



Horace City Council Meeting Minutes

The Horace City Council met on September 7, 2021 @ 6:00 pm at Horace City Hall. Those present were Mayor Kory Peterson, Councilmember Chelsey Johnson, Councilmember Naomi Burkland, and Councilmember Trudeau. Councilmember Veit joined by video call. Others present included: Brenton Holper, Jim Dahlman, and Lukas Croaker.

Mayor Peterson called the meeting to order at 6:01 pm.
The pledge of allegiance was recited.

Agenda Item #3: Approve Regular Agenda

Motion: Approve the Regular Agenda Removing Agenda Item #4e and Correcting Agenda Item #4h to ID No. 2021-2 and Agenda Item #4i to ID No. 2021-3. Adding Agenda Item #11b WSSSt. ID No. 2021-5 (Arrowwood 3rd Addition) – ID Agreement.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Trudeau

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

Agenda Item #4: Approve Consent Agenda

- a. Vendor Invoices
- b. Balance Sheet & Income Statement
- c. Checks Written in August 2021
- d. Pledge Reports
- e. (Removed) Tax Abatement August 2021 Submissions
- f. Cub Creek Addition – Rezone
 - i. Second Reading
- g. Floodplain Development Permit for County Road 17 S Bridge (Approximately 350-feet north of Riverdale Drive)
- h. Water, Sewer, Storm and Street ID No. 2021-2 (Terra Gardens Third Addition)
 - i. Progressive Estimate No. 1 to Fox Underground
- i. Water, Sewer, Storm and Street ID No. 2021-3 (Lakeview Addition)
 - i. Progressive Estimate No. 1 to Dakota Underground Co.
- j. Water, Sewer, Storm and Street ID No. 2021-1 (Southdale Farms Third Addition)
 - i. Progressive Estimate No. 4 to Dakota Underground Co.

Motion: Approve the Consent Agenda without Agenda Item #4e and Corrected Agenda Item #4h to ID No. 2021-2 and Agenda Item #4i to ID No. 2021-3.

1st Motion: Councilmember Trudeau

2nd Motion: Councilmember Burkland

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

Agenda Item #5: Approval of City Council Meeting Minutes from August 16, 2021

Motion: Approve the City Council Meeting Minutes from August 16, 2021.

1st Motion: Councilmember Burkland

2nd Motion: Councilmember Johnson

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



Agenda Item #6: Approval of the City Council Special Meeting Minutes from August 23, 2021

Motion: Approve the City Council Special Meeting Minutes from August 23, 2021.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Burkland

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

Agenda Item #7: Public Comment

No comments.

Agenda Item #8: Sheriff's Update | Ross Krause/Craig Keller, Cass County Sheriff's Department & Brenton Holper, City Administrator

No update was given.

Agenda Item #9: FY 2020 Audit Draft Presentation | John Hagen, Eide Bailly

Mr. Derek Flanagan from Eide Bailly presented the FY 2020 Audit Draft. The opinion the City of Horace received for the fiscal year 2020 was a clean audit (an unmodified opinion in accounting terms). That means the City's financial statements were prepared in accordance with standards, do not contain misstatements, and are fairly presented. There were three findings which must be reported. The first two were classified as material weaknesses which included a lack of segregation of duties (lack of financial office staff) and that Eide Bailly prepared financial statements. Another finding was a significant deficiency of journal entries that were proposed. The classification had improved from the previous year. Mr. Flanagan summarized the cash and investments statements, the analysis of the general fund, the actual fund balance, the water fund, and the garbage fund.

Mayor Peterson acknowledged that the City has turned its financial statements around from getting one of the worst audits in North Dakota four years ago to now getting a clean audit and therefore being eligible for state funding. He thanked the staff, especially Becky Streitz and Brenton Holper for their tremendous help.

Motion: Motion: Approve the FY 2020 Audit Draft as Presented.

1st Motion: Councilmember Veit

2nd Motion: Councilmember Trudeau

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

Agenda Item #10: Nuisance Abatement – 7820 Wild Rose Way | Brenton Holper, City Administrator

Mr. Holper summarized the nuisance violation on a vacant lot at 7820 Wild Rose Way which was first presented during the last City Council meeting on August 16, 2021. A couple of days after the meeting, the nuisances were cleaned up and the matter was resolved. No further action was taken on this matter.

Motion: None.

