



Horace City Council Meeting Minutes

The Horace City Council met on February 16, 2021 @ 6:00 pm at Horace City Hall. Those present were Mayor Kory Peterson, Councilmember Bryan Schmidt, Councilmember Chelsey Johnson, Councilmember David Fenelon, and Councilmember Sarah Veit. Others present included: Brenton Holper, Jim Dahlman, Barrett Voigt, Lukas Croaker and Becky Streitz.

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

The pledge of allegiance was recited.

Agenda Item #3: Approve Regular Agenda

Motion: Approve the Regular Agenda.

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. Pledge Reports
- c. December Financial Statements (unaudited)
- d. Storm Sewer and Street Improvement District No. 2019-2 (76th Avenue and Roundabout): Progressive Estimate No. 10 (semi-final) in the amount of \$238,592.19 to Northern Improvement Co.
- e. Water, Sewer, Street and Drainage ID No. 2019-5 (Visto Industrial Additions): Progressive Estimate No. 7 (FINAL) in the amount of \$67,880.38 to Dakota Underground, Co.

Motion: Approve the Consent Agenda.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Veit

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

Agenda Item #5: Approval of City Council Meeting Minutes from February 1, 2021

Motion: Approve the City Council Meeting Minutes from February 1, 2021.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Schmidt

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

Agenda Item #6: Sheriff's Update | Craig Keller, Cass County Sheriff's Department

The next sheriff's update will be presented during the City Council meeting on March 1, 2021.

Agenda Item #7: Public Comment

None.



Agenda Item #8: Terra Gardens Third Addition | Jim Dahlman, City Engineer

8a. Mr. Voigt presented the Terra Gardens Third Addition plat and rezone. He recommended that the Council approves the zone change from A Agricultural to R-6 High Density Residential and A Agricultural to PF Public Facilities, as outlined within the staff report, as the proposal complies with the 2045 Horace Comprehensive Plan. The Planning and Zoning Commission and the Horace Park Board also recommended approval. Mayor Peterson opened the public hearing for the Terra Gardens Third Addition plat at 6:08 pm. No comments or questions were received. Mayor Peterson closed the public hearing for the Terra Gardens Third Addition plat at 6:08 pm.

8b. Mr. Voigt explained the City's rezone ordinance requirements and the developer's proposal. Mayor Peterson opened the public hearing for the Terra Gardens Third Addition rezone at 6:09 pm. Jon Lowry of Lowry Engineering stated that he and two representatives from Dwyer Law would be available for questions. No further comments or questions were received. Mayor Peterson closed the public hearing for the Terra Gardens Third Addition rezone at 6:10 pm.

Motion: Approve the Terra Gardens Third Addition Plat and Rezone as Presented by Staff.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Schmidt

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

8c. Mr. Dahlman explained the Resolution to Direct Engineer to Prepare the Terra Gardens Third Addition Plans and Specifications.

Motion: Approve the Resolution to Direct Engineer to Prepare the Terra Gardens Third Addition Plans and Specifications as Presented by Staff.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Veit

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

Agenda Item #9: Southdale Third Addition ID Agreement | Brenton Holper, City Administrator

Mr. Holper presented the Southdale Third Addition Improvement District Agreement draft. Mr. Mack, a New Horizon representative, requested that the requirement of a 75% letter of credit would be reduced to 50% letter of credit. Mayor Peterson stated that the City set the required letter of credit to be at 75% so that the City will be financially covered. Councilmember Fenelon added that once the Southdale Third Addition lots will be sold, the letter of credit can be adjusted accordingly. Mr. Holper explained that section 10 of the ID agreement identifies the principal reductions. Mayor Peterson concluded that the City could revisit this issue after the 2021 construction season has been completed. Mr. Holper said that the item was tabled so that the land dedication could be outlined in a clearer format. No action was taken.

Agenda Item #10: Various Zoning Amendments Ordinance No. 2020-16 | Barrett Voigt, Community Development Director

Mr. Voigt explained the Various Zoning Amendments Ordinance No. 2020-16. Staff received comments from developers as well as the Horace Fire Chief regarding side yards and safety.

Mr. Voigt recommended approval of the proposed Zoning Amendments Ordinance No. 2020-16 as stated in the staff report. Mr. Voigt added that the Planning and Zoning Commission worked through the proposed amendments and recommended approval as well.



Peterson opened the public hearing for the Various Zoning Amendments Ordinance No. 2020-16 plat at 6:40 pm. Mayor Peterson said that there will be a second reading of the Zoning Amendments Ordinance No. 2020-16 which means there will be more time for comments. Mr. Voigt mentioned that the information can be found in the Planning and Zoning agenda packets which are posted online. No further comments or questions were received. Mayor Peterson closed the public hearing for the proposed Zoning Amendments Ordinance No. 2020-16 at 6:42 pm.

