



Horace City Council Meeting Minutes

The Horace City Council met on August 1, 2022, at 6:00 p.m. at the Horace Fire Hall Event Center.

Those present were Councilmember Stephanie Landstrom, Councilmember Naomi Burkland, and Councilmember Jeffrey Trudeau. Others present included: Brenton Holper, Jace Hellman, Jim Dahlman, and Lukas Croaker. Mayor Kory Peterson and Councilmember Sarah Veit joined the meeting via Teams.

Councilmember Trudeau called the meeting to order at 6:04 p.m.

The Pledge of Allegiance was recited.

Agenda Item #3: Approve Regular Agenda

Motion: Approve the Regular Agenda with addition of Agenda Item #22b: Septic Installation for Single Family Dwelling at 7224 64th Avenue South

1st Motion: Councilmember Burkland

2nd Motion: Councilmember Landstrom

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #4: Approve Consent Agenda

- a. Vendor Invoices
- b. Pledge Reports
- c. Water, Sewer, Storm, and Street Improvement District No. 2021-3 (Lakeview Addition)
 - i. Progressive Estimate No. 6 to Dakota Underground Co.
- d. Water, Sewer, Storm, and Street Improvement District No. 2022-2 (Lost River Seventh Addition)
 - i. Progressive Estimate No. 2 to Dakota Underground Co.
- e. Water Improvement District No. 2020-6 (Horace Proper Water Replacement):
 - i. Progressive Estimate No. 6 to KPH Inc.
- f. Water, Sewer, Storm, and Street Improvement District No. 2020-2 (81st Avenue)
 - i. Semi-final Progressive Estimate No. 10 to Dakota Underground Co.
- g. Water, Sewer, Storm, and Street Improvement District No. 2021-1 (Southdale Farms Third Addition)
 - i. Final Progressive Estimate No. 10 to Dakota Underground Co.
- h. Water, Sewer, Storm, and Street Improvement District No. 2022-6 (Southdale Farms Fourth) and Water, Sewer, Storm and Street Improvement District No. 2022-7 (Southdale Farms Fifth)
 - i. Progressive Estimate No. 1 to Dakota Underground Co.
 - i. Water, Sewer, Storm, and Street Improvement District No. 2022-5 (Maple Lake Estates Phase II)
 - i. Progressive Estimate No. 1 to KPH Inc.

Motion: Approve the Consent Agenda

1st Motion: Councilmember Landstrom

2nd Motion: Councilmember Burkland

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #5: Approval of the City Council Meeting Minutes from August 1, 2022

Motion: Approve the City Council Meeting Minutes from August 1, 2022

1st Motion: Councilmember Landstrom

2nd Motion: Councilmember Veit

Action taken: All in favor, none opposed. Motion carried.



Agenda Item #6: Public Comment

A resident asked when the streets were going to be completed due to the water line replacement project, and Mr. Dahlman stated that they would be worked on this week and next week.

Agenda Item #7: Sheriff's Update | Craig Keller & Jake Murray, Cass County Sheriff's Department

No update.

Agenda Item #8: Wall Avenue Dust Control | Brenton Holper, City Administrator

Mr. Holper presented for Council's consideration dust control to be applied to Wall Avenue from the bridge over the Sheyenne River to the Sheyenne Diversion. Without dust control, the road develops washboarding and pits more slowly but can be maintained. With dust control, the dust is not a problem; however, it creates a sloppy road, washboarding, and pits more quickly due to rain and traffic.

Mayor Peterson recommended the City move forward with controlling the dust. Mr. Dahlman explained that depending on what is available, either chloride or soybean oil would be applied.

Motion: Approve Dust Control to be Applied to Wall Avenue West of the Bridge over the Sheyenne River to the Sheyenne Diversion

1st Motion: Councilmember Veit

2nd Motion: Councilmember Landstrom

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #9: Resolution Directing Assessments to be Levied | Lukas Croaker, City Attorney

a. SS ID No. 2018-1 (Phase II of the SSL)

Mr. Croaker provided an update regarding SS ID No. 2018-1 (Phase II of the SSL) for the Resolution Directing Assessments to be Levied, stating that the Special Assessment Commission will be meeting. No action was needed.