Agenda Item #11: Right of Way Purchase Request – Jim Dew (10501 72nd St. S.) | Brenton Holper, City Administrator

Mr. Holper summarized a right of way purchase request from the property owner at 10501 72nd St. S. He explained the location of the property and that a new road was installed in the easement south of the property. The property owner requested that the City purchase 30-ft of the easement (a little bit under 0.5 acres for \$12,000) because of the street that was constructed in his right of way. The property owner also requested \$200 for a pile of fertilization dirt that was located on his property but



was accidentally removed by the contractor mistaking it for topsoil.

The City Council discussed the location of the road with the City's engineer. Mr. Holper displayed a map and plat of the location. Mr. Croaker explained the difference between an easement and a right of way. Councilmember Johnson suggested that the contractor should pay the \$200 for the accidental removal of the manure. She suggested to replant the six trees that were impacted by the new road construction. Mr. Sahr stated that the City of Horace will have even bigger property easements in town that they will use for infrastructure in the future. That would mean that the City would have to pay for all of those easements as well.

Motion: Approve Planting Evergreen Trees in the Road Easement at 10501 72nd St. S. and Deny Landowner's Request for the City to Purchase the Right of Way.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Veit

Action taken: Two in favor, Councilmember Burkland and Councilmember Trudeau opposed. Mayor Peterson broke the tie and voted in favor. Motion carried.

(Added) Item #11b: WSSSt. ID No. 2021-5 (Arrowwood 3rd Addition) – ID Agreement | Lukas Croaker, City Attorney

Mr. Croaker presented the Arrowwood Third Addition ID Agreement. He explained that the developer's engineer added a fence to the property in the revised agreement. The Council discussed different tree and bush options. Mr. Croaker summarized the proposed ID agreement, which included project cost for the improvement district, boundary map, a land dedication letter for the Park District, and landscape exhibit (which include adding an 8-foot fence and planted shrubbery.)

Motion: Approve the Arrowwood Third Addition ID Agreement with Added Landscaping Revisions as Presented by Legal.

1st Motion: Councilmember Trudeau

2nd Motion: Councilmember Johnson

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

Item #12: Boulevard Tree Program Discussion | Brenton Holper, City Administrator

Mr. Holper explained that he has been working on creating a boulevard tree program with staff and a home builder to see which would be the best option for the City of Horace. He suggested that the City would charge each new resident (who is building a new house) a flat fee during the building permit process to plant boulevard trees on the new property. The rate for the flat fee would be set by the City Council.

Councilmembers Veit and Johnson liked the idea because it would guarantee that each new home in Horace would get a boulevard tree or two. Staff would work with a contractor and buy the trees in bulk to get the best price. The homeowner would be responsible for the tree maintenance.

Mr. Hayton from the Horace Fire District urged that a tree watering program would be put in place so that residents get help with watering trees (a water truck could water all boulevard trees to make sure that the trees would survive.) Mr. Holper added that a secondary tree program could give boulevard trees to established homes. The Council liked both program ideas. Mr. Holper concluded that he will request cost estimates from contractors and tree nurseries and will present them to the Council during the winter.



Agenda Item #13: Lost River Fifth Addition Easements | Lukas Croaker, City Attorney

Mr. Croaker explained that a sidewalk easement in the Lost River Fifth Addition will be dedicated from Winnie Development and Heritage Homes so that sidewalks can be installed.

Motion: Approve the Lost River Fifth Addition Sidewalk Easement (The North 4.00 Feet of Lots 1, 2, 3, Block 3) as Presented by Staff.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Trudeau

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

Mr. Croaker explained that Heritage Homes will grant an easement to Horace.

Motion: Approve the Lost River Fifth Addition Landscape Easement (Part of Lot 1, Block 3, Described as Follows: The North 34.00 Feet of the West 14.00 Feet of Lot 1, Block 3) as Presented by Staff.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Trudeau

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

Agenda Item #14: Cub Creek Change Order No. 4 in the Amount of \$157,490.00 | Jim Dahlman, City Engineer

Mr. Dahlman presented the Cub Creek Change Order No. 4 in the amount of \$157,490.00 and explained that improvements to the west bank of Drain 27 were not included in the original plans. A swale was left at the eastern edge of the LOMR fill creating standing water in the back yards along Drain 27. The developer requested this swale be filled in and graded to drain to Drain 27. The amount would be paid from the project's contingency fund.

Motion: Approve the Cub Creek Change Order No. 4 in the Amount of \$157,490.00.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Veit

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

Agenda Item #15: Water, Sewer, Storm and Street Improvement District No. 2017-1 (Lost River) – Final Pavement Lift | Jim Dahlman, City Engineer

Mr. Dahlman presented the Water, Sewer, Storm and Street Improvement District No. 2017-1 (Lost River) – Final Pavement Lift project. He said that bids were opened for the project on Thursday, September 2, 2021. Staff received bids from three contractors: Border States Paving Inc., Central Specialties Inc., and Northern Improvement Co. The apparent low bidder was Border States Paving, Inc. of Fargo, ND with a bid of \$265,483.00.

