



Horace City Council Meeting Minutes

The Horace City Council met on September 21, 2020 @ 6:00 pm at Horace City Hall. Those present were Mayor Kory Peterson, Councilmember Bryan Schmidt, Councilmember Chelsey Johnson, Councilmember John Koerselman, and Councilmember Dave Fenelon. Others present included: Brenton Holper, Jim Dahlman, Barrett Voigt, and Lukas Croaker.

Mayor Peterson called the meeting to order at 6:00 pm

The pledge of allegiance was recited.

Agenda Item #3: Approve Regular Agenda Moving Agenda Item #19 before/ Agenda Item #10.

Motion: Approve Regular Agenda Moving Agenda Item #19 before Agenda Item #10.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Fenelon

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

Agenda Item #4: Approve Consent Agenda

- a. Vendor Invoices
- b. Balance Sheet & Income Statement
- c. Pledge Reports

Motion: Approve Consent Agenda.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Koerselman

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

Agenda Item #5: Approval of City Council Meeting Minutes from September 8, 2020

Motion: Approve City Council Meeting Minutes from September 8, 2020.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Johnson

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

Agenda Item #6: Public Comment

No comments.

Agenda Item #7: Sheriff's Update | Ross Krause/Thomas Behm, Cass County Sheriff's Department

Deputy Sheriff Thomas Behm said that he had no updates to report at this time.

Resident Patricia Mohammed stated that she was told during the Special Assessment Meeting on September 17, 2020 to attend the City Council meetings to voice her concerns. She explained that a lot of residents did not know they would have to pay for the roundabout project. She said that residents would like a notice before these kinds of projects will be approved. Ms. Mohammed asked how Councilmembers make their decisions on the assessments and what the process was? Mr. Croaker



explained projects get published in the paper but that there are certain projects residents cannot protest (such as sewer and water projects).

Mayor Peterson explained that not many people read the local newspaper anymore and that staff has been looking into publishing the information on the City's website. He added that it would be very costly if the City had to pay for postage every time a project is up for approval.

Councilmember Koerselman reminded everyone that it is important that residents read the content on the website. If they do not visit the website, then they will not know about project updates. Ms. Mohammed said that it might be a good idea to have a page dedicated to new projects in every issue of Horace Happenings. Councilmember Koerselman explained that each item that is discussed during the meetings is listed in every agenda. Mayor Peterson concluded that the City would continue to look into ways to communicate better with residents and to continue to be transparent.

Resident David Isaac introduced himself as a resident of the south side of Horace and asked who authorized the assessments, especially the last two assessments? He mentioned a sewer project got assessed by linear footage. Mr. Dahlman explained that Mr. Isaac was talking about the Sewer Line to Fargo (SSL) which was assessed by area. Mr. Isaac said that was the problem because in Horace there are many rural lots that have their own septic system and they do not use the City's sewer system. Mr. Isaac then asked what the assessment method was for the roundabout project?

Mr. Dahlman answered that Equivalent Units (EU) were used for this project (a method that Fargo and West Fargo uses). Mr. Isaac said that he was concerned about the fairness of the assessments. He also gave the example of the roundabout assessment. Residents who own two acres or less were assessed \$464.26. Mr. Isaac owns four acres and should have been assessed around \$900, but he was assessed more than \$1,400. He said that he did not understand the math behind the formula. In his opinion the process and the equation should be the same every time.

Resident Brent Hansen said that he would like staff to mail out letters to residents informing them about projects. He also asked if staff could include how each assessment was calculated because residents do not understand the math behind it. It would be good if the process for each assessment would be explained.

Mr. Hanson also mentioned that it was brought to his attention that the 76th Avenue project will be paid by the County and that residents would hardly have to pay any taxes on it. Mr. Holper explained that the 76th Avenue project is an extension of the street that will connect to County Road 6. It is a capital improvement program that would start next year. The City was told that the County expects to be paying for the capital improvement, but the City cannot comment on it because it is a County project.

Resident Ken Christopher explained that he lives on 72nd Street South which is a gravel road. He asked Council if it would be possible to spray calcium chloride for dust control? The dust is so bad around his property that he cannot leave his garage door open. Mr. Holper explained that the City had problems with dust control in 2019 and that is why no dust control was done this year. Mayor Peterson said that staff will look into it.



Agenda Item #8: Resolution of Annexation | Brenton Holper, City Administrator and Lukas Croaker, City Attorney

Mr. Croaker presented the Resolution of Annexation. The City would like to annex a part of the west side of Horace that belongs to Stanley Township but is surrounded entirely by Horace city limits. The Resolution of Annexation was prepared and sent to the City for review the previous week. This document will be published twice in the local newspaper for two consecutive weeks and residents that live in the described area will have 30 days to file a written protest. The City must send out certified letters at least 7 days before the public hearing.