Agenda Item #10: ISR Homes Extension Request No. 2 (7880 Cottonwood Boulevard) | Lukas Croaker, City Attorney a. Discussion & Action

a. Plat

Mr. Croaker presented the ISR Homes Extension Request No. 2 (7880 Cottonwood Boulevard). Schmidt and Sons has been contracted by ISR Homes to move the home and has obtained a permit but needs time to remove the old foundation and allow the new foundation to dry. Katrina Lang, attorney for ISR Homes, was present and stated that beams are in place. She stated that the old foundation should take about 10 days to remove, but in the case of rain, it could be 15 days. Mayor Peterson stated that although he is not happy with the request, he will support the extension, and if the project is not completed by the end of the month, other means will be pursued.

Motion: Approve the ISR Homes Extension Request No. 2 (7880 Cottonwood Boulevard) for 30 Days

1st Motion: Councilmember Veit

2nd Motion: Councilmember Trudeau

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #11: Water, Sewer, Storm, and Street Improvement District No. 2018-3 (Terra Gardens Addition Final Pavement Lift and Miscellaneous Street Patching) | Jim Dahlman, City Engineer



a. Bid Review and Award

Mr. Dahlman presented the Bid Review for the Water, Sewer, Storm, and Street Improvement District No. 2018-3 (Terra Gardens Addition Final Pavement Lift and Miscellaneous Street Patching) project. Bids from Border States Paving, Inc., FM Asphalt, LLC, and Northern Improvement Co. were received on July 28. FM Asphalt, LLC provided the lowest bids with \$228,284.40 for section 1 and \$51,319.50 for section 2. Mr. Dahlman recommended awarding both sections 1 and 2 to FM Asphalt, LLC.

Motion: Award the Bid for Sections 1 and 2 for the Water, Sewer, Storm and Street Improvement District No. 2018-3 (Terra Gardens Addition Final Pavement Lift and Miscellaneous Street Patching) Project to FM Asphalt, LLC

1st Motion: Councilmember Burkland

2nd Motion: Councilmember Landstrom

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #12: Water, Sewer, Storm, and Street Improvement District No. 2021-5 (Arrowwood Third Addition)

| Jim Dahlman, City Engineer

a. Bid Review and Award

Mr. Dahlman presented the Bid Review for the Water, Sewer, Storm, and Street Improvement District No. 2021-5 (Arrowwood Third Addition) project. Bids from KPH, Inc., Master Construction, Dakota Underground Co., and Northern Improvement Co. were received on July 28. KPH, Inc. provided the lowest base bid with \$1,728,719.55. Master Construction provided the lowest base bid plus alternate at \$1,880,906.50.

Mr. Dahlman recommended awarding the base bid plus alternate for concrete streets to Master Construction of Fargo, ND.

Motion: Award the Base Bid and Alternate for the Water, Sewer, Storm and Street Improvement District No. 2021-5 (Arrowwood Third Addition) Project to Master Construction

1st Motion: Councilmember Landstrom

2nd Motion: Councilmember Veit

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #13: 2022 Sanitary Sewer Manhole Lining Proposals | Jim Dahlman, City Engineer

a. Review Proposals Received and Accept Proposal of Innovative High-Performance Coating

Mr. Dahlman presented the 2022 Sanitary Sewer Manhole Lining Proposals, stating that the City received a quote from one contractor, Innovative High-Performance Coatings, with a bid of \$29,549.40.

Mr. Dahlman recommended awarding the construction contract to Innovative High-Performance Coatings.