Motion: Award the Water, Sewer, Storm and Street Improvement District No. 2017-1 (Lost River) – Final Pavement Lift to Border States Paving.

1st Motion: Councilmember Burkland

2nd Motion: Councilmember Trudeau

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

Agenda Item #16: Southdale Farms Third Addition Warranty Deed (Lot 31, Block 5) Update | Lukas Croaker, City Attorney

Mr. Croaker updated the City Council on the Southdale Farms Third Addition (lot 31, block 5) warranty deed.



Agenda Item #17: Sanitary Sewer ID No. 2018-1 – Resolution Approving Sewer Connection Deferral | Lukas Croaker, City Attorney

Mr. Holper informed the City Council that some elements of the Sanitary Sewer ID No. 2018-1 project are regional improvements (infrastructure is being installed in the area) and some elements of the project are local improvements (properties are connected to the sewer line.) The Special Assessment Commission requested a tap fee to be added that would pay for the regional improvements so that a homeowner (who owns a septic tank) will not be assessed for an installation of a regional sewer line. A property owner (who owns a septic tank) would therefore only be assessed for the local improvement when the property owners in a neighborhood connect to the sewer line. Only the City Council has the authority to add a tap fee, the Special Assessment Commission does not. Mr. Dahlman emphasized that this would only apply to residential lots, not to agricultural land.

Resident Martin Hochhalter, who is a Special Assessment Commissioner, asked if the connection fee (local improvement) could increase if a resident chose to wait to connect to the sewer line. Mr. Holper responded that over time the costs for a resident to connect to the sewer line would likely to go up because of costs of materials and labor. Mr. Holper noted that this new fee structure gives the resident a choice to connect right away or wait until they need the connection to the sewer when their septic system is failing once local a sanitary sewer is present. A resident asked if she would be assessed if one of her neighbors would connect to the sewer line. Mr. Croaker replied that she would be assessed if her neighborhood chooses to connect because she would be part of the local improvement, but it would also give her the option to connect at that time. Mr. Croaker said that he would draft a resolution that could be approved by the City Council on September 20, 2021, and it could also be added to the Special Assessment Policy.

Motion: None.

Agenda Item # 18: St. Benedict’s Sewer Agreement | Lukas Croaker, City Attorney

Mr. Croaker explained that the City Council had already approved the St. Benedict’s Sewer Agreement in the past, but that the agreement has become more complex after discussions with the Southeast Cass Water Resource District and the St. Benedict’s Sewer Association. The St. Benedict’s Sewer Association will dissolve at the end of this year, which means that the individual property owners should be responsible for the terms and conditions in this agreement. Every property owner must sign this agreement which will then be recorded by the County. Going forward, every new connection must be approved by the City Council.

Motion: Approve the St. Benedict’s Sewer Agreement as Presented by Staff.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Trudeau

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

Agenda Item # 19: Community Development Director Position | Brenton Holper, City Administrator

Mr. Holper informed the City Council that the Horace Community Development Director’s position is currently vacant and that the firm Baker Tilly sent a \$19,500 proposal for recruitment services. The proposal is lower than other recruitment proposals Horace has received in the past. Staff has worked successfully with Baker Tilly. The recruitment fee would be paid from the general fund.

Motion: Approve the Community Development Director Recruitment and Proposal.

1st Motion: Councilmember Burkland



2nd Motion: Councilmember Trudeau

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

Mr. Holper noted that Mr. Sahr and he met with two different companies (Stantec and Interstate Engineering) to see who would be capable of helping the City of Horace with community developing until the position is filled. It was important to find someone who could meet with applicants (for rezones, plats, CUPs etc.) in person. Interstate Engineering staff has worked with the City in this capacity before and because they have the local presence in Horace, they are the right fit for Horace's community development until the position is filled.

Motion: Approve Adding Interstate Engineers Staff to Assist with Horace's Community Development.

1st Motion: Councilmember Burkland

2nd Motion: Councilmember Johnson

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

Agenda Item # 20: ND League of Cities Annual Business Session – Appointment of Two Delegates | Brenton Holper, City Administrator

Mr. Holper explained that the annual conference organized by the North Dakota League of Cities will take place in the middle of September. A business session will be held during the conference where two delegates from Horace would need to attend. Mr. Holper asked the City Council to appoint two delegates who can represent Horace. Councilmember Trudeau and Burkland volunteered to attend the business meeting and represent the City of Horace.

