAA in the past, as authorized by N.D.C.C. §2-06-19, such support and cooperation will be terminated as of the Employment Transfer Date, unless

arrangements are agreed between the parties for a different termination date. From and after such termination, the MAA will be responsible for such goods, materials and services. The parties will coordinate the transition in an orderly manner from City-provided goods, materials and services that have, in the past, been provided by City for the benefit of MAA, which assistance has included the following:

- a. Administrative and Accounting Services. The cooperation and assistance to be provided by the City Finance Department is described on the attached Exhibit A.
 - i. Adherence to Recordkeeping and Accounting Standards. With respect to recordkeeping and accounting services provided by the City Finance Department, the parties recognize that the MAA will be an active participant in the process of such recordkeeping and accounting of the books, records and finances of the MAA and, in connection therewith, the City and MAA agree to use their respective best efforts to comply with G.A.A.S.B. standards and to comply with obligations of federal and state grants provided to MAA. The MAA will assist and cooperate with the City with respect to the providing of accounting and other finance services. MAA will comply with City requests for assistance with respect to obtaining compliance with the policies, regulations and requirements, as applicable, of the Federal Aviation Administration.
- b. Human Resources Services. The cooperation and assistance that has been provided by the City Human Resources Department is described on the attached Exhibit B.
- c. Information Systems Department Services. The cooperation and assistance that has been provided by the City Information Systems Department is described on the attached Exhibit C.
- d. Streets and Mains Department Services. The cooperation and assistance that has been provided by the Streets and Mains Department is described on the attached Exhibit D.

4. Appointment of MAA board members. The parties recognize and agree that, pursuant to N.D.C.C. §2-06-02, the members of the MAA board are appointed for five-year terms by the board of city commissioners of the City. The parties recognize that said appointments occur by recommendation by the mayor of nominees for such appointment with the board of city commissioners approving such nomination.
5. Annual Report of Budgeted Revenues and expenses, Approval of budget and Establishment of Mill Levy. The MAA will provide to the City and annual report of budgeted revenues and expenses of the airport, said report to be in accordance with the established budget development timeline of the City, said report being in the same form as has customarily been provided to the City along with the MAA's request for a budgeted tax levy, as contemplated by N.D.C.C. §§2-06-14 and -15. Said annual report shall be provided to the City regardless of whether or not the MAA requests a mill levy of the City.

[[[DRAFTING COMMENT—Summary of “tax levy” interplay between Airport Authority and City is this: To the extent the MAA “certifies” that it needs a mill levy to make debt service payments on bonded debt, the MAA is authorized to require the mill levy of the City on the MAA’s behalf (subject to the overall 4-mill maximum that may be levied for airport purposes). OTHER THAN for such purpose, the MAA may request a mill levy and the City may levy the amount requested, but the City is not obligated to do so. The language of the applicable statutes is as follows:

N.D.C.C. §2-06-14. Tax levy may be requested by airport authority or municipality — Financial report. An airport authority may request annually from the governing bodies of the municipalities within the authority, an amount of tax to be levied by each municipality, and the municipalities may levy the amount requested, under the law authorizing cities and other political subdivisions of this state to levy taxes for airport purposes. With its levy request under this section, an airport authority may certify its current and anticipated revenues and resources, any anticipated revenue shortfall for bonded debt payment, and the amount necessary from its property tax levy authority for its annual principal and interest payment for bonded debt incurred under this chapter. If the authority finds the certified amount is necessary for the annual bonded debt payment, the municipality shall levy for the airport authority not less than the certified amount. In the year for which the levy is sought, an airport authority that is not a city or county governing body and which is seeking approval of a property tax levy of a city or county governing body under this chapter shall file with the auditor of each participating city or county, at a time and in a format prescribed by the auditors, a financial report for the preceding calendar year showing the ending balances of each fund held by the airport authority during that year. The levy made may not exceed the maximum levy permitted

by the laws of this state for airport purposes. The municipality shall collect the taxes levied for an airport authority in the same manner as other taxes are levied and collected. The proceeds of the taxes must be deposited in a special account in which other revenues of the authority are deposited, and may be expended by the authority as allowed under this chapter. Before the issuance of bonds under section 2-06-10, the airport authority or the municipality may by resolution provide its commitment under section 2-06-10 that the total amount of taxes then authorized by law, or such portion as may be specified by the resolution, will be certified, levied, and deposited annually until the bonds and interest are fully paid. N.D. Cent. Code § 2-06-14 (Lexis Advance through the end of the 2017 Regular Legislative Session)

N.D.C.C. §2-06-15. Tax levy by county, city, or township for airport or airport authority purposes. A county, city, or township supporting an airport or airport authority may levy up to four mills for airport or airport authority purposes. If any city or township within the county is levying a tax for support of an airport or airport authority and the total of the county and city or county and township levies exceeds four mills, the county tax levy within the city or township levying under this section must be reduced so the total levy in the city or township does not exceed four mills. N.D. Cent. Code § 2-06-15 (Lexis Advance through the end of the 2017 Regular Legislative Session)]]]

6. Compensation and reimbursement to City by MAA for above described services.
\$_____ (Comment: More detail likely needed here, including provision for adjustment of such value based upon inflation factors and, perhaps, based upon variation or changes in the tasks being performed by the City.)
7. **Employment Transfer Date.** To the extent the Airport Employees have been treated, or have been considered to be, employees of the City of Fargo prior thereto, said Airport Employees' employment shall transfer from the City to the MAA effective at 12:00:01 p.m., midnight, on the _____ day of _____, 201____.
8. **Termination.** This agreement is terminable by either party at-will upon written notice by the terminating party delivered to the other party not less than one-hundred-eighty (180) days prior to the date of termination. **[[[DRAFTING COMMENT: this provision replaced the prior oblique reference to dispute resolution. Decided to replace dispute resolution with termination.]]]**
9. **Effective Date of Agreement.** This agreement shall be deemed effective upon the date and year last signed below.

[[[INSERT SIGNATURE BLOCKS FOR MAA AND CITY – WITH A LINE FOR THE DATE OF SIGNATURE.]]]

[[[FURTHER DRAFTING NOTES/QUESTIONS:

- Would City somehow be liable for non-compliance of FAA regulations with respect to finances, operations or other matters. Are there any checks and balances needed in order to assure compliance?]]]