Motion: Approve the Quote for \$29,549.40 to Innovative High-Performance Coatings

1st Motion: Councilmember Burkland

2nd Motion: Councilmember Trudeau

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #14: Water, Sewer, Storm, and Street Improvement District No. 2022-11 (Cub Creek Second Addition) | Jim Dahlman, City Engineer

a. Review Engineering Report



- b. Resolution Approving the Engineer's Report
- c. Resolution Directing the Engineer to prepare Plans and Specifications

Mr. Dahlman presented the Engineering Report for the Water, Sewer, Storm, and Street Improvement District No. 2022-11 (Cub Creek Second Addition) project, which is estimated at \$20 million and would be the biggest project in Horace to date. He stated that the project has not been run through the policy yet, but once the design is complete, the estimate can be narrowed down. Discussion was had regarding pond safety; attention to wildlife with a preference for non-natural grasses; payment for the asphalt road into Terra Gardens to be paid by the developer; overall project cost; preferred diagonal parking; and a traffic study.

Councilmember Landstrom expressed concern regarding increased traffic that could result on Wall Avenue and County Road 17 from such a heavily populated area. Mr. Holper explained that County Road 17 can handle much more traffic than it sees now, and Mr. Dahlman explained that people would not live in the area until late 2023 or early 2024.

Councilmember Burkland expressed concern regarding the cost. Councilmember Trudeau pointed out that the cost of the project is a fifth of our current debt of \$100-110 million, while Mr. Holper explained that the houses are being purchased immediately from the developers and that if we don't have the supply for the demand, cost of the existing homes will rise. Councilmember Veit and Mayor Peterson stated they were not concerned and felt this project was good for Horace and would bring more business.

Councilmember Trudeau requested a traffic study and Mr. Dahlman recommended approving the engineer's report with the addition of an impact traffic study of the entire area, independent of the developer.

Items b and c were tabled until the next meeting.

Motion: Direct the Engineer to include a Traffic Study in the Engineer's Report

1st Motion: Councilmember Landstrom

2nd Motion: Councilmember Burkland

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #15: Lakeview Heights 5th Addition – PUD | Lukas Croaker, City Attorney

- a. Rezone – 2nd Reading

Mr. Croaker presented the 2nd Reading for the Lakeview Heights 5th Addition – PUD Rezone.

Motion: Approve the 2nd Reading of the Lakeview Heights 5th Addition – PUD

1st Motion: Councilmember Trudeau

2nd Motion: Councilmember Burkland

Action taken: Councilmembers Trudeau, Veit, and Burkland in favor. Councilmember Landstrom opposed. Motion carried.

Agenda Item #16: Water, Sewer, Storm, and Street Improvement District No. 2021-1 (Southdale Farms Third Addition) | Jim Dahlman, City Engineer

- a. Balancing Change Order No. 3 in the Amount of –\$49,025.40

Mr. Dahlman presented the Balancing Change Order No. 3 in the Amount of –\$49,025.40 for the Water, Sewer, Storm, and Street Improvement District No. 2021-1 (Southdale Farms Third Addition) project.



Motion: Approve the Balancing Change Order No. 3 in the Amount of –\$49,025.40 for the Water, Sewer, Storm, and Street Improvement District No. 2021-1 (Southdale Farms Third Addition) Project

1st Motion: Councilmember Veit

2nd Motion: Councilmember Burkland

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #17: Water, Sewer, Storm, and Street Improvement District No. 2021-3 (Lakeview Addition) | Jim Dahlman, City Engineer

- a. Change Order No. 3 Increasing the Contract Amount by \$587,761.18 and Extending the Contract Time to October 15, 2022

Mr. Dahlman presented the Change Order No. 3 Increasing the Contract Amount by \$587,761.18 and Extending the Contract Time to October 15, 2022 for the Water, Sewer, Storm, and Street Improvement District No. 2021-3 (Lakeview Addition) project, which adds St. Benedict Avenue.