Motion: Appoint Councilmember Burkland and Councilmember Trudeau as Horace's Delegates.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Veit

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

Agenda Item # 21: Liquor License Correction – The Grove | Brenton Holper, City Administrator

Mr. Holper informed the City Council that the owner of The Grove, a new coffee and wine bar, reached out to him to get her liquor license corrected. She only submitted her name when applying for the Horace liquor license and did not know that she had to submit the names of all shareholders of the corporation of The Grove. The name of the corporation is JATD, Inc.

Motion: Approve The Grove's Liquor License Correction as Presented by Staff.

1st Motion: Councilmember Burkland

2nd Motion: Councilmember Trudeau

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

Agenda Item # 22: Horace – West Fargo Joint Powers Agreement Request (64th Ave. and West of Sheyenne River) | Brenton Holper, City Administrator

Mr. Holper presented the Horace – West Fargo Joint Powers Agreement Request (64th Ave. and West of Sheyenne River). He explained that both cities have mutual interest in the area of 64th Ave., west of Sheyenne River. The joint powers agreement (JPA) or memorandum of understanding (MOU) would address which city would provide the storm and sanitary sewer infrastructure and the connection of 9th St. The agreement would solidify the city boundaries and would outline each city's responsibility.

Motion: Direct Staff to Request a Joint Powers Agreement/Memorandum of Understanding (MOU) to be Developed with the City of West Fargo.

1st Motion: Councilmember Trudeau



2nd Motion: Councilmember Veit

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

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

- a. ID 2020-7 Connection to Cass Rural Water project. A time extension was requested by the contractor because of the long lead time for receiving the needed meter vault.
- b. ID 2020-6 Water Line Replacement project is ongoing. The water mains in the Park Dr. and Willow Ct. area are currently getting lined. The next areas that will be worked in are Sheyenne Dr., Thue Ct., and Center St.
- c. The bidding for the lift station project that is planned for Horseshoe Bend received comments from suppliers that the bidding schedule was too tight. Staff moved the bidding for the project to September 16.

Zach Hatting from Interstate Engineering added the following updates.

- d. Maple Lake Estates is working on the final punch list items. The contractor is waiting for enough water to fill the pond to finish the work.
- e. 100th Ave. force main project is finishing the last punch list items.
- f. Lost River Fifth Addition was completed, and staff is working on the closeout documents.
- g. Southdale Farms First Addition's quantities are being finalized with the contractor.

Mr. Dahlman added that Lakeview Addition project is about 35% complete.

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

- a. The North Dakota League of Cities Annual Conference will take place from September 16-September 18 in Bismarck.
- b. Staff is working on an offer for the Finance Director's position.
- c. A working group will be meeting with Giffels Webster to continue work on the Land Use Ordinance update. Mr. Holper requested that Giffels Webster sends a monthly update to the Planning Commission.

Agenda Item #25: Portfolio Reports

- a. Mayor Peterson reported that the mayors of Dilworth, Fargo, West Fargo, Moorhead, and Horace met with stakeholders who are involved in the metro area's addiction counseling and treatments. The numbers of drug overdoses have increased by 50% in the past twelve months and the meeting was to figure out what the mayors in the area could do to prevent further overdoses.
- b. Councilmember Veit – no updates.
- c. Councilmember Burkland reported that the annual Bean Days festival was a success despite the rain. She said that a Bean Days recap meeting for all the volunteers was scheduled for September 15, 2021, at 7:00 pm at City Hall. She explained that a resident reached out to inquire about a second water meter for exterior water usage. A meeting was set for any residents to find out about benefits vs. the costs of a second meter on Thursday, September 9, 2021, at 9:00 am at City Hall.
- d. Councilmember Johnson said that she is working on getting bids for the planned City Hall remodel project. She also offered her time to work on the City's Land Use Ordinance project.
- e. Councilmember Trudeau reported that he attended the Special Assessment Commission meetings that took place in the past two weeks. He asked if the residents who will be assessed will receive letters about the planned assessments from the City's attorney's office? Mr. Holper replied that the notification letters will be mailed in City of Horace envelopes and will be sent from City Hall. Mr. Croaker asked if the letters should contain everyone's individual special



assessment amount. Councilmember Trudeau replied that he thinks that would be a good idea to avoid getting calls from residents inquiring about their assessment amounts.

Agenda Item #26: Adjourn

Motion: Approve Meeting Adjourn at 8:39 pm.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Veit

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

The next Horace City Council meeting is scheduled for **Monday, September 20, 2021, at 6:00 pm**