Mr. Voigt added that the described area is located on the northwest side of Wall Avenue and is a total of 67.2 acres. The main reason for the annexation request is the street improvements that need to be done to Wall Avenue. The gravel road part of Wall Avenue belongs to Stanley Township. Stanley Township said that repairing the road is not cost effective and their board members support the annexation request.

Motion: Approve the Resolution of Annexation.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Schmidt

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

Mr. Croaker explained that the Resolution of Annexation will be published on September 30, 2020. A resident asked where he could find the Resolution of Annexation? Mr. Croaker said that it can be found on the Forum's website. The resident asked where to send the letters of protest? Mr. Voigt responded that the letters need to be sent to the attention of the City's Auditor (Mr. Brenton Holper) at City Hall.

Agenda Item #9: Excel Energy Franchise Ordinance and Agreement | Brenton Holper, City Administrator

Mr. Holper presented the Excel Energy franchise agreement. Horace established franchise fees with other utilities but not with Excel Energy. Excel Energy maintains gas lines within public right-of-ways and with this agreement, they will start paying a fee so that they will be able to operate in the public right-of-ways. This agreement will determine how the City does business with Excel Energy going forward. This agreement is standard procedure and it is up to the utility company (not the City) if and how much they will charge the customer in return. Councilmember Schmidt asked if the terms of this agreement will have to be included into the ordinance? Mr. Croaker answered that the terms of the agreement must be included in the gas ordinance.

Motion: Approve Excel Energy Franchise Ordinance and Agreement.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Koerselman

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

Agenda Item #19: Resolution of Support (76th Ave Corridor Study) | Michael Maddox, Metro COG

Mr. Michael Maddox from Metro COG presented the 76th Avenue Corridor Study. 76th Avenue is a six-mile long corridor between the Sheyenne and the Red River. The reason for the conducted study was to



find a vision for the corridor. The committee was composed of a mix of staff members from the City of Horace, City of Fargo, Cass County, members of the West Fargo School District and Metro COG as well as the public. Newsletters to homeowners, who live a half a mile north and a half a mile south of 76th Avenue were sent, and they were invited to some of the stakeholder meetings.

The vision included the functionality of the corridor, the traffic that would use the corridor, if biking and walking paths would be available, and if other transit service would use the corridor. The study looked at incoming developments to get a better idea of what the roadway will need to be. Most participants answered that they would drive the corridor, but some also asked for recreational use availability. Future land uses were looked at and the committee thought that this area will be a major commercial corridor in Fargo, especially around 45th Street.

The study concluded that there were two options - to build a regional or a commercial arterial. One of the results was that adding a signal light to the corridor would add three minutes of time to pass through the corridor. A couple of fly-through videos were presented which showed what the corridor could look like. Mr. Maddox explained the phasing of the project and that the County will be paving the road from 45th Street to 76th Ave and from 64th Avenue to 76th Avenue.

Motion: Approve the Letter of Support (76th Ave Corridor Study).

1st Motion: Councilmember Koerselman

2nd Motion: Councilmember Johnson

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

Agenda Item #10: School Construction Progress | Mark Lemer, West Fargo School Construction Coordinator

Mr. Mark Lemer, the West Fargo School Construction Coordinator, presented an update on the construction of the new schools in Horace. The Heritage Middle School is a phased project. The first phase which was the academic portion of the school was completed. The music rehearsal spaces will be completed in the middle of October. Phase three (the auditorium) should be completed sometime in December. Soil and weather conditions were difficult at times, which delayed some of the progress. Some of the delays occurred because of COVID-19. For example, Moore Engineering was hired by the City of West Fargo for the code reviews but then West Fargo decided to halt all the work. The City of Horace hired an independent code reviewer who was able to continue the needed code reviews.

For the future, the same code reviewer will be involved for the construction of the new high school which will be helpful going forward. Most of the academic portion of the new high school (which includes the commons and the gyms) were supposed to be completed in July. The musical spaces, one academic space, and the auditorium were supposed to be completed in November. Some of their delays were caused by COVID-19 because some of the West Fargo building permits were delayed. The City of Horace hired a consultant from Midwest Inspections and then the needed building permits were granted. There were some delays during the code reviews because firewall plans had to be redesigned.