Motion: Approve the Change Order No. 3 Increasing the Contract Amount by \$587,761.18 and Extending the Contract Time to October 15, 2022 for the Water, Sewer, Storm, and Street Improvement District No. 2021-3 (Lakeview Addition) Project

1st Motion: Councilmember Burkland

2nd Motion: Councilmember Trudeau

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #18: Water Improvement District No. 2020-6 (Horace Proper Water Replacement) | Jim Dahlman, City Engineer

- a. Change Order No. 3 – Increasing the Contract Amount by \$80,374.62 and Extending the Contract Time to October 17, 2022

Mr. Dahlman presented the Change Order No. 3 – Increasing the Contract Amount by \$80,374.62 and Extending the Contract Time to October 17, 2022 for the Water Improvement District No. 2020-6 (Horace Proper Water Replacement) project. Mr. Dahlman explained that the project was delayed due to hitting a watermain and searching for old waterlines that weren't properly recorded and that the costs of hauling, oil, and pipe have increased. He stated that he met with the contractor and Councilmember Veit, who agreed that the requests are warranted.

Motion: Approve the Change Order No. 3 – Increasing the Contract Amount by \$80,374.62 and Extending the Contract Time to October 17, 2022 for the Water Improvement District No. 2020-6 (Horace Proper Water Replacement) Project

1st Motion: Councilmember Veit

2nd Motion: Councilmember Trudeau

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #19: 2020 Penalty & Interest Waiver Request | Brenton Holper, City Administrator

- a. 774 Prairie Ave.

Mr. Holper presented the 2020 Penalty & Interest Waiver Request for 774 Prairie Avenue. He stated that the homeowners had accrued \$372.33 interest while they were not living in the home and while the builder and developer still owned it. The property developers have agreed to pay off the specials.



Councilmembers Burkland and Veit felt the builder and developer should pay the penalty and interest.

Motion: Deny the 2020 Penalty & Interest Waiver Request for 774 Prairie Avenue

1st Motion: Councilmember Burkland

2nd Motion: Councilmember Landstrom

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #20: Vac Trailer Purchase | Brenton Holper, City Administrator

Mr. Holper presented a request for a Vac Trailer Purchase that was in the budget for last year and this year through the equipment reserve fund. The used 500-gallon vac trailer is helpful to do locates or work around fiber lines. Councilmember Veit asked if the dealer would extend the warranty to one year from the purchase date rather than the listed date of June 6.

Motion: Approve the Vac Trailer Purchase Contingent Upon the Dealer Extending the Warranty to August 2023

1st Motion: Councilmember Veit

2nd Motion: Councilmember Landstrom

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #21: Bank of North Dakota Infrastructure Loan Program | Brenton Holper, City Administrator

Mr. Holper presented information regarding the Bank of North Dakota Infrastructure Loan Program. He explained concerns from staff in using this program to fund developments. Mayor Peterson opposed the request, stating that he doesn't want to dip into the fund for other reasons. Councilmember Veit agreed with Mayor Peterson, stating that it would unnecessarily tie up funds.

Motion: To not use the Bank of North Dakota Infrastructure Loan Program for Private Developments

1st Motion: Councilmember Veit

2nd Motion: Councilmember Landstrom

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #22: FY 2023 Preliminary Budget & Set Public Hearing Date | Brenton Holper, City Administrator

a. Discussion & Action

b. Septic System Installation for Single-Family Dwelling

Mr. Holper presented the FY 2023 Preliminary Budget and requested to set a hearing date which is required to be scheduled between September 7, 2023 and October 7, 2023.

Mr. Holper stated that he has been working with Paul Fracassi, Cass County Director of Tax Equalization, regarding being as close as possible to our current mill rate of \$60.11. He explained that if the City were to lower the mill rate but that doing so would sacrifice City services.

Discussion was had regarding the cost of living, which Mr. Holper explained had increased 9.1% according to the consumer index. He requested that the Council provide guidance on either following a set formula for predictability or by making adjustments when needed. He compared the COLAs for surrounding entities, stating that Cass County has proposed 7.1 percent. Councilmember Landstrom stated that she believes the range should be 2-3 percent. Mayor Peterson stated that he would be comfortable at 5 percent but not much lower, as he wants to ensure we



retain and attract employees. Councilmember Veit stated that she does not like seeing the COLA separate from raises and would like to look at other municipalities, while Councilmember Trudeau disagreed, stating that he prefers to see it separate from performance, as the cost of living is out of employees' control. Mayor Peterson stated that having two COLAs would be under extraordinary circumstances.