Motion: Approve the Various Zoning Amendments Ordinance No. 2020-16 as Presented by Staff.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Schmidt

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

Agenda Item #11: Lakeview Addition | Barrett Voigt, Community Development Director

Mr. Voigt presented the final plat application for the Lakeview Addition and explained the location and concept of the project, which will be split in two sections. The first one, located in the north, would be rezoned to R-6 high density and the south part of the property would remain A Agricultural until a later date. Mr. Voigt explained the different zoning changes, land and park dedication from the developer, emergency access, and street structuring. Notifications to property owners who are located 300-feet from the subdivision were sent. City staff did not receive comments or questions.

Mr. Lowry of Lowry Engineering stated that he and two representatives from Dwyer Law were present to discuss the subdivision. He explained that the diocese's property will include the St. Benedict's Church, an elementary and middle school, sport fields, associated parking and the 63rd Street development. Mr. Voigt added that the south half of the property will be zoned commercial and mixed-use development once it will be ready for development. Mr. Lowry explained that the goal of the mixed-use area (located west of the recreational lake within the south half of the property) is to create a downtown feel. Construction of the St. Benedict's Church is expected to start in the fall of 2021.

Mayor Peterson opened the public hearing at 7:14 pm. Councilmember Fenelon asked what the estimated house value in the subdivision will be? Mr. Hauff of BR Developments explained the lots around the planned babbling brook area within the subdivision will be premium which means the houses on those lots will be around \$300,000 and up. The rest of the houses will be approximately between \$250,000 to \$300,000. The houses are geared towards young families and first-time homebuyers with close proximity to the schools. Mr. Hauff explained how drainage will be managed in the subdivision. Mayor Peterson closed he public hearing at 7:23 pm.

Motion: Approve the Lakeview Addition Plat and Rezone as Presented by Staff.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Fenelon

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

Agenda Item #12: Cass County Highway Department Memorandum of Agreement (MOU) | Brenton Holper, City Administrator

Mr. Holper summarized the Cass County Highway Department Memorandum of Agreement (MOU). Once the City of Horace has more than 5,000 residents, the County will work with the City to begin transitioning CR-17 and CR-6 to the City over a two-year period. The MOU also outlines other



improvements to be completed by the County with anticipated timelines of those improvements, and the transferring of specified County lots that can be used for future road right of way and potential park/green space.

Mr. Dahlman noted that additional improvements such as streetlighting and shared use paths for the road projects in this MOU would have to be paid for by the City. The City has already applied for recreational grants for phase 3 of the shared use path along CR-17 going north of 76th Ave.

Motion: Approve the Cass County Highway Department Memorandum of Agreement (MOU).

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Schmidt

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

Agenda Item #13: FY2020 Budget Amendment #3 | Becky Streitz, Finance Director

Ms. Streitz presented the FY2020 Budget Amendment #3. Within this budget amendment, due to revenues exceeding budgeted projections, a special projects fund was created for the Land Use Ordinance project. Other adjustments were accounted for in this amendment to account for appropriate accounting of purchases (such as Christmas decorations that the City partnered with the Horace Lion's Club to purchase).

Motion: Approve the FY2020 Budget Amendment # 3.

1st Motion: Councilmember Veit

2nd Motion: Councilmember Fenelon

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

Agenda Item #14: Zoning Ordinance Update Agreement | Barrett Voigt, Community Development Director

Mr. Voigt presented the Zoning Ordinance Update Agreement. Several consulting firms were interviewed, and the project was awarded to a company named Giffels Webster. The project will start in March 2021 and will be completed in approximately 18 months. Giffels Webster is a highly qualified and nationally renowned consulting firm for zoning ordinances. Giffels Webster also came in with the lowest bid for the project.

Motion: Approve the Zoning Ordinance Update Agreement in the amount of \$143,760.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Johnson

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

Agenda Item #15: City Website Proposal | Brenton Holper, City Administrator

Mr. Holper presented a proposal for a new City website. Staff researched website services because the City's current website is a basic package with limited functionality. Upgrading the current service would be costly and would not improve its functionality. The other website services that staff explored were Rivize, Granicus, and GovOffice. Councilmember Fenelon and staff received proposals, listened to presentations, and attended online meetings to find the right price-performance ratio when it comes to user friendliness and functionality. Staff concluded that Revize met the City's website needs.

Motion: Approve the Revize Website Proposal for \$11,500 (initial) and \$3,000 (annual thereafter).

1st Motion: Councilmember Veit

2nd Motion: Councilmember Schmidt

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



Agenda Item #16: Alternate Legal Services Agreement | Brenton Holper, City Administrator

Mr. Holper presented the proposed Alternate Legal Services Agreement between the City and Hoff Barry P.A., which is the firm that represented the City during disputes with the Metro Floodway Diversion Authority. The intention of this agreement is to have legal counsel available to assist the City when there could be a conflict of interest with Ohnstad Twichell. The main area the Hoff Barry is expected to work with the City on in the near future would be related to items involving the Metro Floodway Diversion Authority.

Motion: Approve the Alternate Legal Services Agreement.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Fenelon

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

Agenda Item #17: County Road 17 Shared Use Path Phase II – TAC-0009(054) | Jim Dahlman, City Engineer

Mr. Dahlman explained that the County Road 17 Shared Use Path Phase II is an extension of the first shared use path alongside County Road 17 which was constructed in 2020. The City received a Transportation Alternatives Grant from the Department of Transportation (DOT) for the construction of the Shared Use Path Phase II. The DOT requires extensive documentation such as plans and specification, environmental exhibits, plan preparation and DOT plan review. The construction for Phase II is planned for 2022 but the documents must be submitted by the end of October 2021. The Engineering Service Agreement must include number of environmental subconsultants workdays for DOT projects.