When it comes to the planned addition to the Horace Elementary School, City Council will receive a plat update request and a zoning change request. The School District intends to install a retention pond and improve the existing lift station. The construction will be phased. Mr. Lemer explained that it was



important for the WF School District that the underground improvements (which includes de-watering the construction site) on 82nd Avenue will be completed this fall.

Councilmember Koerselman asked if there were any safety concerns for the school kids because construction was going on simultaneously during school hours? Mr. Lemer explained that there is a separate construction entrance for the construction crew. The construction site itself was completely blocked off from the school. Going forward, the schools will continue to work closely with the City's building inspector and the code reviewer to make sure everyone continues to be safe.

Agenda Item #11: Water, Sewer, Storm and Street Improvement District No. 2020-2 (81st/82nd Ave) | Brenton Holper, City Administrator

Mr. Holper presented an update on the Water, Sewer, Storm and Street Improvement District No. 2020-2 (81st/82nd Ave). Construction is currently on hold mostly due to the missing temporary construction easement from the property owner to the south side. There is a discrepancy on how much right-of-way is needed because the contractor is asking for more than the City thinks will be needed. There are also concerns about moving forward with another project when the special assessments are not defined, and it is not clear who will pay for what once the project is completed. Mr. Holper wanted to bring the issue up to City Council to see how they would like to proceed?

Mayor Peterson added that it might be a good idea to get everything in writing prior to moving forward with the notice to proceed. Mr. Holper recommended that staff would draw up an agreement which must be signed by all parties.

Motion: Direct Staff to Work with the WF School District on a Proposed Agreement Regarding Special Assessment for the Water, Sewer, Storm and Street ID No. 2020-2 (81st/82nd Ave).

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Johnson

Action taken: Three in favor, Councilmember Johnson abstained. Motion carried.

Agenda Item #12: Conditional Use Permit (Lakeview Heights Third Addition) | Barrett Voigt, Community Development Director

Mr. Voigt presented the Conditional Use Permit (Lakeview Heights Third Addition). He explained that the applicant requested a CUP to allow restaurant use for a property located in the C-1 Neighborhood commercial zoning district on Lot 5, Block 1, Lakeview Heights Third Addition (7795 Jacks Way). This was the only option to rezone because the parcel's size is under an acre. The applicant is searching for approval so that a restaurant usage of the lot would be allowed. Staff sent out notices to property owners in the surrounding area and did not receive any complaints or comments. Staff therefore recommended approval.

Mayor Peterson asked if the size of the lot will be big enough for what they are planning to build? Mr. Voigt replied that restaurants can be built on half to three-quarters of an acre lot. Mr. Chris Mack explained that the design meets all ordinance requirements.

Motion: Approve the Conditional Use Permit (Lakeview Heights Third Addition).

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Koerselman

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



Agenda Item #13a: Engineering Services Agreement | Jim Dahlman, City Engineer

Mr. Dahlman presented the two Engineering Service Agreements.

The first agreement was the Water Improvement District for the Horace Water Service Area. The plan is to replace all the waterlines (up to the property line of each property), adding curb stops if needed, adding gate valves, fire hydrants, meter pits, and locating curb stops. The cost estimate is \$4.5M.

Homeowners could replace the water service lines on their side of the property if they chose to do so but the homeowner will have to pay for the additional work on their property side themselves.

Motion: Approve the Water Improvement District for Horace Water Service Area.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Schmidt

Action taken: All in favor, none opposed. Motion carried (4-0).

Agenda Item #13b: Water Improvement District for connecting to Cass Rural Water Users

Mr. Dahlman presented the second agreement for the connection to Cass Rural Water Service.

Motion: Approve the Water Improvement District for connecting to Cass Rural Water Users.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Fenelon

Action taken: All in favor, none opposed. Motion carried (4-0).

Agenda Item #14: Warranty Deed (Terra Gardens Addition) | Lukas Croaker, City Attorney

Mr. Croaker explained that the City built a storm water retention pond in Terra Gardens on a lot owned by the Park Board. The Park Board did not want to maintain the storm water retention pond and agreed to transfer the lot to the City.

Motion: Approve the Warranty Deed (Terra Gardens Addition).

1st Motion: Councilmember Koerselman

2nd Motion: Councilmember Johnson

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

Agenda Item #15: Water, Sewer, Storm and Street ID No. 2020-4 (Lost River 5th Addition) | Jim Dahlman, City Engineer

Mr. Dahlman presented the Change Order No. 1 for the Water, Sewer, Storm and Street ID No. 2020-4 (Lost River 5th Addition). The change order would increase the contract price by \$129,537.49. The change order was driven by the developer who requested extra storm water pond improvements. Some of the improvements will include extending the irrigation, planting new orchard trees, and lighting the sidewalk around the pond for additional safety. The completion date was set for October 17th, 2020.