Mr. Holper also explained that Fargo and West Fargo are part of NDPERS. Fargo employees cover 7 percent and West Fargo covers 8.26%. Both the West Fargo school district and the City of West Fargo cover 100%. This has recently impacted the Finance Director and Public Works positions, as candidates backed out because the City was not part of NDPERS.

Discussion was also had regarding creating a recycling site. Councilmember Burkland requested that a poll be available for residents to determine the desire for cardboard recycling in the city.

Mayor Peterson suggested that the FY 2023 Preliminary Budget be approved as-is with a survey included regarding the recycling of cardboard, with a date of September 20 scheduled for the public hearing.

Motion: Approve Preliminary Budget with the Additional 5% to Solid Waste Budget Charges for Services as the Necessity of Cardboard Recycling is Determined and Set the Public Hearing Date of September 20, 2022 for the Budget

1st Motion: Councilmember Trudeau

2nd Motion: Councilmember Burkland

Action taken: All in favor, none opposed. Motion carried.

Mr. Holper presented a building permit application for a Septic System Installation for Single-Family Dwelling. The current structure will be removed and replaced with a 5.9 million dollar home with 11 bathrooms. Because the lot exceeds 1 acre and is based on R2 zoning, the City is required to improve the installation of a septic system.

Agenda Item #22b: Septic System Installation for Single-Family Dwelling at 7224 64th Avenue South

Motion: Allow Septic System Installation for Single-Family Dwelling at 7224 64th Avenue South

1st Motion: Councilmember Burkland

2nd Motion: Councilmember Landstrom

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #23: Engineering/Public Works | Jim Dahlman, City Engineer

a. Construction Project Status Report

Mr. Dahlman provided updates on the following projects:

1. Southdale Farms is 2 percent complete with a projected completion date of November 11, 2022.
2. Lift Station 13 is 9 percent complete with 15 percent general work complete. The crossing on County Road 17 will be taking place by Thursday, August 4.
3. The Water Replacement Project is 53 percent complete. It is 100 percent complete on Willow Avenue, Thue Court, Mickey Mouse Avenue, and Park Drive. Watermain replacement will occur on Center Avenue and Nelson Drive on August 8, 2022.
4. Lost River 7th Addition is 57.7 percent complete.
5. Lakeview Addition is 95% complete.



Agenda Item #24: City Administrator | Brenton Holper, City Administrator

Mr. Holper stated that he spoke with Collier's regarding the temporary bond, which came in at 3.25%, and is working on scheduling a date to present at an upcoming Council meeting. He reminded the Council of the North Dakota League of Cities in September and stated that Finance Director interviews with strong candidates will likely begin next week. He also stated that Public Works has hired a new employee, Rick Kaufman, who resides in Horace.

Agenda Item #25: Portfolio Reports

- a. Mayor Peterson stated that he attended a Chamber event regarding childcare and that he would like to be involved with the taskforce regarding the matter. He stated that it sounds like everyone was happy with the bond sales.
- b. Councilmember Veit requested adding children's safety and crosswalks to the next agenda. She also requested the jake brake and parking sign items be revisited, to which Mr. Holper explained that Interstate Engineering has been measuring streets.
- c. Councilmember Burkland stated that she will have a Bean Days meeting the next evening and that she had her first Planning and Zoning meeting the other night.
- d. Councilmember Landstrom stated that she will be joining the Bean Days meeting for planning and reminded Mr. Holper about livestreaming quotes.
- e. Councilmember Trudeau stated that he participated in a few rounds of interviews for the Public Works position and reviewed videos for the Finance Director position.

Agenda Item #25: Adjourn at 9:29 p.m.

1st Motion: Councilmember Burkland

2nd Motion: Councilmember Veit

Action taken: All in favor, none opposed. Motion carried.

The next City Council Meeting is scheduled for **Monday, August 15, 2022, at 6:00 pm**