Motion: Approve the County Road 17 Shared Use Path Phase II Engineering Service Agreement.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Veit

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

Agenda Item #18: Water, Sewer, Storm and Street ID No. 2019-5 (Cub Creek) | Jim Dahlman, City Engineer

Mr. Dahlman explained the Water, Sewer, Storm and Street ID No. 2019-5 (Cub Creek) Change Order No. 3. A shared use path was originally designed to run straight alongside the east side of 63rd Street. Once construction started, the developer decided that he would like to do a curvilinear shared use path instead. The contractor said that he could construct a curvilinear shared use path for an additional \$13,239.00. The costs fell within the allocated budget.

Motion: Approve the Change Order No. 3 – Increase of \$13,239.00 for Additional Shared Use Path Work on 63rd Street.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Johnson

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

Agenda Item #19: Water, Sewer, Street and Drainage ID No. 2019-5 (Visto Industrial Additions) | Jim Dahlman, City Engineer

Mr. Dahlman explained the Water, Sewer, Street and Drainage ID No. 2019-5 (Visto Industrial Additions) Balancing Change Order No. 2. After the project was constructed, a balancing change order was created to rectify the actual constructed quantity against the construction contract. The project fell



within its budget and the increase of Change Order No. 2 will be \$28,154.90 which were allocated for in the original construction contract.

Motion: Approve the Water, Sewer, Street and Drainage ID No. 2019-5 (Visto Industrial Additions) Balancing Change Order No. 2 – Increase of \$28,154.90 to Balance the Construction Contract with as Constructed Quantities.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Schmidt

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

Agenda Item #20: Engineering/Public Works | Jim Dahlman, City Engineer

- a. The neighborhood dewatering wells could not be installed in the last few weeks because of the cold temperatures. The contractor will reach out to the City Engineer once the weather and temperatures will be more favorable for drilling.
- b. Chestnut/Ironwood improvements and rehabilitations are currently being worked on. A new plan of action will be presented in the next couple of weeks.
- c. The developer of the Arrowwood Third Addition has reached out to the railroad because he found a good drainage solution for the area which the railroad has to approve.

Agenda Item #21: City Administrator | Brenton Holper, City Administrator

- a. The State Water Commission met on February 11, 2021. The City of Horace applied for funding for two water projects (Water ID 2020-6 and Water ID 2020-7). The SWC granted the cost share for the engineering costs for both water projects. The water replacement project (Water ID 2020-6) will receive 60%-40% cost shares and the connecting to Cass Rural Water project will receive a 75%-25% cost share. Staff will apply for cost share funding for the construction cost share at the next State Water Commission meeting in April 2021. Mr. Holper will also extend an invitation to the City's legislators and the City's State Water Commission representative to show them the Horace water problems and the feedback from residents about water quality. The plan is to bid the projects in May of 2021.
- b. Mr. Holper gave an update on the legislative sessions.
- c. The second special election will take place on April 20, 2021. The deadline for petitions for being added to the voting ballot was on February 15, 2021. Two petitions were submitted before the deadline. The first one was for current interim Councilmember Sarah Veit and the second petition was for Derek Johnson. Residents who voted by absentee ballot in the past will get a letter in the mail along with an absentee ballot application.
- d. Plan review fees are currently set at 65% of the building permit cost. Staff is looking for guidance from Council on how to lower the rate. There are two options. The first option would be a change by resolution, the second would be a change by ordinance. Councilmember Fenelon recommended changing the plan review fee by resolution. Councilmember Schmidt added that the building permit fees are set by resolution so that they can be adjusted as needed.
- e. The City's IT support was outsourced to ReadITech.
- f. Horace Rural Fire and the State will provide free rapid COVID-19 testing events every Friday in March in Horace. Notifications about the testing events will be posted on the City's website and Facebook page.



Agenda Item #22: Portfolio Reports

- a. Mayor Peterson explained that he attended the Derby for the Vets event in Fargo which took place on Saturday, February 13, 2021. The event included a Mayor's race.
- b. Councilmember Veit attended the Planning and Zoning meeting on February 9, 2021. She also attended the weekly Public Works meeting and reported that she had a call with the Home Builders Association (HBA) to open a dialogue about between the HBA and the City of Horace. She also went door to door over the weekend to collect signatures for her nomination to be added to the voting ballot for the election on April 20, 2021.
- c. Councilmember Fenelon reported that he MetroCOG will be providing an annual update on the metro area soon which will provide residents with a lot of interesting information.
- d. Councilmember Johnson – no updates.
- e. Councilmember Schmidt – no updates.

Agenda Item #23: Adjourn

Motion: Approve Meeting Adjourn at 8:56 pm.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Johnson

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

Next Regular Meeting is **March 1, 2021** at 8:56 pm