Mayor Peterson asked if the pond lot was the lot where the boy scouts planted the trees, and if the developer was planning to plant more trees? Mr. Dahlman answered that it was the lot where boy scouts planted fruit trees and that the developer wants to start over. Ms. Zoe Peckover with Dwyer Law Office (representing the developer) added that a lot of the trees had died and that all the costs for the mentioned improvements would be assessed to the new home and property owners.



Councilmembers Schmidt and Koerselman asked who would pay for the lighting around the pond and who would pay for the maintenance of the trees in the future? Mr. Dahlman responded that there is a homeowner's association (HOA) that will pay for the expenses going forward. Mr. Dahlman said that he will double check with the HOA to make sure that they will pay for the maintenance.

Motion: Approve the Water, Sewer, Storm and Street ID No. 2020-4 (Lost River 5th Addition) Change Order No. 1 Increasing the Contract Price by \$129,537.49, pending that the lot will be maintained by the Homeowner's Association (HOA) and that they will be responsible for electricity for lights.

1st Motion: Councilmember Koerselman

2nd Motion: Councilmember Schmidt

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

Agenda Item #16: Storm Sewer Improvement District No. 2020-5 (Old River Oxbow Drainage) | Lukas Croaker, City Attorney

Mr. Croaker presented the Declaration of Official Intend for the Storm Sewer Improvement District No. 2020-5.

Motion: Approve the Storm Sewer Improvement District No. 2020-5 (Old River Oxbow Drainage) Declaration of Official Intend.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Koerselman

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

Agenda Item #17: FY 2020 Budget Amendment No. 1 | Becky Streitz, Finance Director

Horace's Finance Director Becky Streitz presented the FY 2020 Budget Amendment No. 1. According to the North Dakota Century Code, the City cannot spend more than the amount approved in the final budget. The purpose of the amendment is to obtain Council's approval of the budget amendment as projected expenditures are expected to exceed the budget. The funds included are the General Fund, Sales Tax Fund, and the Water Fund.

The new high school building permit was not included in the 2020 General Fund budget which was a surplus of \$300,000. The City is also anticipating \$98,000 for Cass County Sheriff reimbursements due to the Cares Act. The City received \$662,000 in lieu dedication for the Parks District

The increases the City encountered were \$30,000 for the Strategic Plan, \$15,000 for the Facility Needs Study, an \$18,000 increase in audit fees, and \$17,000 in recruiting fees. The \$662,000 in lieu dedication for the Parks is in commodities. Other/miscellaneous expenses for the General Fund included the setting up of two new funds which included a \$200,000 transfer to the Equipment Reserve Fund and a \$100K transfer to the Special Revenue Fund (for the new ordinance project).

The sales tax revenue is projected to exceed the budget by \$290,000. The City also received about \$184,000 in grant money for the Shared Use Path. There was an increase in contractual to account for the Shared Use Path engineering fees. Capital outlay increased to \$300,000 (which account for the 2020-5 drainage project) and \$150,000 (for miscellaneous street improvement).



The Water Fund may be short by the end of the year due to increases in salary and benefits to adjust for actual projected expense (which includes the anticipated hiring of a full-time engineer). Increase in repairs and maintenance for multiple water main leaks and water tower freezing. The budget was trimmed in capital outlay and other/misc. expense to offset the increase in repairs and maintenance.

Ms. Streitz explained that there might be a 2nd budget amendment brought to Council in the end of November to balance the Water Fund, which has been losing money.

Motion: Approve the FY 2020 Budget Amendment No. 1 and the Two Newly Created Funds (Equipment Reserve and Special Projects) as presented by staff.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Fenelon

Action taken: All in favor, none opposed. Motion carried (4-0).

Agenda Item #18: Public Works Equipment Purchases | Brenton Holper, City Administrator

Mr. Holper explained that Public Works needs new equipment because the dump truck staff was using is almost 30 years. Last year, over \$10,000 was spent in repairs alone. The proposed equipment purchases would be paid with monies from the Equipment Reserve Fund. The items on the list were a new plow truck with plow for \$172,923, a Polaris ranger side by side (with full cab for protection during future mosquito spraying) for \$25,441, a Ventrac mower (with a rough-cut deck and a contour deck) for \$32,749.20, a plow for 3/4 ton Dodge (for multi-use paths and small areas) in the amount of \$6,909.

The plow truck and the mower would be financed over 5 years because interest rates are very low right now. A road blocking fence for the Grayhawk area (73rd Street leading into the Wilds) for \$5,847 will also be needed but that would be paid with General Fund monies. Councilmember Schmidt asked why the City would buy a side-by-side right now if it would not be used until next spring? Mr. Holper responded that the turnaround time will be several months, and that it would not be delivered until next spring.

Motion: Approve the Public Works Equipment Purchases as presented by staff.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Koerselman

Action taken: All in favor, none opposed. Motion carried (4-0).

Agenda Item #20: Communications Update | Hannah Boor, Communications Specialist

Horace's Communication Specialist Hannah Boor presented a communication update. The City held three farmer's markets in 2020 and accommodated six vendors who sold produce, honey, and wine. The farmer's markets took place on Fridays between 3:00 pm to 7:00 pm. The time frame seemed to work nicely because residents were able to shop after work. There were scheduling issues with additional vendors though because they were already preparing for farmer's markets that were taking place on Saturdays in other cities. It might be a good idea to move the day of the week to get additional vendors next year.

The City also granted six food truck permits this year which included food trucks service during Bean Days. One idea could be to amend the food truck ordinance to accommodate the food trucks year around which would allow food trucks to operate during holiday events as well. It might also be a good



idea to start food truck season earlier next year (preferably in the spring) so that more vendors could join.

Bean Days 2020 had a great turnout. The event was shorter due to COVID-19 but in general it was a great success. One thing that would be helpful next year would be to have more volunteers who would be separated in groups. One group could take care of the car show, the next group could help the vendors etc. Mayor Peterson, Councilmember Johnson, and Ms. Boor already debriefed and created a masterplan for next year's Bean Days.

Ms. Boor explained that she is working on improving the website as well as the City's social media pages. One goal was to spread the same message throughout and to be transparent with the residents. Horace Happenings is another area that Mrs. Boor is working on which includes a possible business edition in the future. The Holiday in Horace celebration was canceled because of COVID-19. There is also a plan to create a chamber member spotlight, which would involve doing a video on one of the elected officials to highlight what is new in Horace.

Agenda Item #21: Engineering/Public Works | Jim Dahlman, City Engineer

Mr. Dahlman summarized the current construction projects which included numerous street patching projects in Horace.

- a. The Park District awarded Meadow Lark Park to TF Powers. TF Powers started earthwork.
- b. KPH continues to work on Lakeview Drive.
- c. Underground work will be completed in Southdale Farms within the next two weeks.
- d. Northern Improvements continues to work on finding a solution on how to correct the cracked pavement at the roundabout and 76th Avenue.

Agenda Item #22: City Administrator | Brenton Holper, City Administrator

- a. The Facility Needs Study for the planned City Hall will be presented during the next City Council meeting on October 5, 2020.
- b. The application deadline for the City's Engineer position will be on October 1, 2020. Screening and reviewing candidates will take place between October 10 to October 15, 2020. The recruiter will do the screening and will present a candidate report on October 16, 2020. The plan is to have a candidate in place in November or December.
- c. A Strategic Plan follow-up meeting will take place around October 16, 2020. This meeting will help refine how to implement the goals that were set during the Strategic Planning Workshop.
- d. If a resident asks how to object to the special assessments, the resident can send a letter to City Hall. The letter needs to include the assessment amount and a clear reason why the resident was objecting.
- e. Horace hand sanitizers and masks are still available (leftovers from Bean Days). Staff donated some of the masks and sanitizers to local daycares and will donate some to the schools.
- f. There was no meeting with Cass Rural Water yet, but hopefully staff will be able to meet with them. An update will hopefully be presented during the next City Council meeting on October 5, 2020.



- g. Kory Peterson and Mr. Holper will be speaking at the State Water Commission Meeting on September 25, 2020 in Fargo. Some of the topics will be the FM Diversion and Horace water updates.

Agenda Item #23: Portfolio Reports

- a. Mayor Peterson acknowledged the goals that were achieved during the Strategic Planning Workshop on September 10 and September 11, 2020. He also explained that the bond sales went well. Most bonds sold, there were only a couple of bonds left to sell.
- b. Councilmember Koerselman – no updates.
- c. Councilmember Fenelon – no updates.
- d. Councilmember Johnson thought Bean Days went well even though it was raining. She would like to see a bigger parade next year. It might also be good idea to get more food vendors next year. Maybe food vendors could stay for dinner time so that more residents could take advantage.

Agenda Item #24: Adjourn

Motion: Approve meeting adjourn at 9:02 pm.

1st Motion: Councilmember Koerselman

2nd Motion: Councilmember Fenelon

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

The Next City Council Meeting is October 5, 2020 at 6:00 pm